

City of Newark, Ohio

Licking County



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2021



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2021

Prepared by the Auditor's Office

Ryan T. Bubb
City Auditor



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LICKING COUNTY, OHIO

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INTRODUCTORY SECTION





CITY OF NEWARK

40 West Main Street • Newark, Ohio 43055

Ryan T. Bubb, City Auditor

Phone: (740) 670-7560 Email: Rbubb@newarkohio.net

June 22, 2022

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

We are pleased to submit for your review the Annual Comprehensive Financial Report of the City of Newark, Ohio (the City) for the fiscal year ended December 31, 2021. This report has been prepared in accordance with accounting principles generally accepted in the United States of America 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.

Accounting principles generally accepted in the United States of America 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,"* as amended by GASB Statement No. 39, *"Determining Whether Certain Organizations Are Component Units"* and GASB Statement No. 61, *"The Financial Reporting Entity; Omnibus"* 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 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, 2021***

Form of Government:

Statutory

Along with being the County Seat, 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. The Safety, Service and Economic Development Directors are appointed by the Mayor and serve at the pleasure of the Mayor. The Human Resources Director is appointed by the Mayor and is a classified employee.

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, 2012 and again in 2017. 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.
- ❖ Human Resources Director is a classified employee.

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 50,943. 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.

Letter of Transmittal

For the Year Ended December 31, 2021

As part of the Columbus metropolitan area, in particular, its closeness to John Glenn Columbus International Airport (located on Columbus' far east side), offers flights to all points and places making 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.

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 historic Midland Theatre also calls Newark home offering many concerts and events throughout the year.

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. The newly completed Canal Market District provides a setting for various functions including a twice weekly farmers market running from May through October.

Our public high school is Newark High School. Students also have the ability to attend C-TEC which offers Technical training. Adult education is also offered at C-TEC. As an alternative to public education, Newark has two parochial elementary schools and one high school.

The Newark Branch of Ohio State University is the largest remote branch location offering Associate and Bachelor Degrees.

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.

***Letter of Transmittal
For the Year Ended December 31, 2021***

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. The Licking County region is close to post bulk mail centers and 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.

Very positive impacts occurring at The Central Ohio Aerospace and Technology Center:

- 1,821 employed, a 25% increase over 2 years.
- 14 Employers had employment level increases and nine companies experienced double-digit increases in employment.
- A combined \$137 million payroll, for a \$75,000+ annual average.
- At least one in six jobs are engineering-related or STEM fields
- 11 Spec buildings in 11 years. A new 30,000 sq ft industrial building is under construction.

Intel Announcement: Newark hosted the nationally-historic announcement on January 21, 2022 of Intel's \$20 billion manufacturing investment slated to open in Licking County in 2025. The Intel news is the most significant announcement of a business development project in Ohio's history and is slated to be just 20 miles east of Newark. It could grow to \$100 billion in 10 years. The original two fabs are expected to add 3,000 direct jobs and could grow to 10,000 jobs. Economists have predicted that Intel could bring a five-fold multiplier effect meaning the initial investment could yield another 15,000 jobs to the area.

Newark's Arcade building received historic tax credits to finalize a fully-funded, multi-year investment in bringing the unique arcade building back to life as a multi-house housing, retail, and entertainment complex in downtown Newark.

New housing is occurring in the following areas: Conor's Path Edition on Horns Hill Rd, Arbor Ct, Downtown above 1922, 31 West, and McKenna's Market.

***Letter of Transmittal
For the Year Ended December 31, 2021***

Redevelopment of the former Westinghouse now known as The Newark Station.

Licking Memorial Hospital is Newark's largest employer and offers a wide array of medical services.

Manufacturing continues to be a dominant part of Newark's economic base with Anomatic, Owens Corning, and PCA standing out. Anomatic is the largest manufacturer employer in Newark producing anodized aluminum products. Owens Corning has retained employment and invested in a new 750,000 s.f. distribution center in nearby Heath. PCA acquired 75+ acres in Newark with plans to expand it's Newark plant by 6X. PCA's plant has been in Newark for 70+ years. Newark is at the northern end of the largest manufacturing corridor in Central Ohio.

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%.

Employee Relations:

The City of Newark negotiates contracts with three 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, and the American Federation of State, County and Municipal Employees (AFSCME) Local 2963 Ohio Council 8, AFL-CIO. Non Union consists of the following: Non Bargaining, Management and Supervisory, Administrative/Technical, and Police/Fire Chiefs. Current contracts with union employees cover the years 2020 through 2022.

MAJOR INITIATIVES

During 2021, continuing efforts were made to upgrade services and improve the quality of life for the citizens of Newark through the following projects:

Infrastructure Improvements:

Newark continues to modernize as a new bridge at Thornwood Crossing will begin construction by the City in 2023 that connects the four-lane 161/16 Corridor to the Thornwood Corridor.

Route 13/4th Street in Downtown Square are undergoing complete rebuild, changing the traffic flows. Additionally, improved streetscapes are being constructed along with Biosales greatly assisting with storm water runoff. This project will eliminate combined sanitary and storm sewers. The project is continuing to include other downtown streets.

A roundabout was finished at the Sharon Valley Rd / Country Club Drive intersection. This has vastly improved traffic flow to and from the Ohio State University Newark Branch. 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.

***Letter of Transmittal
For the Year Ended December 31, 2021***

Parks and Recreation

Throughout 2021, Parks and Recreations throughout the City continued to evolve. At Horns Hill Park - 5 miles of Mountain Bike Paths were constructed and remodeling was finished on 2 shelter houses. Additionally, plans for a second playground are in the works. Over 1,100 baseball games were played at Don Edwards Park bringing many overnight stays to our City. Trout and Catfish Derby Tournaments were held at TJ Evans. Northpoint Dive Quarry at TJ Evans continues to be a major attraction for diving and law enforcement instruction. Also, at TJ Evans, 5 shelter houses continued to be offered to the public. Everett Park hosted 2 skateboard tournaments and is used on an almost daily basis. A disc golf course at TJ Evans attracts numerous guests during the year. Also, at Everett Park, you will find The Civil Air Patrol headquarters and a dog park. A second dog park was planned in 2021 at Reddington Rd. Canal Market hosts Farmers Markets and Private Events throughout at the Spring, Summer, and Fall. The Historic Licking County Jail brings many visitors to our City during the Fall.

City-Wide Initiatives

During 2021 financing was arranged for the following:

- A 16 inch transmission water line and storm water lines for the Southwest section of the City.
- The Streambank Restoration Project to rebuild the dam on Racoon Creek.
- A sewer line project bringing sewer to the northern end of Horns Hill Road.
- Improvements to the Church Street road area on Newark's west side.

Long-Term Financial Planning

During fiscal year 2007 the City began charging for EMS transport services. Legislation has been passed and amended mandating that 8% of the proceeds be set aside in reserve to provide stability to the City's General Fund with an additional 20% of the proceeds being earmarked and credited to the City's Capital Improvement Fund, 9% is for EMS vehicles, 37% for Buildings for Property and Fire Stations 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, 2021

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:

- * Personnel services
- * All others

Letter of Transmittal

For the Year Ended December 31, 2021

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 were audited by Wilson, Shannon and Snow Inc. 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 Annual Comprehensive Financial Report for the fiscal year ended December 31, 2020. 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 Annual Comprehensive Financial Report whose contents satisfy all program standards. The report must satisfy both accounting principles generally accepted in the United States of America (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 thirty consecutive years (1991 - 2020). 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 Annual Comprehensive 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, 2021***

Acknowledgments:

This report is a culmination of many hours of concentrated work on the part of the City Auditor's Office staff and a number of dedicated city employees and associates.

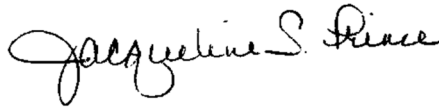
We also express our sincere appreciation to Donald J. Schonhardt and Associates, Inc. for their professional manner, expertise and countless hours of consultation in completing this annual financial report for the citizens of this community.

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,



Ryan T. Bubba
City Auditor



Jacqueline S. Prince
Accounting Manager



James A. Weisent
Deputy City Auditor

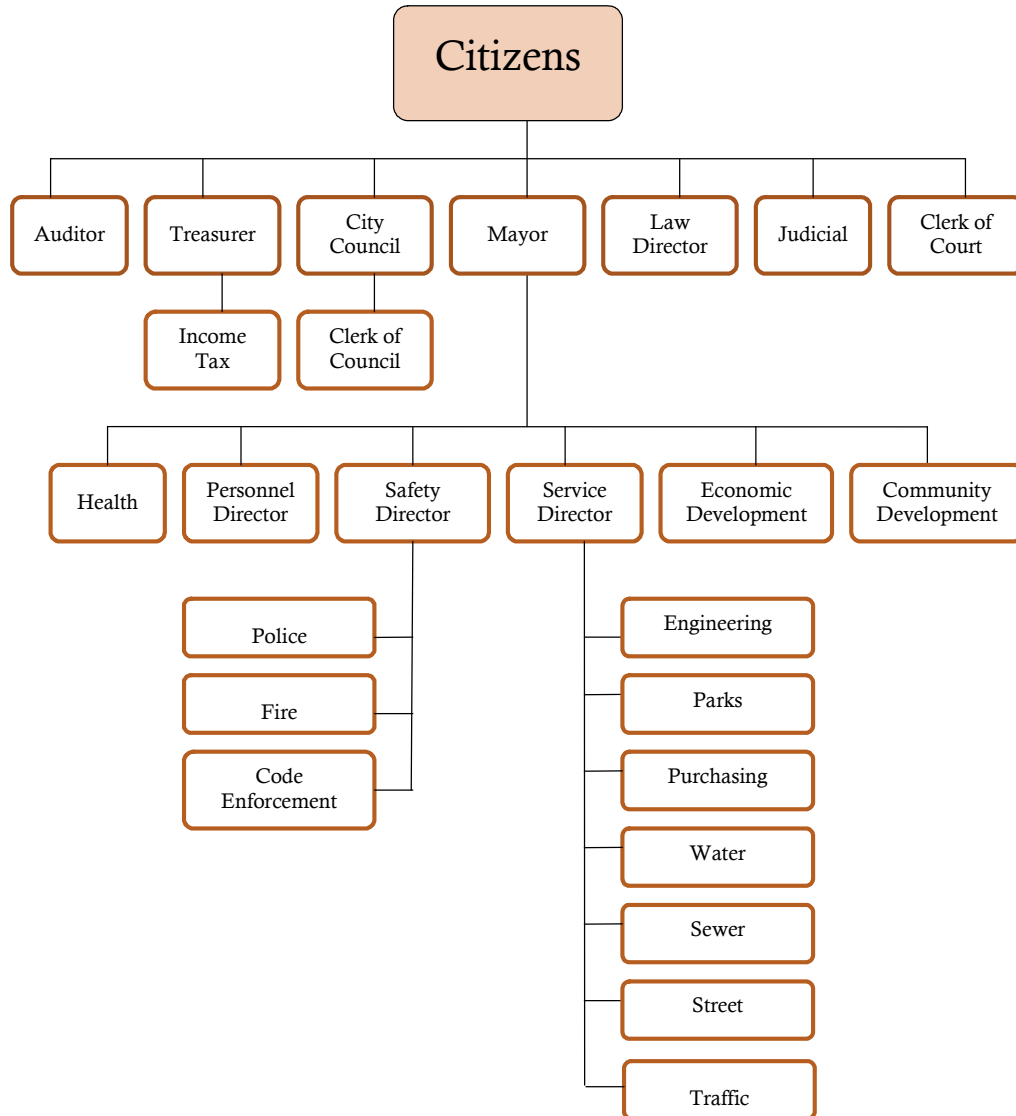
CITY OF NEWARK, OHIO

List of Principal Officials For the Year Ended December 31, 2021

NAME	TITLE	TERM OF OFFICE	SURETY DATA *	
Jeff Hall	Mayor	01/01/20 to 12/31/23		
Ryan T. Bubb	Auditor	01/01/20 to 12/31/23	\$5,000	12/31/20 to 12/31/23
Matt George	Judge	01/01/20 to 12/31/25		
David Stansbury	Judge	01/01/18 to 12/31/23		
Tricia Moore	Law Director	01/01/21 to 12/31/23		
Timothy Mercer	Treasurer	01/01/18 to 12/31/21	\$30,000	01/01/22 to 12/31/25
Don Ellington	President of Council	01/01/20 to 12/31/23		
Cheri Hottinger	Council-at-Large	01/01/20 to 12/31/23		
Spencer Barker.	Council-at-Large	01/01/20 to 12/31/23		
Jeff Harris	Council-at-Large	01/01/18 to 12/31/23		
Dee Hall	Council 1st Ward	01/01/18 to 12/31/21		
Jeremy Blake	Council 2nd Ward	01/01/18 to 12/31/21		
Jeff Rath	Council 3rd Ward	01/01/18 to 12/31/21		
Mark Labutis	Council 4th Ward	01/01/18 to 12/31/21		
Jonathan Lang	Council 5th Ward	01/01/18 to 12/31/21		
Douglas Marmie	Council 6th Ward	01/01/18 to 12/31/21		
Sean Fennell	Council 7th Ward	01/01/18 to 12/31/21		
Marcia Phelps	Clerk of Court	01/01/20 to 12/31/26	\$10,000	01/01/20 to 12/31/26

* - Liberty Mutual

***City Organizational Chart
For the Year Ended December 31, 2021***



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



Government Finance Officers Association

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

Presented to

**City of Newark
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Newark, Licking County, Ohio (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Newark, Licking County, Ohio as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and American Rescue Plan Act funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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 22, 2022, 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.

Required Supplementary Information

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

Supplementary information

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

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

Other Information

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

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

City of Newark
Licking County
Independent Auditor's Report

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2022, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Wilson, Shannon & Son, Inc.

Newark, Ohio
June 22, 2022

***Management's Discussion and Analysis
For the Year Ended December 31, 2021***

Unaudited

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, 2021. 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 2021 are as follows:

- ❑ In total, net position increased \$24,085,730. Net position of governmental activities increased \$17,515,913, or 66% from 2020. Net position of business-type activities increased \$6,569,817 or 17% from 2020.
- ❑ General revenues accounted for \$35,562,141 in revenue or 48% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$39,055,334, or 52% of total revenues of \$74,617,475.
- ❑ The City had \$37,143,192 in expenses related to governmental activities; only \$19,218,925 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$35,561,709 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$39,281,880 in revenues and other financing sources and \$38,835,288 in expenditures and other financing uses. The general fund's fund balance increased from \$11,280,828 to \$11,767,991.

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, 2021***

Unaudited

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.

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.

***Management's Discussion and Analysis
For the Year Ended December 31, 2021***

Unaudited

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 Fiduciary Net Position and Statement of Changes in Fiduciary Net Position.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a summary of the City's net position for 2021 compared to 2020.

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$53,389,519	\$37,167,147	\$20,443,952	\$28,396,403	\$73,833,471	\$65,563,550
Net OPEB Asset	855,150	0	421,463	0	1,276,613	0
Capital Assets, Net	85,400,143	78,075,479	123,809,545	109,751,454	209,209,688	187,826,933
Total Assets	139,644,812	115,242,626	144,674,960	138,147,857	284,319,772	253,390,483
Deferred Outflows of Resources	8,877,504	9,082,864	1,438,798	1,383,615	10,316,302	10,466,479
Net Pension Liability	36,418,031	37,712,550	3,462,168	4,561,824	39,880,199	42,274,374
Net OPEB Liability	4,568,326	10,523,898	0	3,232,252	4,568,326	13,756,150
Other Long-term Liabilities	30,417,939	30,858,498	90,162,299	87,264,158	120,580,238	118,122,656
Other Liabilities	17,574,795	5,495,478	4,996,351	5,249,594	22,571,146	10,745,072
Total Liabilities	88,979,091	84,590,424	98,620,818	100,307,828	187,599,909	184,898,252
Deferred Inflows of Resources	15,670,681	13,378,435	3,226,712	1,527,233	18,897,393	14,905,668
Net Position						
Net Investment in Capital Assets	58,547,237	51,221,557	36,307,178	30,699,918	94,854,415	81,921,475
Restricted	14,738,392	15,108,328	0	0	14,738,392	15,108,328
Unrestricted	(29,413,085)	(39,973,254)	7,959,050	6,996,493	(21,454,035)	(32,976,761)
Total Net Position	\$43,872,544	\$26,356,631	\$44,266,228	\$37,696,411	\$88,138,772	\$64,053,042

The net pension liability (NPL) is reported by the City pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net OPEB liability (NOL) is reported by the City pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). 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 OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*.

***Management's Discussion and Analysis
For the Year Ended December 31, 2021***

Unaudited

GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the City's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB 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 and other postemployment benefits. GASB noted that the unfunded portion of this 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 these liabilities. 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 Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *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 retirement system is responsible for the administration of the pension and OPEB plans.

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 or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, 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 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 and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

CITY OF NEWARK, OHIO**Management's Discussion and Analysis
For the Year Ended December 31, 2021****Unaudited**

Change in Net Position – The following table shows the change in net position for 2021 compared with 2020:

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues:						
Charges for Services and Sales	\$6,565,567	\$4,394,364	\$19,176,263	\$19,211,079	\$25,741,830	\$23,605,443
Operating Grants and Contributions	6,653,830	8,813,090	0	0	6,653,830	8,813,090
Capital Grants and Contributions	5,999,528	404,649	660,146	0	6,659,674	404,649
Total Program Revenues	19,218,925	13,612,103	19,836,409	19,211,079	39,055,334	32,823,182
General Revenues:						
Property Taxes	3,838,612	3,525,728	0	0	3,838,612	3,525,728
Income Taxes	26,323,603	23,273,642	0	0	26,323,603	23,273,642
Other Local Taxes	693,166	360,632	0	0	693,166	360,632
Intergovernmental, Unrestricted	2,105,938	3,705,128	0	0	2,105,938	3,705,128
Investment Earnings	98,937	521,433	432	0	99,369	521,433
Miscellaneous	2,501,453	2,195,601	0	0	2,501,453	2,195,601
Total General Revenues	35,561,709	33,582,164	432	0	35,562,141	33,582,164
Total Revenues	54,780,634	47,194,267	19,836,841	19,211,079	74,617,475	66,405,346
Program Expenses						
Security of Persons and Property	20,388,448	21,712,225	0	0	20,388,448	21,712,225
Leisure Time Activities	709,835	889,707	0	0	709,835	889,707
Community Environment	1,275,008	1,116,844	0	0	1,275,008	1,116,844
Public Health and Welfare Services	32,098	25,934	0	0	32,098	25,934
Transportation	4,111,421	3,703,225	0	0	4,111,421	3,703,225
General Government	9,868,895	16,550,653	0	0	9,868,895	16,550,653
Interest and Fiscal Charges	757,487	807,438	0	0	757,487	807,438
Water	0	0	4,493,994	7,191,579	4,493,994	7,191,579
Sewer	0	0	6,937,457	7,619,736	6,937,457	7,619,736
Storm Water	0	0	1,957,102	2,479,263	1,957,102	2,479,263
Total Expenses	37,143,192	44,806,026	13,388,553	17,290,578	50,531,745	62,096,604
Change in Net Position Before Transfers	17,637,442	2,388,241	6,448,288	1,920,501	24,085,730	4,308,742
Transfers	(121,529)	0	121,529	0	0	0
Total Change in Net Position	17,515,913	2,388,241	6,569,817	1,920,501	24,085,730	4,308,742
Beginning Net Position	26,356,631	23,968,390	37,696,411	35,775,910	64,053,042	59,744,300
Ending Net Position	\$43,872,544	\$26,356,631	\$44,266,228	\$37,696,411	\$88,138,772	\$64,053,042

Governmental Activities

Governmental activities net position increased \$17,515,913, or 66%. An increase in charges for services can mostly be attributed to collection charges for various Joint Economic Development District agreements. Also contributing to the increase was an increase in court fines and forfeitures, as court activity returned to pre-pandemic levels. Coronavirus Relief funding received in the prior year resulted in a subsequent decrease in operating grants in the current year. An increase in income taxes was the result of improving economic conditions. A decrease in unrestricted intergovernmental revenues can be attributed to Ohio Bureau of Workers' Compensation refunds received in the prior year.

CITY OF NEWARK, OHIO

Management's Discussion and Analysis For the Year Ended December 31, 2021

Unaudited

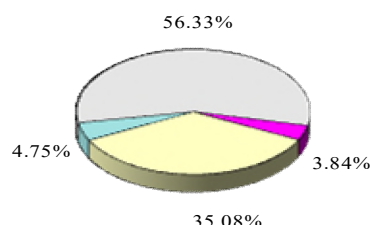
Capital grants and contributions included Ohio Department of Transportation funding for improvements to Newark-Mount Vernon Road, and bridge replacement at Ohio Street and Manning Street.

A substantial decrease in expenses can be directly attributed to changes in the Net Pension and Net OPEB liabilities.

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 48% and 7% respectively of revenues for governmental activities in 2021. The City's reliance upon tax revenues is demonstrated by the following graph indicating 56% of total revenues from general tax revenues:

Revenue Sources	2021	Percent of Total
General Tax Revenues	\$30,855,381	56.33%
Intergovernmental, Unrestricted	2,105,938	3.84%
Program Revenues	19,218,925	35.08%
General Other	2,600,390	4.75%
Total Revenue	<u>\$54,780,634</u>	<u>100.00%</u>



Business-Type Activities

Net position of business-type activities increased \$6,569,817. This represents a 17% change from the previous year. Revenues remained consistent with the previous year. A substantial decrease in expenses can be attributed to changes in the Net Pension and Net OPEB liabilities.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$25,160,710, which is an increase from last year's balance of \$22,736,863. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2021 and 2020:

	Fund Balance December 31, 2021	Fund Balance December 31, 2020	Increase (Decrease)
General	\$11,767,991	\$11,280,828	\$487,163
American Rescue Plan Act	0	0	0
Capital Improvement	579,638	(1,887,007)	2,466,645
Other Governmental	12,813,081	13,343,042	(529,961)
Total	<u>\$25,160,710</u>	<u>\$22,736,863</u>	<u>\$2,423,847</u>

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:

CITY OF NEWARK, OHIO**Management's Discussion and Analysis
For the Year Ended December 31, 2021****Unaudited**

	2021 Revenues	2020 Revenues	Increase (Decrease)
Taxes	\$29,229,576	\$25,937,282	\$3,292,294
Intergovernmental Revenues	2,132,432	3,712,321	(1,579,889)
Charges for Services	4,412,035	2,539,942	1,872,093
Licenses, Permits and Fees	103,659	79,863	23,796
Investment Earnings	(17,669)	431,057	(448,726)
Fines and Forfeitures	1,383,656	1,083,347	300,309
All Other Revenue	1,952,205	1,825,524	126,681
Total	<u>\$39,195,894</u>	<u>\$35,609,336</u>	<u>\$3,586,558</u>

General Fund revenues increased \$3,586,558, or 10% when compared with the previous year. An increase in taxes was the result of an increase in income taxes, which can be attributed to improving economic conditions. A portion of the increase in income taxes can be attributed to the City's share of taxes collected as part of Joint Economic Development District (JEDD) Agreements. This also contributed to an increase in charges for services the City collects as part of these JEDD agreements. Refunds received from the Ohio Bureau of Workers' Compensation in 2020 resulted in a subsequent decrease in intergovernmental revenue in 2021.

	2021 Expenditures	2020 Expenditures	Increase (Decrease)
Security of Persons and Property	\$19,029,786	\$17,928,815	\$1,100,971
Leisure Time Activities	908,520	781,253	127,267
Community Environment	503,659	477,482	26,177
Transportation	997	0	997
General Government	11,217,384	10,612,008	605,376
Debt Service:			
Principal Retirement	104,831	110,966	(6,135)
Interest and Fiscal Charges	17,396	7,222	10,174
Total	<u>\$31,782,573</u>	<u>\$29,917,746</u>	<u>\$1,864,827</u>

General Fund expenditures increased \$1,864,827, or approximately 6%. An increase in security of persons and property can be attributed to increases in salaries and benefits. An increase in general government was the result of an overall increase in contractual and employee costs.

American Rescue Plant Act Fund – The City received \$9,070,010 in State and Local Fiscal Recovery funds, as part of the American Rescue Plan Act. \$482,440 of these funds were expended in 2021 and recognized as revenue. The remaining \$8,587,570 of unspent funds are reflected on the balance sheet as unearned revenue.

Capital Improvement Fund – The City's Capital Improvement Fund balance increased substantially during 2021, to a balance of \$579,638. This can be attributed to transfers in from the General Fund.

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 2021 the City amended its General Fund budget several times.

**Management's Discussion and Analysis
For the Year Ended December 31, 2021****Unaudited**

For the General Fund, final budgeted receipts were 13% higher than original estimates due to refunds received from the Ohio Bureau of Workers' Compensation. Actual budget basis receipts were 17% higher than final estimates due to an increase in income tax receipts. The difference between original, final budgeted, and actual expenditures was insignificant.

CAPITAL ASSETS AND DEBT ADMINISTRATION**Capital Assets**

At the end of 2021 the City had \$209,209,688 net of accumulated depreciation invested in land, construction in progress, buildings, improvements, infrastructure, equipment and vehicles. Of this total, \$85,400,143 was related to governmental activities and \$123,809,545 to the business-type activities. The following tables show 2021 and 2020 balances:

	Governmental Activities		Increase (Decrease)
	2021	2020	
Land	\$20,262,578	\$20,262,578	\$0
Construction In Progress	614,805	5,409,276	(4,794,471)
Buildings	26,146,204	25,743,872	402,332
Improvements Other than Buildings	5,153,465	5,023,841	129,624
Infrastructure	91,268,550	78,602,410	12,666,140
Machinery and Equipment	15,393,516	13,195,103	2,198,413
Less: Accumulated Depreciation	(73,438,975)	(70,161,601)	(3,277,374)
Totals	<u>\$85,400,143</u>	<u>\$78,075,479</u>	<u>\$7,324,664</u>

Infrastructure additions included improvements to Newark-Mount Vernon Road, and bridge replacement at Ohio Street and Manning Street. Building improvements included a roof replacement at City Hall. Machinery and equipment additions included police cruisers, a fire truck, and street department vehicles.

	Business-Type Activities		Increase (Decrease)
	2021	2020	
Land	\$161,800	\$161,800	\$0
Construction in Progress	45,542,975	48,099,373	(2,556,398)
Buildings and Improvements	58,255,134	58,180,134	75,000
Infrastructure	44,045,483	35,596,865	8,448,618
Machinery and Equipment	42,426,279	31,913,982	10,512,297
Less: Accumulated Depreciation	(66,622,126)	(64,200,700)	(2,421,426)
Totals	<u>\$123,809,545</u>	<u>\$109,751,454</u>	<u>\$14,058,091</u>

Significant additions to business-type activities capital assets consisted of a downtown sewer separation project, downtown water improvements, alternative storm water project, and water, sewer, and storm water improvements at Mount Vernon Road. Additional information on the City's capital assets can be found in Note 8.

**Management's Discussion and Analysis
For the Year Ended December 31, 2021****Unaudited****Debt and Other Long-Term Obligations**

The following table summarizes the City's debt and other long-term obligations outstanding as of December 31, 2021 and 2020:

	2021	2020
Governmental Activities:		
General Obligation Bonds	\$15,794,963	\$17,175,357
ODOT State Infrastructure Bank Loan	3,871,553	3,969,881
OPWC Loans	609,500	698,000
Long Term Note Payable	1,125,000	1,125,000
Capital Leases	3,406,678	2,297,278
Workers Compensation Retrospective Liabilit	465,245	470,436
Accrued Pension Liability	1,270,912	1,339,698
Compensated Absences	3,874,088	3,782,848
Total Governmental Activities	30,417,939	30,858,498
Business-Type Activities:		
General Obligation Bonds	6,937,070	7,406,211
Revenue Bonds	17,603,010	17,991,868
OWDA Loans	61,365,474	57,337,035
OPWC Loans	839,529	950,704
ODOT State Infrastructure Bank Loan	2,694,866	2,922,466
Compensated Absences	722,350	655,874
Total Business-Type Activities	90,162,299	87,264,158
Totals	\$120,580,238	\$118,122,656

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, 2021, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 12.

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. An Amazon distribution complex is located in nearby Etna Township along with two joint economic development zones (JEDZ) have also been created with Etna Township. The City has seen an increase in commercial and retail development in recent years that has provided a positive impact in the tax base. The unemployment in the City remains near the national average.

The City's operating budget has been affected by recession and economic uncertainty in recent years; however, an economic recovery is taking place. The income tax collections, after several years of growth, showed a 11.7% increase in 2021. It appears to have been impacted by the COVID 19 Pandemic. The City's operating budget however, show an increase over the same period and budgetary forecasts project that growth trend will continue. The City has focused on increasing its cash position by establishing a Budget Stabilization Fund with a dedicated revenue source provided by legislation.

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: Ryan T. Bubbs, City Auditor, 40 West Main Street, Newark, Ohio 43055.



CITY OF NEWARK, OHIO**Statement of Net Position
December 31, 2021**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Pooled Cash and Investments	\$ 35,007,553	\$ 15,989,455	\$ 50,997,008
Cash and Cash Equivalents in Segregated Accounts	96,319	0	96,319
Cash and Cash Equivalents with Fiscal Agent	7,129	107,955	115,084
Investments	286,466	0	286,466
Receivables:			
Taxes	8,852,304	0	8,852,304
Accounts	984,238	2,281,232	3,265,470
Intergovernmental	3,492,851	0	3,492,851
Interest	1,758	0	1,758
Loans	2,302,056	0	2,302,056
Internal Balance	(187,900)	187,900	0
Inventory of Supplies at Cost	630,232	776,486	1,406,718
Prepaid Items	69,472	27,947	97,419
Restricted Assets:			
Cash and Cash Equivalents	447,034	0	447,034
Cash and Cash Equivalents with Fiscal Agent	0	1,072,977	1,072,977
Investments	622,523	0	622,523
Investments with Fiscal Agent	777,484	0	777,484
Net OPEB Asset	855,150	421,463	1,276,613
Non-Depreciable Capital Assets	20,877,383	45,704,775	66,582,158
Depreciable Capital Assets, Net	64,522,760	78,104,770	142,627,530
Total Assets	139,644,812	144,674,960	284,319,772
Deferred Outflows of Resources:			
Deferred Charge on Debt Refunding	134,788	142,079	276,867
Pension	5,591,623	1,015,355	6,606,978
OPEB	3,151,093	281,364	3,432,457
Total Deferred Outflows of Resources	8,877,504	1,438,798	10,316,302
Liabilities:			
Accounts Payable	634,916	272,738	907,654
Accrued Wages and Benefits	1,302,183	247,399	1,549,582
Intergovernmental Payable	173,686	3,320	177,006
Claims Payable	372,834	0	372,834
Matured Bonds and Interest Payable	0	13,728	13,728
Unearned Revenue	8,587,570	0	8,587,570
Accrued Interest Payable	103,606	409,166	512,772
General Obligation Notes Payable	6,400,000	4,050,000	10,450,000
Noncurrent Liabilities:			
Due Within One Year	4,463,609	3,738,855	8,202,464
Due in More Than One Year:			
Net Pension Liability	36,418,031	3,462,168	39,880,199
Net OPEB Liability	4,568,326	0	4,568,326
Other Amounts Due in More Than One Year	25,954,330	86,423,444	112,377,774
Total Liabilities	88,979,091	98,620,818	187,599,909

	Governmental Activities	Business-Type Activities	Total
Deferred Inflows of Resources:			
Property Tax Levy for Next Fiscal Year	3,923,779	0	3,923,779
Pension	6,723,361	1,924,695	8,648,056
OPEB	5,023,541	1,302,017	6,325,558
Total Deferred Inflows of Resources	<u>15,670,681</u>	<u>3,226,712</u>	<u>18,897,393</u>
Net Position:			
Net Investment in Capital Assets	58,547,237	36,307,178	94,854,415
Restricted For:			
Capital Projects	425,925	0	425,925
Debt Service	2,094,055	0	2,094,055
Security of Persons	1,830,621	0	1,830,621
Street Improvement	3,761,109	0	3,761,109
Community Environment	2,912,201	0	2,912,201
Judiciary	2,225,227	0	2,225,227
Cemetery Maintenance	1,412,448	0	1,412,448
Other Purposes	76,806	0	76,806
Unrestricted (Deficit)	<u>(29,413,085)</u>	<u>7,959,050</u>	<u>(21,454,035)</u>
Total Net Position	<u>\$ 43,872,544</u>	<u>\$ 44,266,228</u>	<u>\$ 88,138,772</u>

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO**Statement of Activities
For the Year Ended December 31, 2021**

		Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 20,388,448	\$ 3,346,950	\$ 1,294,044	\$ 0
Leisure Time Activities	709,835	0	10,000	0
Community Environment	1,275,008	351,557	757,629	0
Public Health and Welfare Services	32,098	195,134	19,765	0
Transportation	4,111,421	0	3,962,577	5,999,528
General Government	9,868,895	2,671,926	609,815	0
Interest and Fiscal Charges	757,487	0	0	0
Total Governmental Activities	37,143,192	6,565,567	6,653,830	5,999,528
Business-Type Activities:				
Water	4,493,994	6,949,831	0	269,402
Sewer	6,937,457	8,948,560	0	206,155
Storm Water	1,957,102	3,277,872	0	184,589
Total Business-Type Activities	13,388,553	19,176,263	0	660,146
Totals	\$ 50,531,745	\$ 25,741,830	\$ 6,653,830	\$ 6,659,674

General Revenues and Transfers

Property Taxes Levied for:

General Purposes

Special Purposes

Capital Purposes

Income Tax

Other Local Taxes

Intergovernmental, Unrestricted

Investment Earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (15,747,454)	\$ 0	\$ (15,747,454)
(699,835)	0	(699,835)
(165,822)	0	(165,822)
182,801	0	182,801
5,850,684	0	5,850,684
(6,587,154)	0	(6,587,154)
(757,487)	0	(757,487)
(17,924,267)	0	(17,924,267)
0	2,725,239	2,725,239
0	2,217,258	2,217,258
0	1,505,359	1,505,359
0	6,447,856	6,447,856
\$ (17,924,267)	\$ 6,447,856	\$ (11,476,411)
2,614,159	0	2,614,159
519,786	0	519,786
704,667	0	704,667
26,323,603	0	26,323,603
693,166	0	693,166
2,105,938	0	2,105,938
98,937	432	99,369
2,501,453	0	2,501,453
(121,529)	121,529	0
35,440,180	121,961	35,562,141
17,515,913	6,569,817	24,085,730
26,356,631	37,696,411	64,053,042
\$ 43,872,544	\$ 44,266,228	\$ 88,138,772

CITY OF NEWARK, OHIO
Balance Sheet
Governmental Funds
December 31, 2021

	General	American Rescue Plan Act	Capital Improvement
Assets:			
Pooled Cash and Investments	\$ 10,314,699	\$ 8,716,715	\$ 7,015,470
Cash and Cash Equivalents in Segregated Accounts	73,334	0	0
Investments	0	0	211,466
Receivables:			
Taxes	7,613,584	0	0
Accounts	922,664	0	0
Intergovernmental	1,060,928	0	0
Interest	1,758	0	0
Loans	0	0	0
Inventory of Supplies, at Cost	199,473	0	0
Prepaid Items	69,472	0	0
Restricted Assets:			
Cash and Cash Equivalents	0	0	0
Investments	0	0	0
Investments with Fiscal Agent	0	0	0
Total Assets	\$ 20,255,912	\$ 8,716,715	\$ 7,226,936
Liabilities:			
Accounts Payable	\$ 301,023	\$ 31,313	\$ 228,208
Accrued Wages and Benefits Payable	1,166,080	0	0
Intergovernmental Payable	75,410	97,832	0
Unearned Revenue	0	8,587,570	0
Compensated Absences Payable	51,057	0	0
Accrued Interest Payable	0	0	19,090
General Obligation Notes Payable	0	0	6,400,000
Total Liabilities	1,593,570	8,716,715	6,647,298
Deferred Inflows of Resources:			
Unavailable Amounts	4,196,978	0	0
Property Tax Levy for Next Fiscal Year	2,697,373	0	0
Total Deferred Inflows of Resources	6,894,351	0	0
Fund Balance:			
Nonspendable	268,945	0	0
Restricted	0	0	0
Committed	0	0	579,638
Assigned	7,935,929	0	0
Unassigned	3,563,117	0	0
Total Fund Balance	11,767,991	0	579,638
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 20,255,912	\$ 8,716,715	\$ 7,226,936

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 8,053,850	\$ 34,100,734
22,985	96,319
75,000	286,466
1,238,720	8,852,304
61,574	984,238
2,431,923	3,492,851
0	1,758
2,302,056	2,302,056
430,759	630,232
0	69,472
447,034	447,034
622,523	622,523
777,484	777,484
<u>\$ 16,463,908</u>	<u>\$ 52,663,471</u>
\$ 74,372	\$ 634,916
136,103	1,302,183
444	173,686
0	8,587,570
0	51,057
0	19,090
0	6,400,000
<u>210,919</u>	<u>17,168,502</u>
2,213,502	6,410,480
1,226,406	3,923,779
<u>3,439,908</u>	<u>10,334,259</u>
430,759	699,704
12,382,322	12,382,322
0	579,638
0	7,935,929
0	3,563,117
<u>12,813,081</u>	<u>25,160,710</u>
<u>\$ 16,463,908</u>	<u>\$ 52,663,471</u>

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2021***

Total Governmental Fund Balances \$ 25,160,710

***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. 85,400,143

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. 6,410,480

The net pension and OPEB liabilities are not due and payable in the current period, and the net OPEB asset is not an expendable financial resource; therefore, the liabilities/asset and related deferred inflows/outflows are not reported in the governmental funds.

Deferred Outflows - Pension	5,591,623	
Deferred Inflows - Pension	(6,723,361)	
Net Pension Liability	(36,418,031)	
Deferred Outflows - OPEB	3,151,093	
Deferred Inflows - OPEB	(5,023,541)	
Net OPEB Asset	855,150	
Net OPEB Liability	<u>(4,568,326)</u>	(43,135,393)

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. 353,214

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	(15,794,963)	
Deferred Charge on Debt Refunding	134,788	
ODOT State Infrastructure Bank Loan	(3,871,553)	
Long Term Note Payable	(1,125,000)	
Ohio Public Works Commission Loan	(609,500)	
Capital Leases Payable	(3,406,678)	
Accrued Pension Liability	(1,270,912)	
Compensated Absences Payable	(3,823,031)	
Worker's Compensation Retrospective Liability	(465,245)	
Accrued Interest Payable	<u>(84,516)</u>	<u>(30,316,610)</u>

Net Position of Governmental Activities \$ 43,872,544

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, 2021

	General	American Rescue Plan Act	Capital Improvement
Revenues:			
Taxes	\$ 29,229,576	\$ 0	\$ 0
Intergovernmental Revenues	2,132,432	482,440	5,999,528
Charges for Services	4,412,035	0	0
Licenses, Permits and Fees	103,659	0	0
Investment Earnings	(17,669)	0	0
Special Assessments	0	0	0
Fines and Forfeitures	1,383,656	0	0
All Other Revenue	1,952,205	0	88,567
Total Revenues	39,195,894	482,440	6,088,095
Expenditures:			
Current:			
Security of Persons and Property	19,029,786	0	0
Public Health and Welfare Services	0	0	0
Leisure Time Activities	908,520	0	0
Community Environment	503,659	0	0
Transportation	997	0	0
General Government	11,217,384	482,440	0
Capital Outlay	0	0	9,844,038
Debt Service:			
Principal Retirement	104,831	0	1,627,249
Interest and Fiscal Charges	17,396	0	154,438
Total Expenditures	31,782,573	482,440	11,625,725
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,413,321	0	(5,537,630)
Other Financing Sources (Uses):			
Sale of Capital Assets	85,986	0	0
Other Financing Sources - Capital Leases	0	0	1,716,480
ODOT SIB Loan Issuance	0	0	269,983
Long Term Note Issuance	0	0	1,125,000
Transfers In	0	0	4,892,812
Transfers Out	(7,052,715)	0	0
Total Other Financing Sources (Uses)	(6,966,729)	0	8,004,275
Net Change in Fund Balance	446,592	0	2,466,645
Fund Balance at Beginning of Year	11,280,828	0	(1,887,007)
Increase (Decrease) in Inventory	40,571	0	0
Fund Balance End of Year	\$ 11,767,991	\$ 0	\$ 579,638

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 1,227,993	\$ 30,457,569
5,890,630	14,505,030
5,882	4,417,917
0	103,659
116,606	98,937
113,724	113,724
427,837	1,811,493
460,681	2,501,453
8,243,353	54,009,782
1,308,815	20,338,601
32,098	32,098
0	908,520
1,066,432	1,570,091
4,220,294	4,221,291
1,606,873	13,306,697
0	9,844,038
1,786,811	3,518,891
667,531	839,365
10,688,854	54,579,592
(2,445,501)	(569,810)
0	85,986
0	1,716,480
0	269,983
0	1,125,000
2,196,153	7,088,965
(157,779)	(7,210,494)
2,038,374	3,075,920
(407,127)	2,506,110
13,343,042	22,736,863
(122,834)	(82,263)
\$ 12,813,081	\$ 25,160,710

***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, 2021***

Net Change in Fund Balances - Total Governmental Funds **\$ 2,506,110**

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	11,276,976	
Depreciation Expense	(3,848,667)	7,428,309

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.		(103,645)
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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.		770,852
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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:

Pension	3,396,966	
OPEB	56,455	3,453,421

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

Pension	(2,188,103)	
OPEB	4,803,143	2,615,040

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

ODOT State Infrastructure Bank Loan Issuance	(269,983)	
Capital Leases Issued	(1,716,480)	
Long Term Note Issuance	(1,125,000)	(3,111,463)

(Continued)

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

Deferred Charge on Debt Refunding Amortization	(14,450)	
Bond Premium Amortization	50,394	
General Obligation Bond Principal Payment	1,330,000	
OPWC Loan Principal Payment	88,500	
ODOT State Infrastructure Bank Loan Retirement	368,311	
Long Term Note Retirement	1,125,000	
Capital Lease Principal Payment	607,080	
Pension Liability Principal Payment	68,786	3,623,621

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

45,934

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	(91,517)	
Worker's Compensation Retrospective Liability	5,191	
Change in Inventory	(82,263)	(168,589)

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.

456,323

Change in Net Position of Governmental Activities

\$ 17,515,913

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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 24,242,085	\$ 24,452,085	\$ 28,920,520	\$ 4,468,435
Intergovernmental Revenue	1,732,436	1,742,436	2,100,351	357,915
Charges for Services	3,012,479	3,518,667	4,414,190	895,523
Licenses, Permits and Fees	99,975	99,975	103,053	3,078
Investment Earnings	201,105	201,105	311,665	110,560
Fines and Forfeitures	1,403,600	1,421,611	1,381,632	(39,979)
All Other Revenue	62,300	3,441,957	3,743,110	301,153
Total Revenues	30,753,980	34,877,836	40,974,521	6,096,685
Expenditures:				
Current:				
Security of Persons and Property	19,628,013	19,748,703	19,620,080	128,623
Leisure Time Activities	872,424	960,158	936,060	24,098
Community Environment	715,389	584,377	570,266	14,111
Transportation	0	997	997	0
General Government	12,622,460	13,387,071	13,137,438	249,633
Total Expenditures	33,838,286	34,681,306	34,264,841	416,465
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,084,306)	196,530	6,709,680	6,513,150
Other Financing Sources (Uses):				
Sale of Capital Assets	40,000	40,000	85,986	45,986
Transfers In	1,103,115	1,103,115	1,338,115	235,000
Transfers Out	(3,591,431)	(7,804,487)	(7,800,830)	3,657
Advances In	0	56,369	56,369	0
Total Other Financing Sources (Uses):	(2,448,316)	(6,605,003)	(6,320,360)	284,643
Net Change in Fund Balance	(5,532,622)	(6,408,473)	389,320	6,797,793
Fund Balance at Beginning of Year	6,613,704	6,613,704	6,613,704	0
Prior Year Encumbrances	1,156,213	1,156,213	1,156,213	0
Fund Balance at End of Year	\$ 2,237,295	\$ 1,361,444	\$ 8,159,237	\$ 6,797,793

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)
American Rescue Plan Act Fund
For the Year Ended December 31, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 9,070,010	\$ 9,070,010	\$ 0
Total Revenues	0	9,070,010	9,070,010	0
Expenditures:				
Current:				
General Government	0	8,939,565	8,939,565	0
Total Expenditures	0	8,939,565	8,939,565	0
Net Change in Fund Balance	0	130,445	130,445	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 130,445	\$ 130,445	\$ 0

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2021**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
Assets:			
Current Assets:			
Pooled Cash and Investments	\$ 7,850,562	\$ 6,172,680	\$ 1,966,213
Cash and Cash Equivalents with Fiscal Agent	107,955	0	0
Receivables:			
Accounts	980,930	980,930	319,372
Inventory of Supplies at Cost	330,800	389,927	55,759
Prepaid Items	13,937	13,790	220
Total Current Assets	9,284,184	7,557,327	2,341,564
Noncurrent Assets:			
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agent	1,059,272	13,705	0
Total Restricted Assets	1,059,272	13,705	0
Net OPEB Asset	201,360	196,422	23,681
Non Depreciable Capital Assets	11,740,469	31,864,636	2,099,670
Depreciable Capital Assets, Net	15,855,042	47,867,325	14,382,403
Total Noncurrent Assets	28,856,143	79,942,088	16,505,754
Total Assets	38,140,327	87,499,415	18,847,318
Deferred Outflows of Resources:			
Deferred Charge on Debt Refunding	0	0	142,079
Pension	289,862	691,406	34,087
OPEB	134,426	131,130	15,808
Total Deferred Outflows of Resources	424,288	822,536	191,974
Liabilities:			
Current Liabilities:			
Accounts Payable	100,790	69,774	102,174
Accrued Wages and Benefits	154,146	81,395	11,858
Intergovernmental Payable	0	0	3,320
Claims Payable	0	0	0
Compensated Absences Payable - Current	277,154	125,599	30,960
Accrued Interest Payable	97,484	269,968	41,714
General Obligation Notes Payable	500,000	1,050,000	2,500,000
General Obligation Bonds Payable - Current	103,500	57,500	304,000
Revenue Bonds Payable - Current	360,000	0	0
OWDA Loans Payable - Current	154,630	1,744,966	311,891
OPWC Loans Payable - Current	0	111,175	0
State Infrastructure Bank Loan - Current	48,425	48,425	60,630
Total Current Liabilities	1,796,129	3,558,802	3,366,547

CITY OF NEWARK, OHIO

Total	Governmental Activities - Internal Service Funds
\$ 15,989,455	\$ 906,819
107,955	0
2,281,232	0
776,486	0
27,947	0
19,183,075	906,819
1,072,977	7,129
1,072,977	7,129
421,463	0
45,704,775	0
78,104,770	0
125,303,985	7,129
144,487,060	913,948
142,079	0
1,015,355	0
281,364	0
1,438,798	0
272,738	0
247,399	0
3,320	0
0	372,834
433,713	0
409,166	0
4,050,000	0
465,000	0
360,000	0
2,211,487	0
111,175	0
157,480	0
8,721,478	372,834

(Continued)

CITY OF NEWARK, OHIO
Statement of Net Position
Proprietary Funds
December 31, 2021

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
Noncurrent Liabilities:			
Matured Bonds and Interest Payable	23	13,705	0
General Obligation Bonds Payable	1,186,500	692,500	4,593,070
Revenue Bonds Payable	17,243,010	0	0
OWDA Loans Payable	1,820,978	54,848,501	2,484,508
OPWC Loans Payable	0	728,354	0
State Infrastructure Bank Loans Payable	780,247	780,246	976,893
Compensated Absences Payable	181,563	81,820	25,254
Net Pension Liability	1,654,094	1,613,550	194,524
Total Noncurrent Liabilities	22,866,415	58,758,676	8,274,249
Total Liabilities	24,662,544	62,317,478	11,640,796
Deferred Inflows of Resources:			
Pension	1,136,129	703,477	85,089
OPEB	624,135	604,786	73,096
Total Deferred Inflows of Resources	1,760,264	1,308,263	158,185
Net Position:			
Net Investment in Capital Assets	11,131,940	19,670,294	5,504,944
Unrestricted	1,009,867	5,025,916	1,735,367
Total Net Position	\$ 12,141,807	\$ 24,696,210	\$ 7,240,311

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

	Governmental Activities - Internal Service Funds
Total	
13,728	0
6,472,070	0
17,243,010	0
59,153,987	0
728,354	0
2,537,386	0
288,637	0
3,462,168	0
89,899,340	0
98,620,818	372,834
1,924,695	0
1,302,017	0
3,226,712	0
36,307,178	0
7,771,150	541,114
\$ 44,078,328	\$ 541,114
187,900	
\$ 44,266,228	

CITY OF NEWARK, OHIO

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2021

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
Operating Revenues:			
Charges for Services	\$ 6,768,436	\$ 8,504,448	\$ 3,253,954
Other Operating Revenues	181,395	444,112	23,918
Total Operating Revenues	6,949,831	8,948,560	3,277,872
Operating Expenses:			
Personal Services	180,802	2,153,373	189,770
Contractual Services	1,545,973	1,844,203	1,242,049
Materials and Supplies	1,131,175	461,152	86,417
Depreciation	795,678	1,367,923	257,825
Total Operating Expenses	3,653,628	5,826,651	1,776,061
Operating Income	3,296,203	3,121,909	1,501,811
Non-Operating Revenues (Expenses):			
Interest Income	311	121	0
Interest and Fiscal Charges	(815,649)	(1,092,667)	(277,543)
Other Nonoperating Expense	(24,717)	(18,139)	(398)
Total Non-Operating Revenues (Expenses)	(840,055)	(1,110,685)	(277,941)
Income Before Transfers and Contributions	2,456,148	2,011,224	1,223,870
Transfers and Contributions:			
Transfers In	0	240,483	0
Transfers Out	(20,020)	0	(98,934)
Capital Contributions	269,402	206,155	184,589
Total Transfers and Contributions	249,382	446,638	85,655
Change in Net Position	2,705,530	2,457,862	1,309,525
Net Position Beginning of Year	9,436,277	22,238,348	5,930,786
Net Position End of Year	\$ 12,141,807	\$ 24,696,210	\$ 7,240,311

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

<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 18,526,838	\$ 7,043,192
649,425	0
<u>19,176,263</u>	<u>7,043,192</u>
2,523,945	6,489,969
4,632,225	0
1,678,744	0
2,421,426	0
<u>11,256,340</u>	<u>6,489,969</u>
7,919,923	553,223
432	0
(2,185,859)	0
(43,254)	0
<u>(2,228,681)</u>	<u>0</u>
5,691,242	553,223
240,483	0
(118,954)	0
660,146	0
<u>781,675</u>	<u>0</u>
6,472,917	553,223
37,605,411	(12,109)
<u>\$ 44,078,328</u>	<u>\$ 541,114</u>
\$ 6,472,917	
96,900	
<u>\$ 6,569,817</u>	

CITY OF NEWARK, OHIO

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$6,825,525	\$8,824,254	\$3,237,401
Cash Received for Interfund Services	0	0	0
Cash Payments for Goods and Services	(2,664,589)	(2,429,933)	(1,305,448)
Cash Payments to Employees	(2,373,215)	(2,867,994)	(314,128)
Net Cash Provided by Operating Activities	1,787,721	3,526,327	1,617,825
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	0	279,883	0
Transfers Out to Other Funds	(59,420)	0	(98,934)
Net Cash Provided (Used) by Noncapital Financing Activities	(59,420)	279,883	(98,934)
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(5,603,925)	(7,923,218)	(2,494,776)
General Obligation Notes Issued	500,000	1,050,000	2,500,000
General Obligation Note Retirement	(500,000)	(965,000)	(2,500,000)
Principal Paid on General Obligation Bonds	(101,250)	(56,250)	(297,500)
Principal Paid on Revenue Bonds	(350,000)	0	0
Ohio Water Development Authority Loans Issued	0	7,276,718	0
Principal Paid on State Infrastructure Bank Loans	(69,987)	(69,987)	(87,626)
Principal Paid on Ohio Water Development Authority Loans	(149,087)	(2,815,437)	(283,755)
Principal Paid on Ohio Public Works Commission Loans	0	(111,175)	0
Interest Paid on All Debt	(818,641)	(1,178,179)	(284,824)
Net Cash Used by Capital and Related Financing Activities	(7,092,890)	(4,792,528)	(3,448,481)
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	120	121	0
Net Cash Provided by Investing Activities	120	121	0
Net Increase (Decrease) in Cash and Cash Equivalents	(5,364,469)	(986,197)	(1,929,590)
Cash and Cash Equivalents at Beginning of Year	14,382,258	7,172,582	3,895,803
Cash and Cash Equivalents at End of Year	\$9,017,789	\$6,186,385	\$1,966,213
<u>Reconciliation of Cash and</u>			
<u>Cash Equivalents per the Statement of Net Position:</u>			
Cash and Cash Equivalents	\$7,850,562	\$6,172,680	\$1,966,213
Cash with Fiscal Agent	107,955	0	0
Restricted Cash with Fiscal Agent	1,059,272	13,705	0
Cash and Cash Equivalents at End of Year	\$9,017,789	\$6,186,385	\$1,966,213

CITY OF NEWARK, OHIO

	Governmental- Activities
Total	Internal Service
\$18,887,180	\$0
0	7,043,192
(6,399,970)	0
(5,555,337)	(6,629,804)
6,931,873	413,388
279,883	0
(158,354)	0
121,529	0
(16,021,919)	0
4,050,000	0
(3,965,000)	0
(455,000)	0
(350,000)	0
7,276,718	0
(227,600)	0
(3,248,279)	0
(111,175)	0
(2,281,644)	0
(15,333,899)	0
241	0
241	0
(8,280,256)	413,388
25,450,643	500,560
\$17,170,387	\$913,948
\$15,989,455	\$906,819
107,955	0
1,072,977	7,129
\$17,170,387	\$913,948

(Continued)

CITY OF NEWARK, OHIO**Statement of Cash Flows****Proprietary Funds****For the Year Ended December 31, 2021**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
<u>Reconciliation of Operating Income to Net Cash</u>			
<u>Provided by Operating Activities:</u>			
Operating Income	\$3,296,203	\$3,121,909	\$1,501,811
Adjustments to Reconcile Operating Income to			
Net Cash Provided by Operating Activities:			
Depreciation Expense	795,678	1,367,923	257,825
Nonoperating Expense	(22,817)	(18,139)	(398)
Changes in Assets, Liabilities, and Deferred Outflows/Inflows:			
Increase in Accounts Receivable	(124,306)	(124,306)	(40,471)
(Increase) Decrease in Inventory	54,892	(3,778)	10,284
Increase in Prepaid Items	(1,606)	(1,589)	(25)
Increase in Net OPEB Asset	(201,360)	(196,422)	(23,681)
(Increase) Decrease in Deferred Outflows of Resources	340,746	(424,084)	13,947
Increase (Decrease) in Accounts Payable	(17,910)	(101,072)	9,837
Increase in Intergovernmental Payable	0	0	3,320
Increase in Accrued Wages and Benefits	6,800	14,263	4,352
Decrease in Claims Payable	0	0	0
Increase (Decrease) in Compensated Absences	57,306	(3,996)	13,166
Increase (Decrease) in Net Pension Liability	(1,189,434)	132,551	(42,773)
Decrease in Net OPEB Liability	(2,014,763)	(1,049,354)	(168,135)
Increase in Deferred Inflows of Resources	808,292	812,421	78,766
Total Adjustments	(1,508,482)	404,418	116,014
Net Cash Provided by Operating Activities	<u>\$1,787,721</u>	<u>\$3,526,327</u>	<u>\$1,617,825</u>

Schedule of Noncash Investing, Capital and Financing Activities:

During 2021 the Water Fund, Sewer Fund, and Storm Water Fund received noncash capital contributions of \$269,402, \$206,155, and \$184,589, respectively.

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

	Governmental- Activities
Total	Internal Service
\$7,919,923	\$553,223
2,421,426	0
(41,354)	0
(289,083)	0
61,398	0
(3,220)	0
(421,463)	0
(69,391)	0
(109,145)	0
3,320	0
25,415	0
0	(139,835)
66,476	0
(1,099,656)	0
(3,232,252)	0
1,699,479	0
<u>(988,050)</u>	<u>(139,835)</u>
<u>\$6,931,873</u>	<u>\$413,388</u>

CITY OF NEWARK, OHIO

***Statement of Net Position
Fiduciary Funds
December 31, 2021***

	<u>Custodial</u>
Assets:	
Cash and Cash Equivalents	\$ 1,538,997
Receivables:	
Taxes	384,275
Accounts	<u>4,240</u>
Total Assets	<u>1,927,512</u>
Liabilities:	
Intergovernmental Payable	1,604,334
Due to Others	<u>323,178</u>
Total Liabilities	<u>1,927,512</u>
Unrestricted	<u>0</u>
Total Net Position	<u><u>\$ 0</u></u>

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

***Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended December 31, 2021***

	Custodial
Additions:	
Fines and Forfeiture Collections for other Governments	\$ 2,582,932
Income Tax Collections for other Governments	4,051,392
Total Additions	<u>6,634,324</u>
Deductions:	
Distribution of Fines and Forfeitures to other Governments	2,582,932
Distribution of Income Taxes to other Governments	4,051,392
Total Deductions	<u>6,634,324</u>
Change in Net Position	0
Net Position at Beginning of Year	0
Net Position End of Year	<u>\$ 0</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

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, 2021 and for the year then ended and have been prepared in conformity with accounting principles generally accepted in the United States of America (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 Governmental Accounting Standards Board (the "GASB") Statement No. 14, *"The Financial Reporting Entity,"* as amended by GASB Statement No. 39, *"Determining Whether Certain Organizations Are Component Units"* and GASB Statement No. 61, *"The Financial Reporting Entity; Omnibus"* 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, 2021***

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.

American Rescue Plan Act Fund – This fund is used to account for Coronavirus State and Local Fiscal Recovery funds received as part of the American Rescue Plan Act. The funds are to be used to support the response and recovery from the COVID-19 public health emergency.

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.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

Fiduciary 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. Fiduciary activities are accounted for on an "economic resources" measurement focus.

Custodial Funds -The custodial funds account for municipal court monies, fines for the Licking County law library and Joint Economic Development District income tax collections.

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 City did not report interfund receivables or payables at December 31, 2021.

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, 2021***

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 and custodial funds 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, 2021***

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, 2021 but are not intended to finance 2021 operations, and delinquent property taxes whose availability is indeterminate, are recorded as deferred inflows of resources. Property taxes are further described in Note 5.

The accrual basis of accounting is utilized for reporting purposes by the government-wide financial statements, proprietary funds, and custodial 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, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

All funds other than custodial 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 2021.

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, 2021***

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" 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, 2021**

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 Fund and Major Special Revenue Fund:

	Net Change in Fund Balance	
	General Fund	American Rescue Plan Act Fund
GAAP Basis (as reported)	\$446,592	\$0
Increase (Decrease):		
Accrued Revenues at December 31, 2021 received during 2022	(2,914,679)	0
Accrued Revenues at December 31, 2020 received during 2021	4,749,675	0
Accrued Expenditures at December 31, 2021 paid during 2022	1,593,570	8,716,715
Accrued Expenditures at December 31, 2020 paid during 2021	(1,453,238)	0
2020 Prepays for 2021	55,572	0
2021 Prepays for 2022	(69,472)	0
Outstanding Encumbrances	(2,018,700)	(8,586,270)
Budget Basis	<u>\$389,320</u>	<u>\$130,445</u>

F. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, the State Treasury Asset Reserve (STAR Ohio), and short-term certificates of deposit with original maturities of three months or less. The Star Ohio and certificates of deposit are considered cash equivalents because they are highly liquid investments. See Note 4, "Cash, Cash Equivalents and Investments."

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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*" and GASB Statement No. 72, "*Fair Value Measurement and Application*," the City records all its investments at fair value except for nonparticipating investment contracts which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statements.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. See Note 4, "Cash, Cash Equivalents and Investments."

The City's investment in the State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. For fiscal year 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

H. Inventory

On the government-wide financial statements and in the proprietary funds, inventories are presented at cost 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, 2021, 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, 2021***

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 acquisition 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 acquisition 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:

Description	Governmental and Business-Type Activities
	Estimated Lives (in years)
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, 2021**

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, Sewer Fund, Storm Water Fund Tax Increment Financing Fund Debt Service Fund
OWDA Loans	Water Fund, Sewer Fund, Storm Water Fund
OPWC Loans	Permissive License Tax Fund, Sewer Fund
Capital Leases	General Fund, Capital Improvement Fund
Compensated Absences	General Fund Street Department Fund Community Development Fund, Safety Grants Fund, Court Computerization Fund, Probation Grant Fund, Judicial 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, Permissive License Tax Fund, Water Fund, Sewer Fund, Storm Water Fund
Long Term Notes	Capital Improvement 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, 2021***

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, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Pension/OPEB

The provision for pension/OPEB cost is recorded when the related payroll is accrued and the obligation is incurred. For purposes of measuring the net pension and OPEB liability/asset, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB 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/OPEB 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. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Restricted Assets

Restricted cash and investments are amounts restricted in use for a bond reserve account, 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 2021.

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 assets 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/OPEB 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/OPEB amounts on the government-wide and proprietary funds statement of net position. See Notes 9 and 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 assets 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, 2021***

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/OPEB are reported on the government-wide and proprietary funds statement of net position. See Notes 9 and 10.

U. Estimates

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

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE

For 2021, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 89, “Accounting for Interest Cost Incurred before the End of a Construction Period.”

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. The implementation of this statement had no effect on beginning of year net position/fund balance.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021****NOTE 3 – 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:

<u>Fund Balances</u>	<u>General Fund</u>	<u>American Rescue Plan Act Fund</u>	<u>Capital Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:					
Supplies Inventory	\$199,473	\$0	\$0	\$430,759	\$630,232
Prepaid Items	69,472	0	0	0	69,472
Total Nonspendable	268,945	0	0	430,759	699,704
Restricted:					
Community Development	0	0	0	2,953,285	2,953,285
Capital Acquisition and Improvement	0	0	0	425,925	425,925
Cemetery Maintenance	0	0	0	1,412,448	1,412,448
Memorial Sidewalk Program	0	0	0	76,806	76,806
Street Maintenance	0	0	0	2,011,635	2,011,635
Adult Probation Program	0	0	0	47,714	47,714
Fire Damage Deposits	0	0	0	200,468	200,468
Court Improvements	0	0	0	2,244,456	2,244,456
Law Enforcement	0	0	0	835,199	835,199
Police and Fire Pension	0	0	0	66,035	66,035
Park Improvements	0	0	0	9,138	9,138
Pollution Remediation	0	0	0	5,158	5,158
Debt Retirement	0	0	0	2,094,055	2,094,055
Total Restricted	0	0	0	12,382,322	12,382,322
Committed:					
Capital Acquisition and Improvement	0	0	579,638	0	579,638
Total Committed	0	0	579,638	0	579,638
Assigned:					
Budget Resource	6,150,358	0	0	0	6,150,358
Supplies and Services	1,642,269	0	0	0	1,642,269
Compensated Absences	143,302	0	0	0	143,302
Total Assigned	7,935,929	0	0	0	7,935,929
Unassigned (Deficits):	3,563,117	0	0	0	3,563,117
Total Fund Balances	\$11,767,991	\$0	\$579,638	\$12,813,081	\$25,160,710

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 4 - 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 fair 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 fair value 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, 2021***

NOTE 4 - 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 City's deposits may not be returned to it. The City has no deposit policy for custodial risk beyond the requirements of State statute.

Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

A. Deposits

At year end the carrying amount of the City's deposits was \$40,695,721 and the bank balance was \$41,641,467. Federal depository insurance covered \$33,108,283 of the bank balance and \$8,533,184 was uninsured and collateralized with securities held in the Ohio Pooled Collateral System.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 4 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

B. Investments

The City's investments at December 31, 2021 are summarized below:

	Fair Value	Credit Rating	Fair Value Hierarchy	Concentration of Credit Risk	Investment Maturities (in Years)		
					less than 1	1-3	3-5
STAR Ohio ⁴	\$2,527,925	AAA ^m 1	NA	16.57%	\$2,527,925	\$0	\$0
Government Agency MM ⁴	36,902	AA+ 1	NA	0.24%	36,902	0	0
Corporate Equities*	347,147	N/A	Level 2	2.28%	347,147	0	0
Mutual Funds ⁴	394,552	Aaa-Baa 2	NA	2.59%	394,552	0	0
Negotiable CD's	8,921,430	AAA ³	Level 2	58.46%	2,843,911	3,124,078	2,953,441
US Treasury Bills	121,511	N/A	Level 1	0.80%	99,848	0	21,663
FHLMC	787,762	AA+ 1	Level 2	5.16%	0	395,677	392,085
FFCB	794,536	AA+ 1	Level 2	5.21%	0	397,743	396,793
FHLB	249,343	AA+ 1	Level 2	1.63%	0	249,343	0
FAMC	778,300	AA+ 1	Level 2	5.10%	0	0	778,300
FNMA	298,763	AA+ 1	Level 2	1.96%	0	298,763	0
Total Investments	<u>\$15,258,171</u>			<u>100.00%</u>	<u>\$6,250,285</u>	<u>\$4,465,604</u>	<u>\$4,542,282</u>

* Corporate Equities do not have a maturity

¹ Standard & Poor's

² Moody's Investor Service

³ All are fully FDIC insured and therefore have an implied AAA credit rating

⁴ Reported at amortized cost

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.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Level 2 inputs are significant other observable inputs. Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Level 3 inputs are significant unobservable inputs.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 5 - 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 2021 were levied after October 1, 2020 on assessed values as of January 1, 2020, 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 2017. 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, 2021 was \$3.70 per \$1,000 of assessed value. The assessed value upon which the 2021 collections was based was \$984,634,740. This amount constitutes \$947,177,820 in real property assessed value and \$37,456,920 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, 2021**

NOTE 6 - RECEIVABLES

Receivables at December 31, 2021 consisted of taxes, interest, accounts, loans, and intergovernmental receivables arising from shared revenues. All receivables are considered fully collectible.

NOTE 7 – INTERFUND ACTIVITY**A. Transfers**

Following is a summary of transfers in and out for all funds for 2021:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds:		
General Fund	\$0	\$7,052,715
Capital Improvement Fund	4,892,812	0
Other Governmental Funds	2,196,153	157,779
Total Governmental Funds	<u>7,088,965</u>	<u>7,210,494</u>
Proprietary Funds:		
Water Fund	0	20,020
Sewer Fund	240,483	0
Storm Water Fund	0	98,934
Total Enterprise Funds	<u>240,483</u>	<u>118,954</u>
Total Transfers	<u>\$7,329,448</u>	<u>\$7,329,448</u>

Transfers for the year ended December 31, 2021 included \$4,856,562 transferred from the General Fund to Capital Improvement Fund which were EMS receipts dedicated to capital improvements as well as the General Fund's share of capital projects. \$2,089,954 was transferred from the General Fund to the Debt Service Funds for debt payments, and \$106,199 was transferred from the General Fund to the Safety Grants Fund for the City's share of grant amounts. Transfers from Other Governmental funds of \$157,779 were the result of the reclass of debt retirement. Transfers out of the Water and Storm Water Funds to the Sewer Fund were for debt retirement reclassification. All transfers were made in accordance with Ohio Revised Code.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 8 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2021:

Historical Cost:

Class	December 31, 2020	Additions	Deletions	December 31, 2021
Capital assets not being depreciated:				
Land	\$20,262,578	\$0	\$0	\$20,262,578
Construction in Progress	5,409,276	0	(4,794,471)	614,805
Sub-Total	25,671,854	0	(4,794,471)	20,877,383
Capital assets being depreciated:				
Buildings	25,743,872	402,332	0	26,146,204
Improvements Other than Buildings	5,023,841	129,624	0	5,153,465
Infrastructure	78,602,410	13,341,078	(674,938)	91,268,550
Machinery and Equipment	13,195,103	2,198,413	0	15,393,516
Total Cost	<u>\$148,237,080</u>	<u>\$16,071,447</u>	<u>(\$5,469,409)</u>	<u>\$158,839,118</u>

Accumulated Depreciation:

Class	December 31, 2020	Additions	Deletions	December 31, 2021
Buildings	(\$9,595,634)	(\$534,302)	\$0	(\$10,129,936)
Improvements Other than Buildings	(4,015,999)	(116,336)	0	(4,132,335)
Infrastructure	(47,416,083)	(1,988,550)	571,293	(48,833,340)
Machinery and Equipment	(9,133,885)	(1,209,479)	0	(10,343,364)
Total Depreciation	<u>(\$70,161,601)</u>	<u>(\$3,848,667) *</u>	<u>\$571,293</u>	<u>(\$73,438,975)</u>
Net Value:	<u>\$78,075,479</u>			<u>\$85,400,143</u>

* Depreciation was charged to governmental functions as follows:

Security of Persons and Property	\$1,281,932
Leisure Time Activities	71,336
Community Environment	44,897
Transportation	2,121,632
General Government	328,870
Total Depreciation Expense	<u>\$3,848,667</u>

Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 8 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2021:

Historical Cost:

Class	December 31, 2020	Additions	Deletions	December 31, 2021
Capital assets not being depreciated:				
Land	\$161,800	\$0	\$0	\$161,800
Construction in Progress	48,099,373	14,670,394	(17,226,792)	45,542,975
Sub-Total	48,261,173	14,670,394	(17,226,792)	45,704,775
Capital assets being depreciated:				
Buildings and Improvements	58,180,134	75,000	0	58,255,134
Infrastructure	35,596,865	8,448,618	0	44,045,483
Machinery and Equipment	31,913,982	10,512,297	0	42,426,279
Total Cost	<u>\$173,952,154</u>	<u>\$33,706,309</u>	<u>(\$17,226,792)</u>	<u>\$190,431,671</u>

Accumulated Depreciation:

Class	December 31, 2020	Additions	Deletions	December 31, 2021
Buildings and Improvements	(\$26,371,925)	(\$1,523,039)	\$0	(\$27,894,964)
Infrastructure	(7,193,257)	(566,710)	0	(7,759,967)
Machinery and Equipment	(30,635,518)	(331,677)	0	(30,967,195)
Total Depreciation	<u>(\$64,200,700)</u>	<u>(\$2,421,426)</u>	<u>\$0</u>	<u>(\$66,622,126)</u>
Net Value:	<u>\$109,751,454</u>			<u>\$123,809,545</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 9 – 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, 2021**

NOTE 9 – 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 Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

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 3.00% 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 3.00%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member's FAS for the first 30 years of service.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. For additional information, see the Plan Statement in the OPERS Annual Comprehensive Financial Report.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

	<u>State and Local</u>
2021 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2021 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	<u>0.0</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 \$1,455,606 for 2021.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 9 – 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 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. (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

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 participating in the DROP program have separate eligibility requirements related to COLA.

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 3.00% 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 3.00% of their base pension or disability benefit.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 9 – 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>
2021 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25
2021 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$2,421,917 for 2021. Of this amount, \$95,256 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, 2020, 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, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. 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&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$10,486,897	\$29,393,302	\$39,880,199
Proportion of the Net Pension Liability-2021	0.070820%	0.431171%	
Proportion of the Net Pension Liability-2020	0.068045%	0.427888%	
Percentage Change	<u>0.002775%</u>	<u>0.003283%</u>	
Pension Expense	\$322,762	\$1,842,580	\$2,165,342

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Changes in assumptions	\$0	\$492,939	\$492,939
Differences between expected and actual experience	0	1,228,741	1,228,741
Change in proportionate share	790,752	217,023	1,007,775
City contributions subsequent to the measurement date	1,455,606	2,421,917	3,877,523
Total Deferred Outflows of Resources	<u>\$2,246,358</u>	<u>\$4,360,620</u>	<u>\$6,606,978</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$4,087,487	\$1,425,767	\$5,513,254
Differences between expected and actual experience	438,675	1,145,076	1,583,751
Change in proportionate share	472,825	1,078,226	1,551,051
Total Deferred Inflows of Resources	<u>\$4,998,987</u>	<u>\$3,649,069</u>	<u>\$8,648,056</u>

\$3,877,523 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, 2022. 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:	OPERS	OP&F	Total
2022	(\$1,536,234)	(\$441,377)	(\$1,977,611)
2023	(448,333)	213,882	(234,451)
2024	(1,666,198)	(1,422,752)	(3,088,950)
2025	(557,470)	(138,466)	(695,936)
2026	0	78,347	78,347
Total	<u>(\$4,208,235)</u>	<u>(\$1,710,366)</u>	<u>(\$5,918,601)</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.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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, 2020 and December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	December 31, 2020
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	0.5 percent simple through 2021. 2.15 percent simple, thereafter
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age
	December 31, 2019
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	1.4 percent simple through 2020. 2.15 percent simple, thereafter
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

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.

Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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 2020 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	25.00 %	1.32 %
Domestic Equities	21.00	5.64
Real Estate	10.00	5.39
Private Equity	12.00	10.42
International Equities	23.00	7.36
Other investments	9.00	4.75
Total	100.00 %	5.43 %

Discount Rate The discount rate used to measure the total pension liability was 7.2 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 7.2 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 (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability	\$20,003,817	\$10,486,897	\$2,573,599

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF's total pension liability as of December 31, 2020 is based on the results of an actuarial valuation date of January 1, 2020, 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. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2020, compared with January 1, 2019, are presented below.

	January 1, 2020	January 1, 2019
Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Cost of Living Adjustments	2.2 percent simple	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

For the January 1, 2020 valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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

For the January 1, 2020 valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

The most recent experience study was completed for the five year period ended December 31, 2016. The prior experience study was completed December 31, 2011.

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, 2020 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	<u>125.00 %</u>	

* levered 2x

Note: Assumptions are geometric

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 1.25 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, 2021***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate For 2020, the total pension liability was calculated using the discount rate of 8.00 percent. The discount rate used for 2019 was 8.00 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 8.00 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 8.00 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 (7.00 percent), or one percentage point higher (9.00 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	\$40,919,239	\$29,393,302	\$19,747,253

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 10 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability (Asset)

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

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

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 OPEB are financed; however, the City does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment 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 with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2021. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2021 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2021.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

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

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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

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

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

Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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 2021, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contractually required contribution to OP&F was \$56,455 for 2021. Of this amount, \$2,245 is reported as an intergovernmental payable.

OPEB Liabilities (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS	OP&F	Total
Proportionate Share of the Net OPEB Liability (Asset)	(\$1,276,613)	\$4,568,326	\$3,291,713
Proportion of the Net OPEB Liability (Asset) -2021	0.071656%	0.431171%	
Proportion of the Net OPEB Liability-2020	0.068992%	0.427888%	
Percentage Change	0.002664%	0.003283%	
OPEB Expense	(\$7,677,387)	\$254,279	(\$7,423,108)

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021****NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)**

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Changes in assumptions	\$627,595	\$2,523,751	\$3,151,346
Change in proportionate share	224,656	0	224,656
City contributions subsequent to the measurement date	0	56,455	56,455
Total Deferred Outflows of Resources	<u>\$852,251</u>	<u>\$2,580,206</u>	<u>\$3,432,457</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on OPEB plan investments	\$679,939	\$169,765	\$849,704
Changes in assumptions	2,068,489	728,278	2,796,767
Differences between expected and actual experience	1,152,131	753,529	1,905,660
Change in proportionate share	42,090	731,337	773,427
Total Deferred Inflows of Resources	<u>\$3,942,649</u>	<u>\$2,382,909</u>	<u>\$6,325,558</u>

\$56,455 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2022	(\$1,613,459)	(\$11,546)	(\$1,625,005)
2023	(1,101,346)	28,653	(1,072,693)
2024	(295,475)	(34,726)	(330,201)
2025	(80,118)	13,564	(66,554)
2026	0	73,058	73,058
2027	0	55,442	55,442
2028	0	16,397	16,397
Total	<u>(\$3,090,398)</u>	<u>\$140,842</u>	<u>(\$2,949,556)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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 and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	6.00 percent
Prior Measurement date	3.16 percent
Investment Rate of Return:	
Current measurement date	6.00 percent
Prior Measurement date	6.00 percent
Municipal Bond Rate:	
Current measurement date	2.00 percent
Prior Measurement date	2.75 percent
Health Care Cost Trend Rate:	
Current measurement date	8.5 percent initial, 3.5 percent ultimate in 2035
Prior Measurement date	10.5 percent initial, 3.5 percent ultimate in 2030
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2020 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	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other investments	9.00	4.02
Total	100.00 %	4.43 %

Discount Rate A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.00 percent.

Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2120. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2120, and the municipal bond rate was applied to all health care costs after that date.

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

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
City's proportionate share of the net OPEB liability (asset)	(\$317,436)	(\$1,276,613)	(\$2,065,126)

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability (asset)	(\$1,307,722)	(\$1,276,613)	(\$1,241,798)

Changes between Measurement Date and Reporting Date

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability (asset).

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)**Actuarial Assumptions – OP&F**

OP&F's total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Single discount rate	2.96 percent	3.56 percent
Cost of Living Adjustments	2.2 percent simple	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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

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

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

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

The most recent experience study was completed for the five year period ended December 31, 2016. The prior experience study was completed December 31, 2011.

The long-term expected rate of return on OPEB 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 expected. 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 OP&F's target asset allocation as of December 31, 2020, are summarized below:

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	<u>125.00 %</u>	

* levered 2x

Note: Assumptions are geometric

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

Discount Rate For 2020, the total OPEB liability was calculated using the discount rate of 2.96 percent. For 2019, the total OPEB liability was calculated using the discount rate of 3.56 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.12 percent at December 31, 2020 and 2.75 percent at December 31, 2019, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 2.96 percent for 2020 and 3.56 percent for 2019. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 2.96 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.96 percent), or one percentage point higher (3.96 percent) than the current rate.

	1% Decrease (1.96%)	Current Discount Rate (2.96%)	1% Increase (3.96%)
City's proportionate share of the net OPEB liability	\$5,696,440	\$4,568,326	\$3,637,762

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

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 11 - 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, 2021	Issued	(Retired)	Balance December 31, 2021
Capital Projects Fund Notes Payable:				
1.250% Sharon Valley Road Fire Station	\$2,900,000	\$0	(\$2,900,000)	\$0
1.100% Sharon Valley Road Fire Station	0	2,900,000	0	2,900,000
1.250% Various Purpose	0	3,500,000	0	3,500,000
Total Capital Projects Fund Notes Payable	2,900,000	6,400,000	(2,900,000)	6,400,000
Enterprise Fund Notes Payable:				
3.000% Horns Hill Sanitary Sewer	965,000	0	(965,000)	0
1.500% Horns Hill Sanitary Sewer	0	550,000	0	550,000
1.500% Stream Bank Protection	0	500,000	0	500,000
1.250% Tamarack Waterline	500,000	0	(500,000)	0
1.100% Tamarack Waterline	0	500,000	0	500,000
1.250% Tamarack Stormwater	2,500,000	0	(2,500,000)	0
1.100% Tamarack Stormwater	0	2,500,000	0	2,500,000
Total Enterprise Fund Notes Payable	3,965,000	4,050,000	(3,965,000)	4,050,000
Total Notes Payable	\$6,865,000	\$10,450,000	(\$6,865,000)	\$10,450,000

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 12 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 2021 were as follows:

			Balance December 31, 2020	Additions	Deductions	Balance December 31, 2021	Amount Due Within One Year
Governmental Activities Debt:							
General Obligation Bonds:							
East Main Street							
Improvement Refunding (TIF)	1.5%-3.00%	2028	\$1,190,000	\$0	(\$135,000)	\$1,055,000	\$140,000
East Main Street Bridge	4.50%	2021	100,000	0	(100,000)	0	0
Police and Fire Facilities Refunding	2.0%-4.00%	2031	6,680,000	0	(500,000)	6,180,000	535,000
Downtown Fire Station	2.0%-4.00%	2036	4,405,000	0	(220,000)	4,185,000	225,000
Various Purpose Refunding	2.0%-4.00%	2031	635,000	0	(60,000)	575,000	55,000
Deo Drive Improvement (TIF)	3.75%-4.38%	2027	440,000	0	(75,000)	365,000	75,000
Landfill Reclamation Refunding	2.0%-4.00%	2031	785,000	0	(65,000)	720,000	65,000
Various Purpose	2.0%-3.25%	2037	1,380,000	0	(65,000)	1,315,000	70,000
Sidewalk and Parking Lot Improvement	2.0%-3.0%	2028	940,000	0	(110,000)	830,000	110,000
			16,555,000	0	(1,330,000)	15,225,000	1,275,000
Bond Premium			620,357	0	(50,394)	569,963	0
Total General Obligation Bonds			17,175,357	0	(1,380,394)	15,794,963	1,275,000
ODOT State Infrastructure Bank Loans:							
Newark-Mount Vernon Road	3.00%	2035	2,591,621	0	(201,834)	2,389,787	139,652
Ohio and Manning Street Bridges and Bike Trail	3.00%	2028	1,378,260	269,983	(166,477)	1,481,766	209,720
Total ODOT State Infrastructure Bank Loans			3,969,881	269,983	(368,311)	3,871,553	349,372
Ohio Public Works							
Commission Loans (OPWC):							
West Church Street Bridge	0.00%	2034	450,000	0	(30,000)	420,000	30,000
West Main Street Improvements	0.00%	2022	100,000	0	(40,000)	60,000	40,000
Sharon Valley Road/Evans Boulevard	0.00%	2028	148,000	0	(18,500)	129,500	18,500
Total OPWC Loans			698,000	0	(88,500)	609,500	88,500
Long Term Note Payable:							
Church Street Area Improvements	1.50%	2022	1,125,000	1,125,000	(1,125,000)	1,125,000	0
Governmental Activities Other Long-Term Obligations:							
Capital Leases			2,297,278	1,716,480	(607,080)	3,406,678	831,331
Worker's Compensation Retrospective Liability			470,436	465,245	(470,436)	465,245	5,191
Accrued Pension Liability			1,339,698	0	(68,786)	1,270,912	71,740
Compensated Absences Payable			3,782,848	1,879,577	(1,788,337)	3,874,088	1,842,475
Total Governmental Activities			<u>\$30,858,498</u>	<u>\$5,456,285</u>	<u>(\$5,896,844)</u>	<u>\$30,417,939</u>	<u>\$4,463,609</u>

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 12 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

			Balance December 31, 2020	Additions	Deductions	Balance December 31, 2021	Amount Due Within One Year
Business-Type Activities Debt:							
General Obligation Bonds:							
Storm Water Improvement Refunding	2.00%-4.00%	2034	\$2,205,000	\$0	(\$155,000)	\$2,050,000	\$160,000
Storm Water Improvement	2.0%-4.0%	2039	1,925,000	0	(75,000)	1,850,000	75,000
Various Purpose	1.00%-3.00%	2032	3,075,000	0	(225,000)	2,850,000	230,000
			7,205,000	0	(455,000)	6,750,000	465,000
Bond Premium			201,211	0	(14,141)	187,070	0
Total General Obligation Bonds			7,406,211	0	(469,141)	6,937,070	465,000
Revenue Bonds:							
Water System Improvement	2.0%-5.0%	2049	16,865,000	0	(350,000)	16,515,000	360,000
Bond Premium			1,126,868	0	(38,858)	1,088,010	0
Total Revenue Bonds			17,991,868	0	(388,858)	17,603,010	360,000
Ohio Water Development							
Authority Loans (OWDA):							
Licking River Interceptor Construction	3.25%	2026	972,586	0	(149,319)	823,267	154,212
Stormwater Utility Planning	3.36%	2028	177,706	0	(65,922)	111,784	68,156
Wastewater Electrical Improvements	0.61%	2027	1,036,474	0	(145,376)	891,098	146,264
Wastewater High Rate Treatment System	4.67%	2031	9,245,689	0	(719,290)	8,526,399	749,376
CSO Sewer Separation	3.36%	2028	636,460	0	(24,382)	612,078	25,208
Water Plant Generator	3.53%	2030	626,909	0	(53,288)	573,621	55,185
CSO Sewer Separation	3.25%	2031	1,281,246	0	(98,623)	1,182,623	101,855
Automated Meter Reading	3.53%	2031	1,497,787	0	(95,800)	1,401,987	99,445
CSO Sewer Separation 1030	2.45%	2033	1,685,620	0	(116,782)	1,568,838	119,661
Raccoon Creek Interceptor	2.64%	2033	5,177,982	0	(338,677)	4,839,305	347,676
Aeration System Modifications	2.48%	2034	1,554,572	0	(98,262)	1,456,310	100,714
Downtown Sewer Separation	2.01%	2037	14,949,573	0	(753,842)	14,195,731	0
Alternative Storm Water	1.00%	2032	2,902,448	0	(217,833)	2,684,615	243,735
Anaerobic Digester Improvements	2.01%	2044	9,598,353	34,811	(370,883)	9,262,281	0
Wastewater UV Disinfection and SCADA Upgrade	0.00%	2042	0	35,375	0	35,375	0
Interceptor Siphon	0.00%	2046	2,173,990	224,543	0	2,398,533	0
Fourth Street Sewer Separation	0.00%	2053	3,819,640	6,981,989	0	10,801,629	0
Total OWDA Loans			57,337,035	7,276,718	(3,248,279)	61,365,474	2,211,487
Ohio Public Works							
Commission Loans (OPWC):							
Licking River Interceptor Construction	0.00%	2026	199,028	0	(28,433)	170,595	28,433
Sewer Improvements	0.00%	2022	10,792	0	(4,318)	6,474	4,318
Idlewilde Park Sewer Phase I	0.00%	2022	11,408	0	(3,259)	8,149	3,259
Idlewilde Park Sewer Phase II	0.00%	2024	167,811	0	(33,561)	134,250	33,561
Channel Street/Postal Avenue Sewer	0.00%	2033	561,665	0	(41,604)	520,061	41,604
Total OPWC Loans			950,704	0	(111,175)	839,529	111,175
ODOT State Infrastructure Bank Loan:							
Newark-Mount Vernon Road	3.00%		2,922,466	0	(227,600)	2,694,866	157,480
Business-Type Activities Other Long-Term Obligations:							
Compensated Absences			655,874	468,766	(402,290)	722,350	433,713
Total Business-Type Activities			\$87,264,158	\$7,745,484	(\$4,847,343)	\$90,162,299	\$3,738,855

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 12 - 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, 2021 was \$1,681,874 in principal and interest payments through the year 2035. Only the principal amount of \$1,270,912 is included in the Government-wide Statement of Net Position.

The City reports Ohio Department of Transportation State Infrastructure Bank Loans for improvements to Waterworks Road, Newark-Mount Vernon Road, Ohio and Manning Street Bridges, and bike trails. These loans carry an interest rate of 3%.

In 2021, the City issued a \$1,125,000 long-term note for improvements in the Church Street area. The note carries an interest rate of 1.5%. In March 2022 these notes were paid off with proceeds from a new \$1,125,000 note issuance; therefore, these notes payable are recorded as long-term obligations.

In 2018 the City obtained financing through the Ohio Department of Transportation for a State Infrastructure Bank Loan in the amount of \$2,717,728 for replacement of the Ohio Street and Manning Street bridges, as well as bike path installation on Ohio Street. As of December 31, 2021, the City has received \$1,729,641.

The Water System Improvement revenue bonds are payable from the net revenue derived from operations of the water utility and are secured by a pledge of and lien on such net revenues until the bond maturity date of 2049. In 2021 the Water Fund reported \$4,092,192 of net pledged revenues for coverage of a principal and interest debt service requirement of \$1,053,244.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 12 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

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, 2021, the City had received \$16,415,074 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2021, the loan has not been finalized and there is no amortization schedule for the loan.

Anaerobic Digester Improvements - In 2018 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 anaerobic digester improvements. 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, 2021, the City had received \$9,996,704 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2021, the loan has not been finalized and there is no amortization schedule for the loan.

Wastewater UV Disinfection and SCADA Upgrade - In 2021 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 wastewater UV disinfection and SCADA upgrade project. The total amount is subject to change and has not been finalized. The interest rate on the loan is 0%, 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, 2021, the City had received \$35,375 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2021, the loan has not been finalized and there is no amortization schedule for the loan.

Fourth Street Sewer Separation - In 2019 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 at Fourth Street. The total amount is subject to change and has not been finalized. The interest rate on the loan is 0%, 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, 2021, the City had received \$10,801,629 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2021, the loan has not been finalized and there is no amortization schedule for the loan.

Interceptor Siphon - In 2020 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 interceptor siphon project. The total amount is subject to change and has not been finalized. The interest rate on the loan is 0%, 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, 2021, the City had received \$2,398,533 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2021, 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, 2021****NOTE 12 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)**

A summary of the City's future long-term debt funding requirements including principal and interest payments as of December 31, 2021 follows:

Governmental Activities				
Years	General Obligation Bonds		Accrued Pension Liability	
	Principal	Interest	Principal	Interest
2022	\$1,275,000	\$479,179	\$71,740	\$53,260
2023	1,305,000	446,693	74,822	50,178
2024	1,350,000	412,013	78,036	46,964
2025	1,340,000	373,777	81,388	43,612
2026	1,380,000	330,214	84,882	40,118
2027-2031	6,370,000	1,014,358	482,338	142,662
2032-2036	2,105,000	264,263	397,706	34,168
2037	100,000	3,250	0	0
Totals	<u>\$15,225,000</u>	<u>\$3,323,747</u>	<u>\$1,270,912</u>	<u>\$410,962</u>

Governmental Activities				
Years	ODOT SIB Loans		OPWC Loans	
	Principal	Interest	Principal	Interest
2022	\$349,372	\$113,546	\$88,500	\$0
2023	359,932	102,986	68,500	0
2024	370,811	92,107	48,500	0
2025	382,020	80,900	48,500	0
2026	393,566	69,353	48,500	0
2027-2031	1,228,680	201,770	187,000	0
2032-2035	787,172	54,056	120,000	0
Totals	<u>\$3,871,553</u>	<u>\$714,718</u>	<u>\$609,500</u>	<u>\$0</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 12 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

Business-Type Activities						
Years	General Obligation Bonds		Revenue Bonds			
	Principal	Interest	Principal	Interest		
2022	\$465,000	\$203,630	\$360,000	\$691,869		
2023	480,000	193,580	365,000	684,669		
2024	490,000	182,710	380,000	672,806		
2025	495,000	171,630	390,000	664,256		
2026	515,000	159,950	400,000	652,069		
2027-2031	2,695,000	561,025	2,210,000	3,042,645		
2032-2036	1,205,000	181,100	2,720,000	2,538,945		
2037-2041	405,000	0	3,255,000	1,804,095		
2042-2046	0	0	3,780,000	965,526		
2047-2049	0	0	2,655,000	194,662		
Totals	<u>\$6,750,000</u>	<u>\$1,653,625</u>	<u>\$16,515,000</u>	<u>\$11,911,542</u>		
Business-Type Activities						
Years	OWDA Loans		OPWC Loans		ODOT SIB Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$2,211,487	\$628,382	\$111,175	\$0	\$157,480	\$79,674
2023	2,278,173	571,607	109,016	0	162,240	74,914
2024	2,347,178	512,916	105,228	0	167,143	70,010
2025	2,418,589	452,240	103,598	0	172,196	64,958
2026	2,492,492	389,512	70,037	0	177,401	59,753
2027-2031	11,096,444	1,013,250	236,457	0	970,746	215,022
2032-2035	1,827,562	57,369	104,018	0	887,660	60,956
Totals	<u>\$24,671,925</u>	<u>\$3,625,276</u>	<u>\$839,529</u>	<u>\$0</u>	<u>\$2,694,866</u>	<u>\$625,287</u>

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 12 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

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 \$5,755,000 at December 31, 2021 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In October 2017 the City refunded \$1,305,000 of Storm Water Improvement Bonds dated 2009, \$1,005,000 of Storm Water Improvement Bonds dated 2011, \$985,000 of Various Purpose Street Bonds dated 2010, and \$885,000 of Landfill Reclamation Bonds dated 2011 through the issuance of \$4,365,000 of General Obligation Bonds. The net proceeds of the 2017 Bonds were used to currently refund the 2010 Various Purpose Bonds. The remaining net proceeds 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 \$2,715,000 at December 31, 2021 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, 2021***

NOTE 13 - CAPITALIZED LEASES

The City leases several assets under capital leases. The original cost of equipment of \$5,042,943, and the related liability reported as Governmental Activities capital leases are reported on the Government Wide Statement of Net Position.

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, 2021:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>
2022	\$969,441
2023	714,830
2024	639,900
2025	533,263
2026	211,200
2027-2031	858,955
Minimum Lease Payments	<u>3,927,589</u>
Less amount representing interest at the City's incremental borrowing rate of interest	<u>(520,911)</u>
Present value of minimum lease payments	<u><u>\$3,406,678</u></u>

NOTE 14 - 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 is a participant in the Public Entities Pool of Ohio ("PEP Pool"). The PEP Pool was established in 1987 and is administered under contract by the York Risk Pooling Services, Inc. to provide Ohio municipalities with the most cost-effective, comprehensive coverage in the state.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 14 - INSURANCE AND RISK MANAGEMENT (Continued)

A. Shared Risk Pool (Continued)

The Pool's general objectives are to provide for a joint or cooperative action by Members relative to their financial and administrative resources for the purpose of providing risk management services and risk-sharing facilities to the Members and to the Members' employees, and to defend and protect any Member of the Pool against liability.

Members of the Pool may withdraw coverage upon 60 days written notice. 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.

Adequate and appropriate reinsurance is essential to protect the financial integrity of a group self-insurance program. PEP is a Member of a unique reinsurance pool known as American Public Entity Excess Pool (APEEP).

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 in any of the past three fiscal years.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 14 - INSURANCE AND RISK MANAGEMENT (Continued)

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.

A liability for unpaid claims cost of \$372,834 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 2020 and 2021 were as follows:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year End</u>
2020	\$524,970	\$6,700,353	(\$6,712,654)	\$512,669
2021	512,669	6,489,969	(6,629,804)	372,834

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 15 - SIGNIFICANT COMMITMENTS**A. Contractual Commitments**

The City had the following significant contractual commitments at December 31, 2021:

<u>Project</u>	<u>Remaining Contractual Commitment</u>	<u>Expected Date of Completion</u>
Faye Drive Booster Station	\$1,750,000	2022
Water Plant Instrumentation and Controls	739,482	2022
40th Street/Tamarack Water Transmission Line	548,622	2022
River Road Sewer	3,000,000	2023
Eastside Water Transmission Line	3,500,000	2024
Raccoon Creek Erosion Control	1,426,000	2022
Lead Service Water Line Replacement	2,432,886	2024
Fourth Street Sewer Separation	12,918,447	2024
UV Upgrade Design	4,383,144	2022
Various Street Improvements	3,375,315	2022
	<u>\$34,073,896</u>	

B. Encumbrance Commitments

At December 31, 2021 the City had encumbrance commitments in the Governmental Funds as follows:

<u>Fund</u>	<u>Encumbrances</u>
General Fund	\$2,018,700
American Rescue Plan Act Fund	8,586,270
Capital Improvement Fund	3,622,334
Other Governmental Funds	847,092
Total Governmental Funds	<u>\$15,074,396</u>

NOTE 16 - 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.

NOTE 17 – SUBSEQUENT EVENTS

On March 23, 2022, the City issued notes in the amount of \$550,000 for Horns Hill sanitary sewer improvements, \$1,125,000 for Church Street improvements, and \$500,000 for erosion control measures. These notes carry an interest rate of 2.0%.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEWARK, OHIO

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

Ohio Public Employees Retirement System

Year	2014	2015	2016
City's proportion of the net pension liability (asset)	0.076378%	0.076378%	0.074871%
City's proportionate share of the net pension liability (asset)	\$9,003,971	\$9,212,040	\$12,968,643
City's covered payroll	\$9,499,900	\$9,381,292	\$9,344,933
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	94.78%	98.20%	138.78%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%

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

Ohio Police and Fire Pension Fund

Year	2014	2015	2016
City's proportion of the net pension liability (asset)	0.478326%	0.478326%	0.467618%
City's proportionate share of the net pension liability (asset)	\$23,295,996	\$24,779,302	\$30,082,169
City's covered payroll	\$9,550,114	\$9,387,938	\$9,451,954
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	243.93%	263.95%	318.26%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%	66.77%

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

Notes: The City implemented GASB Statement 68 in 2015.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2014 is not available.

The schedule is reported as of the measurement date of the Net Pension Liability, which is the prior year end.

See notes to the required supplementary information

CITY OF NEWARK, OHIO

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
0.073004%	0.069175%	0.069409%	0.068045%	0.070820%
\$16,578,043	\$10,852,146	\$19,009,713	\$13,449,551	\$10,486,897
\$9,126,483	\$9,207,600	\$9,376,750	\$9,594,221	\$9,938,957
181.65%	117.86%	202.73%	140.18%	105.51%
77.25%	84.66%	74.70%	82.17%	86.88%

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
0.467510%	0.441969%	0.438010%	0.427888%	0.431171%
\$29,611,621	\$27,125,647	\$35,753,191	\$28,824,823	\$29,393,302
\$9,644,293	\$9,540,968	\$9,807,613	\$10,155,025	\$10,391,184
307.04%	284.31%	364.55%	283.85%	282.87%
68.36%	70.91%	63.07%	69.89%	70.65%

CITY OF NEWARK, OHIO

***Schedule of City Pension Contributions
Last Nine Years***

Ohio Public Employees Retirement System

Year	2013	2014	2015
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 payroll	\$9,499,900	\$9,381,292	\$9,344,933
Contributions as a percentage of covered 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	2013	2014	2015
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 payroll	\$9,550,114	\$9,387,938	\$9,451,954
Contributions as a percentage of covered 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.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2013 is not available. See notes to the required supplementary information

CITY OF NEWARK, OHIO

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$1,095,178	\$1,196,988	\$1,312,745	\$1,343,191	\$1,391,454	\$1,455,606
<u>1,095,178</u>	<u>1,196,988</u>	<u>1,312,745</u>	<u>1,343,191</u>	<u>1,391,454</u>	<u>1,455,606</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$9,126,483	\$9,207,600	\$9,376,750	\$9,594,221	\$9,938,957	\$10,397,186
12.00%	13.00%	14.00%	14.00%	14.00%	14.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$2,058,255	\$2,041,586	\$2,095,532	\$2,170,355	\$2,220,792	\$2,421,917
<u>2,058,255</u>	<u>2,041,586</u>	<u>2,095,532</u>	<u>2,170,355</u>	<u>2,220,792</u>	<u>2,421,917</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$9,644,293	\$9,540,968	\$9,807,613	\$10,155,025	\$10,391,184	\$11,291,020
21.34%	21.40%	21.37%	21.37%	21.37%	21.45%

Schedule of City's Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability (Asset) Last Five Years

Ohio Public Employees Retirement System

Year	2017	2018	2019
City's proportion of the net OPEB liability (asset)	0.073607%	0.070172%	0.070356%
City's proportionate share of the net OPEB liability (asset)	\$7,434,554	\$7,620,198	\$9,172,760
City's covered payroll	\$9,126,483	\$9,207,600	\$9,376,750
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	81.46%	82.76%	97.82%
Plan fiduciary net position as a percentage of the total OPEB liability	54.50%	54.14%	46.33%

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

Ohio Police and Fire Pension Fund

Year	2017	2018	2019
City's proportion of the net OPEB liability (asset)	0.467510%	0.441969%	0.438010%
City's proportionate share of the net OPEB liability (asset)	\$22,191,654	\$25,041,358	\$3,988,755
City's covered payroll	\$9,644,293	\$9,540,968	\$9,807,613
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	230.10%	262.46%	40.67%
Plan fiduciary net position as a percentage of the total OPEB liability	15.96%	14.13%	46.57%

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

Notes: The City implemented GASB Statement 75 in 2018.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2017 is not available.

The schedule is reported as of the measurement date of the Net OPEB Liability, which is the prior year end.

See notes to the required supplementary information

CITY OF NEWARK, OHIO

<u>2020</u>	<u>2021</u>
0.068992%	0.071656%
\$9,529,586	(\$1,276,613)
\$9,594,221	\$9,938,957

99.33% (12.84%)

47.80% 115.57%

<u>2020</u>	<u>2021</u>
0.427888%	0.431171%
\$4,226,564	\$4,568,326
\$10,155,025	\$10,391,184

41.62% 43.96%

47.08% 45.42%

CITY OF NEWARK, OHIO

***Schedule of City's Other Postemployment Benefit (OPEB) Contributions
Last Nine Years***

Ohio Public Employees Retirement System

Year	2013	2014	2015
Contractually required contribution	\$94,999	\$187,626	\$186,899
Contributions in relation to the contractually required contribution	94,999	187,626	186,899
Contribution deficiency (excess)	\$0	\$0	\$0
City's covered payroll	\$9,499,900	\$9,381,292	\$9,344,933
Contributions as a percentage of covered payroll	1.00%	2.00%	2.00%

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

Ohio Police and Fire Pension Fund

Year	2013	2014	2015
Contractually required contribution	\$344,484	\$46,940	\$47,260
Contributions in relation to the contractually required contribution	344,484	46,940	47,260
Contribution deficiency (excess)	\$0	\$0	\$0
City's covered payroll	\$9,550,114	\$9,387,938	\$9,451,954
Contributions as a percentage of covered payroll	3.61%	0.50%	0.50%

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

Notes: The City implemented GASB Statement 75 in 2018.

Information prior to 2013 is not available.

See notes to the required supplementary information

CITY OF NEWARK, OHIO

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$182,530	\$92,076	\$0	\$0	\$0	\$0
<u>182,530</u>	<u>92,076</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$9,126,483	\$9,207,600	\$9,376,750	\$9,594,221	\$9,938,957	\$10,397,186
2.00%	1.00%	0.00%	0.00%	0.00%	0.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$48,221	\$47,704	\$49,038	\$50,775	\$51,956	\$56,455
<u>48,221</u>	<u>47,704</u>	<u>49,038</u>	<u>50,775</u>	<u>51,956</u>	<u>56,455</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$9,644,293	\$9,540,968	\$9,807,613	\$10,155,025	\$10,391,184	\$11,291,020
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2021***

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2021.

Changes in assumptions:

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2017: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%
- Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality Table.

2018: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2019: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 7.50% to 7.20%

2020: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 3.00% to 1.4% for post 1/7/13 retirees.

2021: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 1.4% to 0.5% for post 1/7/13 retirees.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2021.

Changes in assumptions:

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2021***

NET PENSION LIABILITY (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND (Continued)

2018: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.25% to 8.00%
- Decrease salary increases from 3.75% to 3.25%
- Change in payroll growth from 3.75% to 3.25%
- Reduce DROP interest rate from 4.5% to 4.0%
- Reduce CPI-based COLA from 2.6% to 2.2%
- Inflation component reduced from 3.25% to 2.75%
- For the January 1, 2017, valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006
- For the January 1, 2017, valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006

2019-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

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***Notes to the Required Supplementary Information
For the Year Ended December 31, 2021***

NET OPEB LIABILITY (ASSET)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the periods 2018-2021.

Changes in assumptions:

For 2018, the single discount rate changed from 4.23% to 3.85%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.85% to 3.96%.
- Reduction in actuarial assumed rate of return from 6.50% to 6.00%
- Change in health care cost trend rate from 7.5% to 10%
- The Municipal Bond Rate changed from 3.31% to 3.71%

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.96% to 3.16%.
- Change in health care cost trend rate from 10.0% to 10.5%
- The Municipal Bond Rate changed from 3.71% to 2.75%

2021: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.16% to 6.00%.
- Change in health care cost trend rate from 10.5% to 8.5%
- The Municipal Bond Rate changed from 2.75% to 2.00%

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms:

2018: There were no changes in benefit terms.

2019: The retiree health care model and the current self-insured health care plan were replaced with a stipend-based health care model.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2021***

NET OPEB LIABILITY (ASSET) (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND (Continued)

Changes in assumptions:

2018: The single discount rate changed from 3.79% to 3.24%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.24% to 4.66%.

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 4.66% to 3.56%.

2021: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.56% to 2.96%.

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*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

Nonmajor Governmental Funds

Special Revenue Funds

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.

Community Development Fund

To account for Federal grants administered through the State, which are designated for community and environmental improvements.

Special Improvement District Fund

To account for assessments which are designated for community improvements. (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.

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.

Safety Grants Fund

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

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.

(Continued)

Special Revenue Funds

Court Computerization Fund

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

Fire Damage Fund

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

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.

Coronavirus Relief Fund

This fund is used to account for Coronavirus Relief funds received through passage of the CARES Act. These funds can be used for necessary expenditures incurred due to the Covid-19 public health emergency. . (The Balance Sheet is not presented because there are no assets or liabilities at year end).

Ohio Department of Natural Resources (ODNR) Grants Fund

This fund accounts for grants used for bike path improvements as well as improvements to City parks.

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 brownfield assessment and cleanup planning. (The Balance Sheet is not presented because there are no assets or liabilities at year end).

Judicial Fund

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

(Continued)

Debt Service Funds

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.

Capital Projects Funds

The Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those 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, 2021

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:				
Pooled Cash and Investments	\$ 5,535,154	\$ 2,094,055	\$ 424,641	\$ 8,053,850
Cash and Cash Equivalents in Segregated Accounts	21,701	0	1,284	22,985
Investments	75,000	0	0	75,000
Receivables:				
Taxes	541,720	697,000	0	1,238,720
Accounts	61,574	0	0	61,574
Intergovernmental	2,431,923	0	0	2,431,923
Loans	2,302,056	0	0	2,302,056
Inventory of Supplies, at Cost	430,759	0	0	430,759
Restricted Assets:				
Cash and Cash Equivalents	447,034	0	0	447,034
Investments	622,523	0	0	622,523
Investments with Fiscal Agent	777,484	0	0	777,484
Total Assets	\$ 13,246,928	\$ 2,791,055	\$ 425,925	\$ 16,463,908
Liabilities:				
Accounts Payable	\$ 74,372	\$ 0	\$ 0	\$ 74,372
Accrued Wages and Benefits Payable	136,103	0	0	136,103
Intergovernmental Payable	444	0	0	444
Total Liabilities	210,919	0	0	210,919
Deferred Inflows of Resources:				
Unavailable Amounts	2,213,502	0	0	2,213,502
Property Tax Levy for Next Fiscal Year	529,406	697,000	0	1,226,406
Total Deferred Inflows of Resources	2,742,908	697,000	0	3,439,908
Fund Balance:				
Nonspendable	430,759	0	0	430,759
Restricted	9,862,342	2,094,055	425,925	12,382,322
Total Fund Balance	10,293,101	2,094,055	425,925	12,813,081
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 13,246,928	\$ 2,791,055	\$ 425,925	\$ 16,463,908

CITY OF NEWARK, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2021***

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 523,326	\$ 704,667	\$ 0	\$ 1,227,993
Intergovernmental Revenues	5,890,630	0	0	5,890,630
Charges for Services	5,882	0	0	5,882
Investment Earnings	116,606	0	0	116,606
Special Assessments	113,724	0	0	113,724
Fines and Forfeitures	406,420	0	21,417	427,837
All Other Revenue	458,986	1,695	0	460,681
Total Revenues	7,515,574	706,362	21,417	8,243,353
Expenditures:				
Current:				
Security of Persons and Property	1,308,815	0	0	1,308,815
Public Health and Welfare Services	32,098	0	0	32,098
Community Environment	1,066,432	0	0	1,066,432
Transportation	4,220,294	0	0	4,220,294
General Government	1,224,630	382,243	0	1,606,873
Debt Service:				
Principal Retirement	88,500	1,698,311	0	1,786,811
Interest and Fiscal Charges	0	667,531	0	667,531
Total Expenditures	7,940,769	2,748,085	0	10,688,854
Excess (Deficiency) of Revenues Over (Under) Expenditures	(425,195)	(2,041,723)	21,417	(2,445,501)
Other Financing Sources (Uses):				
Transfers In	106,199	2,089,954	0	2,196,153
Transfers Out	0	(157,779)	0	(157,779)
Total Other Financing Sources (Uses)	106,199	1,932,175	0	2,038,374
Net Change in Fund Balance	(318,996)	(109,548)	21,417	(407,127)
Fund Balance at Beginning of Year	10,734,931	2,203,603	404,508	13,343,042
Increase (Decrease) in Inventory	(122,834)	0	0	(122,834)
Fund Balance End of Year	\$ 10,293,101	\$ 2,094,055	\$ 425,925	\$ 12,813,081

CITY OF NEWARK, OHIO
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2021

	Street Department	Cemetery	Community Development	Veterans Memorial Sidewalk
Assets:				
Pooled Cash and Investments	\$ 519,583	\$ 126,709	\$ 666,398	\$ 1,806
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Investments	0	0	0	75,000
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	1,275,860	0	41,521	0
Loans	0	0	2,302,056	0
Inventory of Supplies, at Cost	430,759	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	64,097	0	0
Investments	0	622,523	0	0
Investments with Fiscal Agent	0	599,119	0	0
Total Assets	\$ 2,226,202	\$ 1,412,448	\$ 3,009,975	\$ 76,806
Liabilities:				
Accounts Payable	\$ 16,824	\$ 0	\$ 40,474	\$ 0
Accrued Wages and Benefits Payable	77,964	0	16,216	0
Intergovernmental Payable	0	0	0	0
Total Liabilities	94,788	0	56,690	0
Deferred Inflows of Resources:				
Unavailable Amounts	850,573	0	0	0
Property Tax Levy for Next Fiscal Year	0	0	0	0
Total Deferred Inflows of Resources	850,573	0	0	0
Fund Balance:				
Nonspendable	430,759	0	0	0
Restricted	850,082	1,412,448	2,953,285	76,806
Total Fund Balance	1,280,841	1,412,448	2,953,285	76,806
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 2,226,202	\$ 1,412,448	\$ 3,009,975	\$ 76,806

(Continued)

CITY OF NEWARK, OHIO
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2021

	Police/Fire Pension	Safety Grants	State Highway	Law Enforcement
Assets:				
Pooled Cash and Investments	\$ 66,035	\$ 132,964	\$ 0	\$ 533,911
Cash and Cash Equivalents in Segregated Accounts	0	0	0	4,154
Investments	0	0	0	0
Receivables:				
Taxes	541,720	0	0	0
Accounts	0	0	0	0
Intergovernmental	30,704	20,570	103,448	0
Loans	0	0	0	0
Inventory of Supplies, at Cost	0	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	0	0	0
Investments	0	0	0	0
Investments with Fiscal Agent	0	0	0	0
Total Assets	\$ 638,459	\$ 153,534	\$ 103,448	\$ 538,065
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 3,589
Accrued Wages and Benefits Payable	0	14,994	0	0
Intergovernmental Payable	0	0	0	444
Total Liabilities	0	14,994	0	4,033
Deferred Inflows of Resources:				
Unavailable Amounts	43,018	15,738	68,965	0
Property Tax Levy for Next Fiscal Year	529,406	0	0	0
Total Deferred Inflows of Resources	572,424	15,738	68,965	0
Fund Balance:				
Nonspendable	0	0	0	0
Restricted	66,035	122,802	34,483	534,032
Total Fund Balance	66,035	122,802	34,483	534,032
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 638,459	\$ 153,534	\$ 103,448	\$ 538,065

CITY OF NEWARK, OHIO

Landfill Reclamation	Court Computerization	Fire Damage	Permissive License Tax	Probation Grant	ODNR Grants
\$ 5,158	\$ 715,316	\$ 138,894	\$ 1,031,047	\$ 61,048	\$ 9,138
0	8,573	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	61,574	0	0	0
0	0	0	322,646	637,174	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	382,937	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 5,158</u>	<u>\$ 723,889</u>	<u>\$ 200,468</u>	<u>\$ 1,736,630</u>	<u>\$ 698,222</u>	<u>\$ 9,138</u>
\$ 0	\$ 0	\$ 0	\$ 11,526	\$ 656	\$ 0
0	3,895	0	0	12,678	0
0	0	0	0	0	0
<u>0</u>	<u>3,895</u>	<u>0</u>	<u>11,526</u>	<u>13,334</u>	<u>0</u>
0	0	0	598,034	637,174	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>598,034</u>	<u>637,174</u>	<u>0</u>
0	0	0	0	0	0
<u>5,158</u>	<u>719,994</u>	<u>200,468</u>	<u>1,127,070</u>	<u>47,714</u>	<u>9,138</u>
<u>5,158</u>	<u>719,994</u>	<u>200,468</u>	<u>1,127,070</u>	<u>47,714</u>	<u>9,138</u>
<u>\$ 5,158</u>	<u>\$ 723,889</u>	<u>\$ 200,468</u>	<u>\$ 1,736,630</u>	<u>\$ 698,222</u>	<u>\$ 9,138</u>

(Continued)

CITY OF NEWARK, OHIO**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2021**

	Mary E. Barnes Trust	Judicial	Total Nonmajor Special Revenue Funds
Assets:			
Pooled Cash and Investments	\$ 0	\$ 1,527,147	\$ 5,535,154
Cash and Cash Equivalents in Segregated Accounts	0	8,974	21,701
Investments	0	0	75,000
Receivables:			
Taxes	0	0	541,720
Accounts	0	0	61,574
Intergovernmental	0	0	2,431,923
Loans	0	0	2,302,056
Inventory of Supplies, at Cost	0	0	430,759
Restricted Assets:			
Cash and Cash Equivalents	0	0	447,034
Investments	0	0	622,523
Investments with Fiscal Agent	178,365	0	777,484
Total Assets	\$ 178,365	\$ 1,536,121	\$ 13,246,928
Liabilities:			
Accounts Payable	\$ 0	\$ 1,303	\$ 74,372
Accrued Wages and Benefits Payable	0	10,356	136,103
Intergovernmental Payable	0	0	444
Total Liabilities	0	11,659	210,919
Deferred Inflows of Resources:			
Unavailable Amounts	0	0	2,213,502
Property Tax Levy for Next Fiscal Year	0	0	529,406
Total Deferred Inflows of Resources	0	0	2,742,908
Fund Balance:			
Nonspendable	0	0	430,759
Restricted	178,365	1,524,462	9,862,342
Total Fund Balance	178,365	1,524,462	10,293,101
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 178,365	\$ 1,536,121	\$ 13,246,928

CITY OF NEWARK, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	Street Department	Cemetery	Community Development	Special Improvement District
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	2,699,693	0	757,629	0
Charges for Services	0	5,882	0	0
Investment Earnings	0	112,395	0	0
Special Assessments	0	0	0	113,724
Fines and Forfeitures	0	0	0	0
All Other Revenue	55,626	0	7	0
Total Revenues	<u>2,755,319</u>	<u>118,277</u>	<u>757,636</u>	<u>113,724</u>
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Public Health and Welfare Services	0	19,066	0	0
Community Environment	0	0	952,708	113,724
Transportation	3,034,891	0	0	0
General Government	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Total Expenditures	<u>3,034,891</u>	<u>19,066</u>	<u>952,708</u>	<u>113,724</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(279,572)	99,211	(195,072)	0
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(279,572)	99,211	(195,072)	0
Fund Balance at Beginning of Year	1,683,247	1,313,237	3,148,357	0
Decrease in Inventory	(122,834)	0	0	0
Fund Balance End of Year	<u>\$ 1,280,841</u>	<u>\$ 1,412,448</u>	<u>\$ 2,953,285</u>	<u>\$ 0</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, 2021***

	Veterans Memorial Sidewalk	Police/Fire Pension	Safety Grants	State Highway
Revenues:				
Taxes	\$ 0	\$ 523,326	\$ 0	\$ 0
Intergovernmental Revenues	0	66,920	251,382	218,894
Charges for Services	0	0	0	0
Investment Earnings	0	0	0	0
Special Assessments	0	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	225	0	0	0
Total Revenues	<u>225</u>	<u>590,246</u>	<u>251,382</u>	<u>218,894</u>
Expenditures:				
Current:				
Security of Persons and Property	0	524,211	256,823	0
Public Health and Welfare Services	0	0	0	0
Community Environment	0	0	0	0
Transportation	0	0	0	217,240
General Government	120	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Total Expenditures	<u>120</u>	<u>524,211</u>	<u>256,823</u>	<u>217,240</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	105	66,035	(5,441)	1,654
Other Financing Sources (Uses):				
Transfers In	0	0	106,199	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>106,199</u>	<u>0</u>
Net Change in Fund Balance	105	66,035	100,758	1,654
Fund Balance at Beginning of Year	76,701	0	22,044	32,829
Decrease in Inventory	0	0	0	0
Fund Balance End of Year	<u>\$ 76,806</u>	<u>\$ 66,035</u>	<u>\$ 122,802</u>	<u>\$ 34,483</u>

CITY OF NEWARK, OHIO

Law Enforcement	Landfill Reclamation	Court Computerization	Fire Damage	Permissive License Tax	Probation Grant
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
22,812	0	127,375	0	1,287,954	438,206
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
75,852	0	181,894	0	0	0
5	434	25	166,576	235,705	303
98,669	434	309,294	166,576	1,523,659	438,509
47,871	0	0	0	0	466,681
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	968,163	0
0	0	301,129	101,039	0	0
0	0	0	0	88,500	0
47,871	0	301,129	101,039	1,056,663	466,681
50,798	434	8,165	65,537	466,996	(28,172)
0	0	0	0	0	0
0	0	0	0	0	0
50,798	434	8,165	65,537	466,996	(28,172)
483,234	4,724	711,829	134,931	660,074	75,886
0	0	0	0	0	0
\$ 534,032	\$ 5,158	\$ 719,994	\$ 200,468	\$ 1,127,070	\$ 47,714

(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, 2021**

	Coronavirus Relief	ODNR Grants	Mary E. Barnes Trust	Brownfield Cleanup
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	0	19,765
Charges for Services	0	0	0	0
Investment Earnings	0	0	4,211	0
Special Assessments	0	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	0	0	0	0
Total Revenues	<u>0</u>	<u>0</u>	<u>4,211</u>	<u>19,765</u>
Expenditures:				
Current:				
Security of Persons and Property	0	0	13,229	0
Public Health and Welfare Services	0	0	0	13,032
Community Environment	0	0	0	0
Transportation	0	0	0	0
General Government	571,645	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Total Expenditures	<u>571,645</u>	<u>0</u>	<u>13,229</u>	<u>13,032</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(571,645)	0	(9,018)	6,733
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(571,645)	0	(9,018)	6,733
Fund Balance at Beginning of Year	571,645	9,138	187,383	(6,733)
Decrease in Inventory	0	0	0	0
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 9,138</u>	<u>\$ 178,365</u>	<u>\$ 0</u>

CITY OF NEWARK, OHIO

Judicial	Total Nonmajor Special Revenue Funds
\$ 0	\$ 523,326
0	5,890,630
0	5,882
0	116,606
0	113,724
148,674	406,420
80	458,986
<u>148,754</u>	<u>7,515,574</u>
0	1,308,815
0	32,098
0	1,066,432
0	4,220,294
250,697	1,224,630
0	88,500
<u>250,697</u>	<u>7,940,769</u>
(101,943)	(425,195)
0	106,199
<u>0</u>	<u>106,199</u>
(101,943)	(318,996)
1,626,405	10,734,931
0	(122,834)
<u>\$ 1,524,462</u>	<u>\$ 10,293,101</u>

CITY OF NEWARK, OHIO

**Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2021**

	Debt Service	Tax Increment Financing	Total Nonmajor Debt Service Funds
Assets:			
Pooled Cash and Investments	\$ 966,465	\$ 1,127,590	\$ 2,094,055
Receivables:			
Taxes	0	697,000	697,000
Total Assets	<u>\$ 966,465</u>	<u>\$ 1,824,590</u>	<u>\$ 2,791,055</u>
Liabilities:			
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Deferred Inflows of Resources:			
Property Tax Levy for Next Fiscal Year	0	697,000	697,000
Total Deferred Inflows of Resources	<u>0</u>	<u>697,000</u>	<u>697,000</u>
Fund Balance:			
Restricted	966,465	1,127,590	2,094,055
Total Fund Balance	<u>966,465</u>	<u>1,127,590</u>	<u>2,094,055</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 966,465</u>	<u>\$ 1,824,590</u>	<u>\$ 2,791,055</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, 2021**

	Debt Service	Tax Increment Financing	Total Nonmajor Debt Service Funds
Revenues:			
Taxes	\$ 0	\$ 704,667	\$ 704,667
All Other Revenue	1,695	0	1,695
Total Revenues	<u>1,695</u>	<u>704,667</u>	<u>706,362</u>
Expenditures:			
Current:			
General Government	2,850	379,393	382,243
Debt Service:			
Principal Retirement	1,488,311	210,000	1,698,311
Interest and Fiscal Charges	613,447	54,084	667,531
Total Expenditures	<u>2,104,608</u>	<u>643,477</u>	<u>2,748,085</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,102,913)	61,190	(2,041,723)
Other Financing Sources (Uses):			
Transfers In	1,876,364	213,590	2,089,954
Transfers Out	(157,779)	0	(157,779)
Total Other Financing Sources (Uses)	<u>1,718,585</u>	<u>213,590</u>	<u>1,932,175</u>
Net Change in Fund Balance	(384,328)	274,780	(109,548)
Fund Balance at Beginning of Year	<u>1,350,793</u>	<u>852,810</u>	<u>2,203,603</u>
Fund Balance End of Year	<u>\$ 966,465</u>	<u>\$ 1,127,590</u>	<u>\$ 2,094,055</u>

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, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 24,242,085	\$ 24,452,085	\$ 28,920,520	\$ 4,468,435
Intergovernmental Revenues	1,732,436	1,742,436	2,100,351	357,915
Charges for Services	3,012,479	3,518,667	4,414,190	895,523
Licenses, Permits and Fees	99,975	99,975	103,053	3,078
Investment Earnings	201,105	201,105	311,665	110,560
Fines and Forfeitures	1,403,600	1,421,611	1,381,632	(39,979)
All Other Revenue	62,300	3,441,957	3,743,110	301,153
Total Revenues	30,753,980	34,877,836	40,974,521	6,096,685
Expenditures:				
Security of Persons and Property:				
Impound Lot:				
Personal Services	84,618	86,511	86,164	347
Materials and Supplies	524	500	500	0
Contractual Services	88,086	75,670	66,284	9,386
Total Impound Lot	173,228	162,681	152,948	9,733
Police:				
Personal Services	8,372,652	8,191,375	8,129,009	62,366
Materials and Supplies	295,836	315,371	315,371	0
Contractual Services	723,222	619,426	576,007	43,419
Other Expenditures	625	625	125	500
Capital Outlay	74,161	58,530	58,529	1
Total Police	9,466,496	9,185,327	9,079,041	106,286
Fire:				
Personal Services	8,682,948	9,102,206	9,094,225	7,981
Materials and Supplies	434,208	437,458	436,537	921
Contractual Services	622,729	591,167	588,582	2,585
Other Expenditures	1,000	1,000	0	1,000
Capital Outlay	247,404	268,864	268,747	117
Total Fire	9,988,289	10,400,695	10,388,091	12,604
Total Security of Persons and Property	19,628,013	19,748,703	19,620,080	128,623

(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, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Leisure Time Activities:				
Parks and Cemetery:				
Personal Services	530,679	592,994	588,793	4,201
Materials and Supplies	63,437	61,472	53,900	7,572
Contractual Services	154,549	183,876	178,883	4,993
Other Expenditures	2,410	2,350	1,737	613
Total Parks and Cemetery	751,075	840,692	823,313	17,379
Hollander Pool:				
Materials and Supplies	4,000	0	0	0
Contractual Services	48,981	51,357	47,696	3,661
Total Hollander Pool	52,981	51,357	47,696	3,661
Babe Ruth Baseball:				
Materials and Supplies	5,560	3,628	2,714	914
Contractual Services	62,808	64,481	62,337	2,144
Total Babe Ruth Baseball	68,368	68,109	65,051	3,058
Total Leisure Time Activities	872,424	960,158	936,060	24,098
Community Environment:				
Code Administration:				
Personal Services	325,490	325,781	323,006	2,775
Materials and Supplies	10,368	8,586	7,344	1,242
Contractual Services	362,031	245,960	238,631	7,329
Other Expenditures	500	500	285	215
Capital Outlay	17,000	3,550	1,000	2,550
Total Community Environment	715,389	584,377	570,266	14,111
Transportation:				
Street/Traffic:				
Personal Services	0	997	997	0
Total Transportation	0	997	997	0
General Government:				
City Council:				
Personal Services	116,916	117,983	117,074	909
Total City Council	116,916	117,983	117,074	909

(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, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Clerk of Council:				
Personal Services	61,152	61,537	61,355	182
Materials and Supplies	1,310	578	578	0
Contractual Services	22,610	18,942	18,942	0
Total Clerk of Council	85,072	81,057	80,875	182
Mayor:				
Personal Services	211,527	214,833	214,709	124
Materials and Supplies	1,072	750	250	500
Contractual Services	13,635	12,820	10,760	2,060
Capital Outlay	2,100	2,025	0	2,025
Total Mayor	228,334	230,428	225,719	4,709
Auditor:				
Personal Services	451,933	466,327	461,021	5,306
Materials and Supplies	5,972	5,972	5,971	1
Contractual Services	165,825	975,307	974,319	988
Other Expenditures	199,444	171,352	171,352	0
Capital Outlay	10,914	9,914	9,414	500
Total Auditor	834,088	1,628,872	1,622,077	6,795
Law Director:				
Personal Services	1,034,948	1,049,567	1,012,639	36,928
Materials and Supplies	8,573	8,000	7,000	1,000
Contractual Services	25,989	25,997	18,724	7,273
Other Expenditures	0	20,000	20,000	0
Total Law Director	1,069,510	1,103,564	1,058,363	45,201
Clerk of Courts:				
Personal Services	1,446,516	1,323,837	1,310,045	13,792
Materials and Supplies	35,739	20,025	20,025	0
Contractual Services	103,530	105,401	103,282	2,119
Other Expenditures	2,500	500	56	444
Total Clerk of Courts	1,588,285	1,449,763	1,433,408	16,355

(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, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Civil Service:				
Personal Services	1,968	4,867	4,418	449
Materials and Supplies	391	300	300	0
Contractual Services	56,148	53,804	53,804	0
Total Civil Service	58,507	58,971	58,522	449
Workers Compensation:				
Personal Services	185,461	185,461	120,461	65,000
Total Workers Compensation	185,461	185,461	120,461	65,000
Judiciary:				
Personal Services	841,644	848,896	838,816	10,080
Materials and Supplies	11,228	10,804	10,765	39
Contractual Services	97,797	90,942	78,214	12,728
Other Expenditures	1,433	1,000	0	1,000
Total Judiciary	952,102	951,642	927,795	23,847
Personnel:				
Personal Services	209,727	213,934	209,486	4,448
Materials and Supplies	741	600	600	0
Contractual Services	115,639	75,157	74,377	780
Capital Outlay	7,020	2,500	1,000	1,500
Total Personnel	333,127	292,191	285,463	6,728
Adult Probation:				
Personal Services	598,747	573,249	560,543	12,706
Materials and Supplies	16,074	20,139	19,175	964
Contractual Services	28,619	52,401	52,135	266
Capital Outlay	8	5,430	5,430	0
Total Adult Probation	643,448	651,219	637,283	13,936

(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, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Service Department:				
Personal Services	209,660	212,710	212,097	613
Materials and Supplies	15,680	22,871	22,871	0
Contractual Services	2,493,453	2,893,949	2,890,483	3,466
Capital Outlay	167,477	64,553	64,553	0
Total Service Department	2,886,270	3,194,083	3,190,004	4,079
Engineer:				
Personal Services	594,991	611,590	610,396	1,194
Materials and Supplies	4,830	8,640	8,290	350
Contractual Services	71,447	51,901	48,748	3,153
Capital Outlay	14,480	8,500	8,000	500
Total Engineer	685,748	680,631	675,434	5,197
Custodial:				
Personal Services	217,331	218,085	208,674	9,411
Materials and Supplies	1,900	2,999	2,360	639
Contractual Services	244,541	213,416	213,416	0
Other Expenditures	425	150	125	25
Capital Outlay	97	983	983	0
Total Custodial	464,294	435,633	425,558	10,075
Income Tax:				
Personal Services	928,036	931,602	910,243	21,359
Materials and Supplies	14,315	12,134	9,274	2,860
Contractual Services	191,205	271,104	258,891	12,213
Other Expenditures	600,000	380,000	379,944	56
Capital Outlay	102,558	79,765	76,765	3,000
Total Income Tax	1,836,114	1,674,605	1,635,117	39,488

(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, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Safety Director:				
Personal Services	175,850	177,355	174,509	2,846
Materials and Supplies	608	607	583	24
Contractual Services	469,726	464,876	463,610	1,266
Other Expenditures	7,000	7,000	5,583	1,417
Capital Outlay	2,000	1,130	0	1,130
Total Safety Director	655,184	650,968	644,285	6,683
Total General Government	12,622,460	13,387,071	13,137,438	249,633
Total Expenditures	33,838,286	34,681,306	34,264,841	416,465
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,084,306)	196,530	6,709,680	6,513,150
Other Financing Sources (Uses):				
Sale of Capital Assets	40,000	40,000	85,986	45,986
Transfers In	1,103,115	1,103,115	1,338,115	235,000
Transfers Out	(3,591,431)	(7,804,487)	(7,800,830)	3,657
Advances In	0	56,369	56,369	0
Total Other Financing Sources (Uses)	(2,448,316)	(6,605,003)	(6,320,360)	284,643
Net Change in Fund Balance	(5,532,622)	(6,408,473)	389,320	6,797,793
Fund Balance at Beginning of Year	6,613,704	6,613,704	6,613,704	0
Prior Year Encumbrances	1,156,213	1,156,213	1,156,213	0
Fund Balance at End of Year	<u>\$ 2,237,295</u>	<u>\$ 1,361,444</u>	<u>\$ 8,159,237</u>	<u>\$ 6,797,793</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund – American Rescue Plan Act Fund
For the Year Ended December 31, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 9,070,010	\$ 9,070,010	\$ 0
Total Revenues	0	9,070,010	9,070,010	0
Expenditures:				
General Government:				
Materials and Supplies	0	471,925	471,925	0
Capital Outlay	0	8,467,640	8,467,640	0
Total Expenditures	0	8,939,565	8,939,565	0
Net Change in Fund Balance	0	130,445	130,445	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 130,445	\$ 130,445	\$ 0

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Projects Funds – Capital Improvement Fund
For the Year Ended December 31, 2021***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 1,750,000	\$ 664,819	\$ (1,085,181)
Investment Earnings	6,070	0	(6,070)
All Other Revenue	0	88,567	88,567
Total Revenues	1,756,070	753,386	(1,002,684)
Expenditures:			
Capital Outlay	7,620,652	6,613,766	1,006,886
Debt Service:			
Principal Retirement	1,125,000	1,125,000	0
Interest and Fiscal Charges	27,322	25,242	2,080
Total Expenditures	8,772,974	7,764,008	1,008,966
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,016,904)	(7,010,622)	6,282
Other Financing Sources (Uses):			
Note Issuance	1,125,000	4,625,000	3,500,000
Loan Issuance	605,568	0	(605,568)
Transfers In	4,856,562	4,856,562	0
Total Other Financing Sources (Uses)	6,587,130	9,481,562	2,894,432
Net Change in Fund Balance	(429,774)	2,470,940	2,900,714
Fund Balance at Beginning of Year	72,196	72,196	0
Prior Year Encumbrances	1,061,466	1,061,466	0
Fund Balance at End of Year	\$ 703,888	\$ 3,604,602	\$ 2,900,714

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, 2021***

STREET DEPARTMENT FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 2,800,537	\$ 2,679,293	\$ (121,244)
All Other Revenue	9,500	56,296	46,796
Total Revenues	2,810,037	2,735,589	(74,448)
Expenditures:			
Transportation:			
Personal Services	1,998,117	1,904,072	94,045
Materials and Supplies	681,809	631,581	50,228
Contractual Services	1,367,468	1,288,017	79,451
Other Expenditures	7,575	6,359	1,216
Capital Outlay	26,596	21,537	5,059
Total Expenditures	4,081,565	3,851,566	229,999
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,271,528)	(1,115,977)	155,551
Other Financing Sources (Uses):			
Transfers In	631,976	617,240	(14,736)
Total Other Financing Sources (Uses)	631,976	617,240	(14,736)
Net Change in Fund Balance	(639,552)	(498,737)	140,815
Fund Balance at Beginning of Year	592,281	592,281	0
Prior Year Encumbrances	262,702	262,702	0
Fund Balance at End of Year	\$ 215,431	\$ 356,246	\$ 140,815

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, 2021***

CEMETERY FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 4,500	\$ 5,882	\$ 1,382
Investment Earnings	420	0	(420)
Total Revenues	4,920	5,882	962
Expenditures:			
Public Health and Welfare Services:			
Materials and Supplies	4,500	0	4,500
Contractual Services	2,000	0	2,000
Total Expenditures	6,500	0	6,500
Net Change in Fund Balance	(1,580)	5,882	7,462
Fund Balance at Beginning of Year	807,447	807,447	0
Fund Balance at End of Year	\$ 805,867	\$ 813,329	\$ 7,462

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, 2021***

COMMUNITY DEVELOPMENT FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 1,764,590	\$ 767,148	\$ (997,442)
Investment Earnings	6,700	0	(6,700)
All Other Revenue	40,500	24,143	(16,357)
Total Revenues	1,811,790	791,291	(1,020,499)
Expenditures:			
Community Environment:			
Personal Services	465,047	340,145	124,902
Materials and Supplies	2,034	569	1,465
Contractual Services	1,715,370	651,101	1,064,269
Other Expenditures	1,000	600	400
Total Expenditures	2,183,451	992,415	1,191,036
Net Change in Fund Balance	(371,661)	(201,124)	170,537
Fund Balance at Beginning of Year	625,450	625,450	0
Prior Year Encumbrances	132,439	132,439	0
Fund Balance at End of Year	\$ 386,228	\$ 556,765	\$ 170,537

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, 2021***

SPECIAL IMPROVEMENT DISTRICT FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments	\$ 155,800	\$ 113,724	\$ (42,076)
Total Revenues	155,800	113,724	(42,076)
Expenditures:			
Community Environment:			
Contractual Services	5,800	3,570	2,230
Other Expenditures	150,000	110,154	39,846
Total Expenditures	155,800	113,724	42,076
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	0	0	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, 2021***

VETERANS MEMORIAL SIDEWALK FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 10	\$ 0	\$ (10)
All Other Revenue	400	225	(175)
Total Revenues	410	225	(185)
Expenditures:			
General Government:			
Contractual Services	1,000	800	200
Total Expenditures	1,000	800	200
Net Change in Fund Balance	(590)	(575)	15
Fund Balance at Beginning of Year	76,701	76,701	0
Fund Balance at End of Year	\$ 76,111	\$ 76,126	\$ 15

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, 2021***

POLICE/FIRE PENSION FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 455,342	\$ 523,326	\$ 67,984
Intergovernmental Revenues	69,490	66,920	(2,570)
Total Revenues	524,832	590,246	65,414
Expenditures:			
Security of Persons and Property:			
Personal Services	516,598	516,598	0
Contractual Services	8,234	7,613	621
Total Expenditures	524,832	524,211	621
Net Change in Fund Balance	0	66,035	66,035
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$ 0	\$ 66,035	\$ 66,035

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, 2021***

SAFETY GRANTS FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 301,873	\$ 331,138	\$ 29,265
Total Revenues	301,873	331,138	29,265
Expenditures:			
Security of Persons and Property:			
Personal Services	298,068	236,920	61,148
Materials and Supplies	9,546	9,546	0
Contractual Services	11,531	10,262	1,269
Total Expenditures	319,145	256,728	62,417
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,272)	74,410	91,682
Other Financing Sources (Uses):			
Transfers In	68,359	106,199	37,840
Advances Out	(51,087)	(51,087)	0
Total Other Financing Sources (Uses)	17,272	55,112	37,840
Net Change in Fund Balance	0	129,522	129,522
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$ 0	\$ 129,522	\$ 129,522

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, 2021***

STATE HIGHWAY FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 231,976	\$ 217,240	\$ (14,736)
Total Revenues	<u>231,976</u>	<u>217,240</u>	<u>(14,736)</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	231,976	217,240	(14,736)
Other Financing Sources (Uses):			
Transfers Out	(231,976)	(217,240)	14,736
Total Other Financing Sources (Uses)	<u>(231,976)</u>	<u>(217,240)</u>	<u>14,736</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

***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, 2021***

	LAW ENFORCEMENT FUND		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 12,000	\$ 23,154	\$ 11,154
Fines and Forfeitures	58,000	74,991	16,991
All Other Revenue	0	5	5
Total Revenues	70,000	98,150	28,150
Expenditures:			
Security of Persons and Property:			
Contractual Services	105,226	57,719	47,507
Total Expenditures	105,226	57,719	47,507
Net Change in Fund Balance	(35,226)	40,431	75,657
Fund Balance at Beginning of Year	458,357	458,357	0
Prior Year Encumbrances	24,417	24,417	0
Fund Balance at End of Year	\$ 447,548	\$ 523,205	\$ 75,657

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, 2021***

LANDFILL RECLAMATION FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 0	\$ 434	\$ 434
Total Revenues	0	434	434
Expenditures:			
Total Expenditures	0	0	0
Net Change in Fund Balance	0	434	434
Fund Balance at Beginning of Year	4,724	4,724	0
Fund Balance at End of Year	<u>\$ 4,724</u>	<u>\$ 5,158</u>	<u>\$ 434</u>

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, 2021***

COURT COMPUTERIZATION FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 127,375	\$ 127,375	\$ 0
Fines and Forfeitures	127,000	184,342	57,342
All Other Revenue	0	25	25
Total Revenues	254,375	311,742	57,367
Expenditures:			
General Government:			
Personal Services	141,727	97,995	43,732
Materials and Supplies	10,000	4,500	5,500
Contractual Services	446,606	52,997	393,609
Capital Outlay	217,375	157,848	59,527
Total Expenditures	815,708	313,340	502,368
Net Change in Fund Balance	(561,333)	(1,598)	559,735
Fund Balance at Beginning of Year	687,821	687,821	0
Prior Year Encumbrances	16,333	16,333	0
Fund Balance at End of Year	\$ 142,821	\$ 702,556	\$ 559,735

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, 2021***

FIRE DAMAGE FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenue	\$ 175,000	\$ 126,796	\$ (48,204)
Total Revenues	175,000	126,796	(48,204)
Expenditures:			
General Government:			
Contractual Services	12,900	0	12,900
Other Expenditures	162,100	101,039	61,061
Total Expenditures	175,000	101,039	73,961
Net Change in Fund Balance	0	25,757	25,757
Fund Balance at Beginning of Year	108,937	108,937	0
Prior Year Encumbrances	4,200	4,200	0
Fund Balance at End of Year	<u>\$ 113,137</u>	<u>\$ 138,894</u>	<u>\$ 25,757</u>

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, 2021***

PERMISSIVE LICENSE TAX FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 800,000	\$ 1,280,856	\$ 480,856
All Other Revenue	303,600	235,705	(67,895)
Total Revenues	1,103,600	1,516,561	412,961
Expenditures:			
Transportation:			
Contractual Services	1,669,083	1,669,082	1
Debt Service:			
Principal Retirement	88,500	88,500	0
Total Expenditures	1,757,583	1,757,582	1
Net Change in Fund Balance	(653,983)	(241,021)	412,962
Fund Balance at Beginning of Year	367,195	367,195	0
Prior Year Encumbrances	403,983	403,983	0
Fund Balance at End of Year	\$ 117,195	\$ 530,157	\$ 412,962

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, 2021***

PROBATION GRANT FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 511,018	\$ 438,206	\$ (72,812)
All Other Revenue	0	303	303
Total Revenues	511,018	438,509	(72,509)
Expenditures:			
Security of Persons and Property:			
Personal Services	397,229	348,536	48,693
Materials and Supplies	97,064	69,996	27,068
Contractual Services	69,308	69,308	0
Total Expenditures	563,601	487,840	75,761
Net Change in Fund Balance	(52,583)	(49,331)	3,252
Fund Balance at Beginning of Year	70,386	70,386	0
Prior Year Encumbrances	20,780	20,780	0
Fund Balance at End of Year	\$ 38,583	\$ 41,835	\$ 3,252

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, 2021***

CORONAVIRUS RELIEF FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
General Government:			
Materials and Supplies	263,508	263,508	0
Capital Outlay	331,844	331,844	0
Total Expenditures	595,352	595,352	0
Net Change in Fund Balance	(595,352)	(595,352)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances	595,352	595,352	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, 2021***

ODNR GRANTS FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 1,000	\$ 0	\$ (1,000)
Total Revenues	1,000	0	(1,000)
Expenditures:			
Community Environment:			
Materials and Supplies	2,846	0	2,846
Total Expenditures	2,846	0	2,846
Net Change in Fund Balance	(1,846)	0	1,846
Fund Balance at Beginning of Year	9,138	9,138	0
Fund Balance at End of Year	\$ 7,292	\$ 9,138	\$ 1,846

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, 2021***

BROWNFIELD CLEANUP FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 106,406	\$ 19,765	\$ (86,641)
Total Revenues	106,406	19,765	(86,641)
Expenditures:			
Public Health and Welfare Services:			
Contractual Services	93,234	16,234	77,000
Total Expenditures	93,234	16,234	77,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,172	3,531	(9,641)
Other Financing Sources (Uses):			
Advances Out	(5,282)	(5,282)	0
Total Other Financing Sources (Uses)	(5,282)	(5,282)	0
Net Change in Fund Balance	7,890	(1,751)	(9,641)
Fund Balance at Beginning of Year	(21,124)	(21,124)	0
Prior Year Encumbrances	21,124	21,124	0
Fund Balance at End of Year	\$ 7,890	\$ (1,751)	\$ (9,641)

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, 2021***

JUDICIAL FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 110,000	\$ 148,552	\$ 38,552
All Other Revenue	0	80	80
Total Revenues	110,000	148,632	38,632
Expenditures:			
General Government:			
Personal Services	259,308	234,448	24,860
Materials and Supplies	21,200	5,496	15,704
Contractual Services	98,548	32,398	66,150
Capital Outlay	4,000	500	3,500
Total Expenditures	383,056	272,842	110,214
Net Change in Fund Balance	(273,056)	(124,210)	148,846
Fund Balance at Beginning of Year	1,613,086	1,613,086	0
Prior Year Encumbrances	13,592	13,592	0
Fund Balance at End of Year	\$ 1,353,622	\$ 1,502,468	\$ 148,846

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, 2021***

DEBT SERVICE FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenue	\$ 0	\$ 1,695	\$ 1,695
Total Revenues	0	1,695	1,695
Expenditures:			
General Government:			
Contractual Services	3,100	2,850	250
Debt Service:			
Principal Retirement	4,567,016	4,507,135	59,881
Interest and Fiscal Charges	688,958	652,402	36,556
Total Expenditures	5,259,074	5,162,387	96,687
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,259,074)	(5,160,692)	98,382
Other Financing Sources (Uses):			
Note Issuance	2,900,000	2,900,000	0
Transfers In	1,654,547	1,876,364	221,817
Total Other Financing Sources (Uses)	4,554,547	4,776,364	221,817
Net Change in Fund Balance	(704,527)	(384,328)	320,199
Fund Balance at Beginning of Year	1,350,788	1,350,788	0
Prior Year Encumbrances	5	5	0
Fund Balance at End of Year	\$ 646,266	\$ 966,465	\$ 320,199

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, 2021***

TAX INCREMENT FINANCING FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 725,000	\$ 704,667	\$ (20,333)
Total Revenues	<u>725,000</u>	<u>704,667</u>	<u>(20,333)</u>
Expenditures:			
General Government:			
Contractual Services	14,050	5,916	8,134
Other Expenditures	439,047	373,477	65,570
Debt Service:			
Principal Retirement	210,000	210,000	0
Interest and Fiscal Charges	54,084	54,084	0
Total Expenditures	<u>717,181</u>	<u>643,477</u>	<u>73,704</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,819	61,190	53,371
Other Financing Sources (Uses):			
Transfers In	213,590	213,590	0
Total Other Financing Sources (Uses)	<u>213,590</u>	<u>213,590</u>	<u>0</u>
Net Change in Fund Balance	221,409	274,780	53,371
Fund Balance at Beginning of Year	852,810	852,810	0
Fund Balance at End of Year	<u>\$ 1,074,219</u>	<u>\$ 1,127,590</u>	<u>\$ 53,371</u>

CITY OF NEWARK, OHIO

***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, 2021***

COURT CAPITAL IMPROVEMENT FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 15,600	\$ 21,401	\$ 5,801
Total Revenues	15,600	21,401	5,801
Expenditures:			
Capital Outlay	60,400	0	60,400
Total Expenditures	60,400	0	60,400
Net Change in Fund Balance	(44,800)	21,401	66,201
Fund Balance at Beginning of Year	403,216	403,216	0
Prior Year Encumbrances	24	24	0
Fund Balance at End of Year	<u>\$ 358,440</u>	<u>\$ 424,641</u>	<u>\$ 66,201</u>

Fiduciary Funds

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.

Custodial Funds

Municipal Court Fund

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

Law Library Fund

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

Joint Economic Development District Fund (JEDD)

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 Net Position
Custodial Funds
December 31, 2021**

	Municipal Court	Law Library	JEDD	Total Custodial Funds
Assets:				
Cash and Cash Equivalents	\$ 301,578	\$ 17,360	\$ 1,220,059	\$ 1,538,997
Receivables:				
Taxes	0	0	384,275	384,275
Accounts	0	4,240	0	4,240
Total Assets	301,578	21,600	1,604,334	1,927,512
Liabilities:				
Intergovernmental Payable	0	0	1,604,334	1,604,334
Due to Others	301,578	21,600	0	323,178
Total Liabilities	301,578	21,600	1,604,334	1,927,512
Unrestricted	0	0	0	0
Total Net Position	\$ 0	\$ 0	\$ 0	\$ 0

CITY OF NEWARK, OHIO

**Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended December 31, 2021**

	Municipal Court	Law Library	JEDD	Total Custodial Funds
Additions:				
Fines and Forfeiture Collections for other Governments	\$ 2,513,913	\$ 69,019	\$ 0	\$ 2,582,932
Income Tax Collections for other Governments	0	0	4,051,392	4,051,392
Total Additions	<u>2,513,913</u>	<u>69,019</u>	<u>4,051,392</u>	<u>6,634,324</u>
Deductions:				
Distribution of Fines and Forfeitures to other Governments	2,513,913	69,019	0	2,582,932
Distribution of Income Taxes to other Governments	0	0	4,051,392	4,051,392
Total Deductions	<u>2,513,913</u>	<u>69,019</u>	<u>4,051,392</u>	<u>6,634,324</u>
Change in Net Position	0	0	0	0
Net Position at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Position End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>



STATISTICAL SECTION



S* *STATISTICAL* *T* *ABLES

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

Contents

Financial Trends	S 2 – S 13
These schedules contain trend information to help the reader understand how the City's financial position has changed over time.	
Revenue Capacity	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.	
Debt Capacity	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.	
Economic and Demographic Information	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.	
Operating Information	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.	
Sources Note:	
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)

	*			
	2012	2013	2014	2015
Governmental Activities:				
Net Investment in Capital Assets	\$42,970,107	\$46,111,207	\$44,958,995	\$45,289,248
Restricted	13,070,091	11,903,557	12,518,066	11,989,270
Unrestricted	2,407,288	1,671,736	(25,664,425)	(26,854,936)
Total Governmental Activities Net Position	<u>\$58,447,486</u>	<u>\$59,686,500</u>	<u>\$31,812,636</u>	<u>\$30,423,582</u>
Business-type Activities:				
Net Investment in Capital Assets	\$22,105,075	\$23,693,170	\$23,473,836	\$23,666,267
Unrestricted	5,214,754	5,003,115	3,827,754	5,201,729
Total Business-type Activities Net Position	<u>\$27,319,829</u>	<u>\$28,696,285</u>	<u>\$27,301,590</u>	<u>\$28,867,996</u>
Primary Government:				
Net Investment in Capital Assets	\$65,075,182	\$69,804,377	\$68,432,831	\$68,955,515
Restricted	13,070,091	11,903,557	12,518,066	11,989,270
Unrestricted	7,622,042	6,674,851	(21,836,671)	(21,653,207)
Total Primary Government Net Position	<u>\$85,767,315</u>	<u>\$88,382,785</u>	<u>\$59,114,226</u>	<u>\$59,291,578</u>

*Restated

Source: City Auditor's Office

City of Newark

	*	*			
2016	2017	2018	2019	2020	2021
\$45,753,020	\$46,518,880	\$48,075,929	\$49,125,155	\$51,221,557	\$58,547,237
13,304,726	14,563,247	14,502,647	16,535,236	15,108,328	14,738,392
(28,209,247)	(55,772,637)	(59,022,702)	(41,692,001)	(39,973,254)	(29,413,085)
<u>\$30,848,499</u>	<u>\$5,309,490</u>	<u>\$3,555,874</u>	<u>\$23,968,390</u>	<u>\$26,356,631</u>	<u>\$43,872,544</u>
\$25,890,917	\$27,363,677	\$30,027,197	\$28,948,271	\$30,699,918	\$36,307,178
6,246,617	5,817,214	5,377,583	6,827,639	6,996,493	7,959,050
<u>\$32,137,534</u>	<u>\$33,180,891</u>	<u>\$35,404,780</u>	<u>\$35,775,910</u>	<u>\$37,696,411</u>	<u>\$44,266,228</u>
\$71,643,937	\$73,882,557	\$78,103,126	\$78,073,426	\$81,921,475	\$94,854,415
13,304,726	14,563,247	14,502,647	16,535,236	15,108,328	14,738,392
(21,962,630)	(49,955,423)	(53,645,119)	(34,864,362)	(32,976,761)	(21,454,035)
<u>\$62,986,033</u>	<u>\$38,490,381</u>	<u>\$38,960,654</u>	<u>\$59,744,300</u>	<u>\$64,053,042</u>	<u>\$88,138,772</u>

City of Newark

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

	2012	2013	2014
Expenses			
Governmental Activities:			
Security of Persons and Property	\$19,288,483	\$17,844,738	\$18,014,306
Leisure Time Activities	658,305	629,675	864,731
Community Environment	2,221,036	2,050,028	1,614,911
Public Health and Welfare Services	1,770,199	119,440	186,078
Transportation	6,457,578	4,761,118	3,852,334
General Government	10,860,659	10,207,273	10,588,687
Interest and Fiscal Charges	799,142	812,373	822,031
<i>Total Governmental Activities Expenses</i>	<u>42,055,402</u>	<u>36,424,645</u>	<u>35,943,078</u>
Business-type Activities:			
Water	6,670,964	5,729,159	6,019,772
Sewer	6,660,500	6,000,714	7,370,520
Storm Water	1,721,062	3,002,057	1,844,358
<i>Total Business-type Activities Expenses</i>	<u>15,052,526</u>	<u>14,731,930</u>	<u>15,234,650</u>
<i>Total Primary Government Expenses</i>	<u>\$57,107,928</u>	<u>\$51,156,575</u>	<u>\$51,177,728</u>
Program Revenues			
Governmental Activities:			
Charges for Services			
Security of Persons and Property	\$3,415,217	\$3,063,296	\$3,153,173
Community Environment	68,149	72,154	101,985
Public Health and Welfare Services	245,040	108,539	157,337
Transportation	109,699	11,657	1,709
General Government	574,438	650,115	718,048
Operating Grants and Contributions	9,926,907	6,169,429	4,471,047
Capital Grants and Contributions	290,794	1,081,549	54,406
<i>Total Governmental Activities Program Revenues</i>	<u>14,630,244</u>	<u>11,156,739</u>	<u>8,657,705</u>

City of Newark

2015	2016	2017	2018	2019	2020	2021
\$18,199,966	\$20,139,086	\$20,158,136	\$22,014,630	\$2,251,413	\$21,712,225	\$20,388,448
919,417	788,906	805,323	764,096	885,748	889,707	709,835
1,531,206	1,119,922	2,035,280	1,591,011	1,395,136	1,116,844	1,275,008
45,062	43,762	20,948	101,517	125,607	25,934	32,098
4,351,212	3,836,428	3,848,797	4,560,561	4,433,534	3,703,225	4,111,421
10,609,273	10,559,036	11,740,626	12,669,608	12,795,333	16,550,653	9,868,895
735,303	961,639	813,720	691,034	830,501	807,438	757,487
<u>36,391,439</u>	<u>37,448,779</u>	<u>39,422,830</u>	<u>42,392,457</u>	<u>22,717,272</u>	<u>44,806,026</u>	<u>37,143,192</u>
6,402,011	5,852,349	6,289,615	5,908,173	7,742,185	7,191,579	4,493,994
6,158,986	6,491,673	6,573,165	7,481,125	8,372,152	7,619,736	6,937,457
2,693,249	2,542,355	2,275,143	2,849,000	2,786,131	2,479,263	1,957,102
<u>15,254,246</u>	<u>14,886,377</u>	<u>15,137,923</u>	<u>16,238,298</u>	<u>18,900,468</u>	<u>17,290,578</u>	<u>13,388,553</u>
<u>\$51,645,685</u>	<u>\$52,335,156</u>	<u>\$54,560,753</u>	<u>\$58,630,755</u>	<u>\$41,617,740</u>	<u>\$62,096,604</u>	<u>\$50,531,745</u>
\$3,120,520	\$3,149,170	\$3,316,630	\$3,424,525	\$3,321,786	\$3,020,090	\$3,346,950
163,450	121,929	284,510	183,207	260,608	385,530	351,557
144,829	162,113	154,577	131,922	184,084	127,366	195,134
0	0	0	0	0	0	0
711,005	709,967	858,659	982,271	1,327,430	861,378	2,671,926
4,307,895	4,752,661	5,667,002	4,147,863	5,668,797	8,813,090	6,653,830
414,045	995,426	1,274,404	1,881,272	464,133	404,649	5,999,528
<u>8,861,744</u>	<u>9,891,266</u>	<u>11,555,782</u>	<u>10,751,060</u>	<u>11,226,838</u>	<u>13,612,103</u>	<u>19,218,925</u>

(Continued)

City of Newark

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

	2012	2013	2014
Business-type Activities:			
Charges for Services			
Water	6,217,554	6,570,928	6,212,924
Sewer	6,742,077	6,871,755	7,419,978
Storm Water	2,728,525	2,806,031	2,769,820
Capital Grants and Contributions	0	350,000	0
<i>Total Business-type Activities Program Revenues</i>	<u>15,688,156</u>	<u>16,598,714</u>	<u>16,402,722</u>
<i>Total Primary Government Program Revenues</i>	<u>30,318,400</u>	<u>27,755,453</u>	<u>25,060,427</u>
Net (Expense)/Revenue			
Governmental Activities	(27,425,158)	(25,267,906)	(27,285,373)
Business-type Activities	635,630	1,866,784	1,168,072
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$26,789,528)</u>	<u>(\$23,401,122)</u>	<u>(\$26,117,301)</u>
General Revenues and Other Changes in Net Position			
Governmental Activities:			
Property Taxes Levied for:			
General Purposes	\$2,037,865	\$2,079,535	\$2,100,858
Special Purposes	403,724	411,562	416,520
Capital Purposes	740,590	662,390	428,807
Income Taxes	20,287,028	19,435,197	20,092,754
Other Local Taxes	476,211	503,408	420,782
Intergovernmental, Unrestricted	2,231,124	2,075,599	1,542,244
Investment Earnings	168,953	132,177	149,711
Miscellaneous	417,356	715,301	867,854
Transfers	436,824	491,751	(5,376)
<i>Total Governmental Activities</i>	<u>27,199,675</u>	<u>26,506,920</u>	<u>26,014,154</u>
Business-type Activities:			
Investment Earnings	6,297	1,423	901
Transfers	(436,824)	(491,751)	5,376
<i>Total Business-type Activities</i>	<u>(430,527)</u>	<u>(490,328)</u>	<u>6,277</u>
<i>Total Primary Government</i>	<u>\$26,769,148</u>	<u>\$26,016,592</u>	<u>\$26,020,431</u>
Change in Net Position			
Governmental Activities	(\$225,483)	\$1,239,014	(\$1,271,219)
Business-type Activities	205,103	1,376,456	1,174,349
<i>Total Primary Government Change in Net Position</i>	<u>(\$20,380)</u>	<u>\$2,615,470</u>	<u>(\$96,870)</u>

Source: City Auditor's Office

City of Newark

2015	2016	2017	2018	2019	2020	2021
6,294,557	6,656,234	6,797,182	6,577,349	6,661,518	6,703,923	6,949,831
7,653,112	8,374,932	8,404,935	8,616,054	9,166,248	9,275,469	8,948,560
2,871,602	2,853,724	2,998,433	3,021,441	3,123,460	3,231,687	3,277,872
0	507,805	422,221	247,343	310,099	0	660,146
16,819,271	18,392,695	18,622,771	18,462,187	19,261,325	19,211,079	19,836,409
25,681,015	28,283,961	30,178,553	29,213,247	30,488,163	32,823,182	39,055,334
(27,529,695)	(27,557,513)	(27,867,048)	(31,641,397)	(11,490,434)	(31,193,923)	(17,924,267)
1,565,025	3,506,318	3,484,848	2,223,889	360,857	1,920,501	6,447,856
<u>(\$25,964,670)</u>	<u>(\$24,051,195)</u>	<u>(\$24,382,200)</u>	<u>(\$29,417,508)</u>	<u>(\$11,129,577)</u>	<u>(\$29,273,422)</u>	<u>(\$11,476,411)</u>
\$2,040,628	\$2,055,097	\$2,053,021	\$2,229,854	\$2,257,252	\$2,330,831	\$2,614,159
404,872	408,316	407,838	443,700	448,718	458,528	519,786
594,079	446,815	1,394,237	851,596	782,020	736,369	704,667
20,454,357	22,318,619	22,471,820	23,055,696	24,146,929	23,273,642	26,323,603
514,057	515,033	652,430	416,577	530,187	360,632	693,166
1,566,000	1,482,292	1,515,622	1,552,058	1,720,775	3,705,128	2,105,938
67,376	169,378	224,875	399,347	1,035,914	521,433	98,937
499,272	349,426	653,133	917,461	981,155	2,195,601	2,501,453
0	237,454	0	0	0	0	(121,529)
26,140,641	27,982,430	29,372,976	29,866,289	31,902,950	33,582,164	35,440,180
1,381	674	0	0	10,273	0	432
0	(237,454)	0	0	0	0	121,529
1,381	(236,780)	0	0	10,273	0	121,961
<u>\$26,142,022</u>	<u>\$27,745,650</u>	<u>\$29,372,976</u>	<u>\$29,866,289</u>	<u>\$31,913,223</u>	<u>\$33,582,164</u>	<u>\$35,562,141</u>
(\$1,389,054)	\$424,917	\$1,505,928	(\$1,775,108)	\$20,412,516	\$2,388,241	\$17,515,913
1,566,406	3,269,538	3,484,848	2,223,889	371,130	1,920,501	6,569,817
<u>\$177,352</u>	<u>\$3,694,455</u>	<u>\$4,990,776</u>	<u>\$448,781</u>	<u>\$20,783,646</u>	<u>\$4,308,742</u>	<u>\$24,085,730</u>

City of Newark

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

	2012	2013	2014	2015
General Fund				
Nonspendable	\$117,771	\$122,904	\$121,858	\$132,563
Assigned	1,300,983	2,298,246	1,365,840	1,720,745
Unassigned	2,501,691	1,095,173	1,230,500	1,840,280
<i>Total General Fund</i>	<u>3,920,445</u>	<u>3,516,323</u>	<u>2,718,198</u>	<u>3,693,588</u>
 All Other Governmental Funds				
Nonspendable	\$231,351	\$187,475	\$257,886	\$346,364
Restricted	12,053,339	10,966,671	11,722,819	10,932,039
Committed	0	0	0	0
Unassigned	(558,807)	(1,044,814)	(2,422,355)	(6,272,292)
<i>Total All Other Governmental Funds</i>	<u>11,725,883</u>	<u>10,109,332</u>	<u>9,558,350</u>	<u>5,006,111</u>
 <i>Total Governmental Funds</i>	<u>\$15,646,328</u>	<u>\$13,625,655</u>	<u>\$12,276,548</u>	<u>\$8,699,699</u>

*Restated

Source: City Auditor's Office

City of Newark

*					
2016	2017	2018	2019	2020	2021
\$266,770	\$196,622	\$567,872	\$196,397	\$214,474	\$268,945
3,636,716	4,188,425	4,118,113	4,245,375	5,672,814	7,935,929
998,691	2,080,002	2,061,352	4,501,888	5,393,540	3,563,117
<u>4,902,177</u>	<u>6,465,049</u>	<u>6,747,337</u>	<u>8,943,660</u>	<u>11,280,828</u>	<u>11,767,991</u>
\$388,325	\$493,257	\$419,950	\$402,970	\$553,593	\$430,759
11,083,187	10,997,736	12,286,132	13,778,854	12,796,182	12,382,322
0	0	0	0	0	579,638
(860,510)	(239,683)	(88,785)	(9,737)	(1,893,740)	0
<u>10,611,002</u>	<u>11,251,310</u>	<u>12,617,297</u>	<u>14,172,087</u>	<u>11,456,035</u>	<u>13,392,719</u>
<u>\$15,513,179</u>	<u>\$17,716,359</u>	<u>\$19,364,634</u>	<u>\$23,115,747</u>	<u>\$22,736,863</u>	<u>\$25,160,710</u>

City of Newark

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

	2012	2013	2014	2015
Revenues:				
Taxes	\$23,598,538	\$23,209,071	\$23,321,413	\$24,195,781
Intergovernmental Revenues	12,475,770	9,742,262	6,188,662	6,167,868
Charges for Services	2,102,342	1,989,940	2,141,130	2,150,036
Licenses, Permits and Fees	65,196	75,781	83,409	76,249
Investment Earnings	161,787	124,176	146,950	74,259
Special Assessments	7,703	6,843	6,828	50
Fines and Forfeitures	2,101,869	1,829,655	1,884,913	1,898,252
All Other Revenue	417,356	715,301	867,854	499,272
Total Revenue	40,930,561	37,693,029	34,641,159	35,061,767
Expenditures:				
Current:				
Security of Persons and Property	18,462,490	17,586,636	17,441,213	16,720,295
Public Health and Welfare Services	1,751,877	119,440	186,078	45,062
Leisure Time Activities	652,138	687,552	746,428	698,450
Community Environment	2,160,549	2,140,823	1,569,877	1,322,320
Transportation	4,377,197	3,433,453	2,059,898	2,876,635
General Government	10,259,639	9,959,941	10,641,150	9,846,419
Capital Outlay	3,614,008	4,701,957	2,205,873	5,843,235
Debt Service:				
Principal Retirement	894,321	1,018,701	685,592	1,099,074
Interest and Fiscal Charges	736,336	725,068	732,569	623,997
Total Expenditures	42,908,555	40,373,571	36,268,678	39,075,487
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,977,994)	(2,680,542)	(1,627,519)	(4,013,720)

City of Newark

2016	2017	2018	2019	2020	2021
\$25,361,800	\$26,134,290	\$27,775,775	\$27,971,640	\$27,131,599	\$30,457,569
6,940,541	7,443,663	5,797,645	7,115,744	13,022,032	14,505,030
2,053,101	2,190,529	2,399,404	2,731,696	2,550,831	4,417,917
100,507	91,611	79,200	104,293	79,863	103,659
154,274	224,875	161,137	1,263,097	532,460	98,937
2	0	0	112,807	236,502	113,724
1,828,543	2,228,701	2,340,202	2,060,184	1,440,207	1,811,493
349,426	653,133	917,461	986,655	2,195,601	2,501,453
36,788,194	38,966,802	39,470,824	42,346,116	47,189,095	54,009,782
17,259,586	18,107,047	18,651,001	18,894,251	19,200,672	20,338,601
43,762	20,948	101,517	125,607	25,934	32,098
697,623	700,726	734,646	751,255	781,253	908,520
1,165,793	2,013,552	1,507,747	1,289,201	1,024,999	1,570,091
2,928,693	2,829,130	2,801,536	3,080,745	3,844,875	4,221,291
10,125,574	10,750,798	11,015,426	11,291,358	15,112,048	13,306,697
1,684,548	2,712,621	3,907,035	2,801,641	5,593,917	9,844,038
2,917,820	2,321,987	1,450,940	3,251,688	3,247,215	3,518,891
789,126	835,862	731,432	865,392	804,410	839,365
37,612,525	40,292,671	40,901,280	42,351,138	49,635,323	54,579,592
(824,331)	(1,325,869)	(1,430,456)	(5,022)	(2,446,228)	(569,810)

(Continued)

City of Newark

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

	2012	2013	2014	2015
Other Financing Sources (Uses):				
Sale of Capital Assets	42,975	8,372	48,375	46,971
Other Financing Sources - Capital Leases	350,000	73,900	0	291,575
State Infrastructure Bank Loan	738,339	52,516	0	0
Premium on Bond Issuance	0	0	182,694	0
General Obligation Bonds Issued	0	0	0	0
Refunding General Obligation Bonds Issued	0	0	7,930,000	0
Long Term Note Issuance	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	(7,945,049)	0
OPWC Loan Issuance	0	600,000	0	0
Transfers In	2,915,010	3,031,308	2,628,597	2,377,818
Transfers Out	(2,862,443)	(3,065,058)	(2,633,973)	(2,377,818)
Total Other Financing Sources (Uses)	<u>1,183,881</u>	<u>701,038</u>	<u>210,644</u>	<u>338,546</u>
Net Change in Fund Balance	<u>(\$794,113)</u>	<u>(\$1,979,504)</u>	<u>(\$1,416,875)</u>	<u>(\$3,675,174)</u>
 Debt Service as a Percentage of Noncapital Expenditures	 4.11%	 4.98%	 4.16%	 5.10%

Source: City Auditor's Office

City of Newark

2016	2017	2018	2019	2020	2021
46,350	54,650	54,766	72,573	46,704	85,986
465,000	453,494	1,292,500	903,695	389,596	1,716,480
0	0	1,084,411	821,527	335,770	269,983
554,488	97,015	0	16,544	0	0
5,200,000	1,550,000	0	1,040,000	0	0
1,710,000	1,895,000	0	0	0	0
0	0	1,125,000	1,125,000	1,125,000	1,125,000
0	(936,200)	0	0	0	0
3,277	381,723	0	0	0	0
2,269,546	2,560,274	3,221,094	3,300,021	3,485,846	7,088,965
(2,786,806)	(2,560,274)	(3,601,788)	(3,547,543)	(3,485,846)	(7,210,494)
7,461,855	3,495,682	3,175,983	3,731,817	1,897,070	3,075,920
\$6,637,524	\$2,169,813	\$1,745,527	\$3,726,795	(\$549,158)	\$2,506,110
10.75%	8.75%	5.87%	10.86%	9.43%	10.06%

City of Newark

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	2012	2013	2014	2015	2016
Income Tax Rate	1.75%	1.75%	1.75%	1.75%	1.75%
Total Tax Collected	\$19,985,479	\$19,882,043	\$19,872,041	\$20,403,273	\$22,185,993
Income Tax Receipts					
Withholding	15,734,408	15,722,081	15,751,140	16,173,959	17,181,295
Percentage	78.73%	79.08%	79.26%	79.28%	77.44%
Corporate	1,645,186	1,564,374	1,494,229	1,484,316	1,827,124
Percentage	8.23%	7.87%	7.52%	7.27%	8.24%
Individuals	2,605,886	2,595,588	2,626,672	2,744,998	3,177,574
Percentage	13.04%	13.05%	13.22%	13.45%	14.32%

Source: City Income Tax Department

City of Newark

2017	2018	2019	2020	2021
1.75%	1.75%	1.75%	1.75%	1.75%
\$22,420,314	\$22,942,923	\$23,699,303	\$22,996,119	\$25,687,092
17,423,474	17,935,810	18,437,894	18,578,668	19,332,579
77.71%	78.18%	77.80%	80.79%	75.26%
2,084,361	2,106,287	2,026,222	1,442,647	3,282,028
9.30%	9.18%	8.55%	6.27%	12.78%
2,912,479	2,900,826	3,235,187	2,974,804	3,072,485
12.99%	12.64%	13.65%	12.94%	11.96%



City of Newark

Income Tax Statistics Current Year and Nine Years Ago

Calendar Year 2021						
Income Tax Filers	Number of Filers	Percent of Total	Taxable Income	Percent of Income	Income Tax Collections	Percent of Income
Top Ten	10	0.09%	\$13,211,938	1.80%	\$231,209	1.80%
All Others	11,379	99.91%	718,886,805	98.20%	12,580,519	98.20%
Total	11,389	100.00%	732,098,743	100.00%	\$12,811,728	100.00%

Calendar Year 2012						
Income Tax Filers	Number of Filers	Percent of Total	Taxable Income	Percent of Income	Income Tax Collections	Percent of Income
Top Ten	10	0.06%	\$27,490,982	4.26%	\$481,092	4.26%
All Others	15,497	99.94%	618,335,214	95.74%	10,820,866	95.74%
Total	15,507	100.00%	\$645,826,196	100.00%	\$11,301,958	100.00%

Source: City Income Tax Department

City of Newark

Ratios of Outstanding Debt By Type Last Ten Years

	2012	2013	2014	2015
Governmental Activities ⁽¹⁾				
General Obligation Bonds Payable	\$15,039,991	\$14,854,203	\$14,873,212	\$14,182,321
Ohio Public Works Commission Loan Payable	0	600,000	600,000	585,000
Capital Leases	1,794,187	1,397,398	905,528	802,766
ODOT State Infrastructure Bank Loans	1,863,165	1,651,980	1,371,388	1,082,314
Long Term Note Payable	0	0	0	0
Business-type Activities ⁽¹⁾				
General Obligation Bonds Payable	\$11,268,626	\$13,798,821	\$12,332,636	\$10,796,376
Revenue Bonds Payable	0	0	0	0
Ohio Water Development Authority Loans Payable	27,158,821	32,630,272	33,729,939	37,218,169
Ohio Public Works Commission Loans Payable	910,822	1,673,341	1,562,166	1,450,991
ODOT State Infrastructure Bank Loans	0	0	0	0
Special Assessment Bonds Payable	10,260	5,132	0	0
Total Primary Government	<u>\$58,045,872</u>	<u>\$66,611,147</u>	<u>\$65,374,869</u>	<u>\$66,117,937</u>
Population ⁽²⁾				
City of Newark	47,537	47,537	47,537	47,537
Outstanding Debt Per Capita	\$1,221	\$1,401	\$1,375	\$1,391
Income ⁽³⁾				
Personal (in thousands)	\$1,894,349	\$1,837,685	\$1,897,962	\$1,983,576
Percentage of Personal Income	3.06%	3.62%	3.44%	3.33%

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 2020, for the presentation of 2021 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

2016	2017	2018	2019	2020	2021
\$19,153,042	\$19,841,317	\$18,832,762	\$18,595,751	\$17,175,357	\$15,794,963
558,277	910,000	830,750	742,250	698,000	609,500
835,963	1,018,577	2,088,567	2,474,647	2,297,278	3,406,678
784,505	2,556,436	3,229,157	3,775,111	3,969,881	3,871,553
0	0	1,125,000	1,125,000	1,125,000	1,125,000
\$9,244,510	\$7,902,115	\$6,194,630	\$7,820,352	\$7,406,211	\$6,937,070
0	0	0	18,045,726	17,991,868	17,603,010
39,331,720	47,169,828	49,099,957	54,911,784	57,337,035	61,365,474
1,339,816	1,228,641	1,117,466	1,006,291	950,704	839,529
0	2,344,115	2,776,277	2,716,778	2,922,466	2,694,866
0	0	0	0	0	0
<u>\$71,247,833</u>	<u>\$82,971,029</u>	<u>\$85,294,566</u>	<u>\$111,213,690</u>	<u>\$111,873,800</u>	<u>\$114,247,643</u>
47,537	47,537	47,537	47,537	50,943	51,257
\$1,499	\$1,745	\$1,794	\$2,340	\$2,196	\$2,229
\$2,006,870	\$2,006,870	\$2,006,870	\$2,006,870	\$2,006,870	\$1,549,757
3.55%	4.13%	4.25%	5.54%	5.57%	7.37%

City of Newark

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2012	2013	2014	2015
Population ⁽¹⁾	47,537	47,537	47,537	47,537
Personal Income ⁽²⁾	\$1,894,349,450	\$1,837,685,346	\$1,897,962,262	\$1,983,576,399
General Bonded Debt				
General Obligation Bonds	\$26,308,617	\$28,653,024	\$27,205,848	\$24,978,697
Resources Available to Pay Principal	\$391,186	\$699,446	\$1,585,501	\$1,368,476
Net General Bonded Debt	\$25,917,431	\$27,953,578	\$25,620,347	\$23,610,221
Ratio of Net Bonded Debt to Personal Income	1.37%	1.52%	1.35%	1.19%
Net Bonded Debt per Capita	\$545.21	\$588.04	\$538.96	\$496.67

Sources:

- (1) U.S. Bureau of Census of Population
- (2) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2020, for the presentation of 2021 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

2016	2017	2018	2019	2020	2021
47,537	47,537	47,537	47,537	50,943	51,257
\$2,006,869,529	\$2,006,869,529	\$2,006,869,529	\$2,006,869,529	\$2,006,870,000	\$1,549,755,395
\$28,397,552	\$27,743,432	\$25,027,392	\$26,416,103	\$24,581,568	\$22,732,033
\$1,207,458	\$1,118,394	\$1,017,064	\$1,073,881	\$1,350,793	\$966,465
\$27,190,094	\$26,625,038	\$24,010,328	\$25,342,222	\$23,230,775	\$21,765,568
1.35%	1.33%	1.20%	1.26%	1.16%	1.40%
\$571.98	\$560.09	\$505.09	\$533.11	\$456.02	\$424.64



City of Newark

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2021*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Newark (1)</u>	<u>Amount Applicable to the City of Newark</u>
Direct:			
City of Newark	\$24,807,694	100.00%	\$24,807,694
Overlapping:			
Career and Technology Education Center	7,550,000	17.58%	1,327,290
Granville School District	18,215,000	9.75%	1,775,963
Licking Valley School District	3,595,000	3.15%	113,243
North Fork School District	3,349,500	3.19%	106,849
Newark City Schools	36,977,866	92.46%	34,189,735
Licking County	25,817,626	18.25%	4,711,717
		Subtotal	<u>42,224,797</u>
		Total	<u><u>\$67,032,491</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	2012	2013	2014	2015
Total Debt				
Net Assessed Valuation	\$804,198,160	\$811,606,160	\$799,885,660	\$770,883,080
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	84,440,807	85,218,647	83,987,994	80,942,723
City Debt Outstanding (2)	14,159,991	14,809,991	19,329,991	19,008,515
Less: Applicable Debt Service Fund Amounts	(391,186)	(699,446)	(1,585,501)	(1,368,476)
Net Indebtedness Subject to Limitation	13,768,805	14,110,545	17,744,490	17,640,039
Overall Legal Debt Margin	\$70,672,002	\$71,108,102	\$66,243,504	\$63,302,684
 Debt Margin as a Percentage of Debt Limit				
	83.69%	83.44%	78.87%	78.21%
Unvoted Debt				
Net Assessed Valuation	\$804,198,160	\$811,606,160	\$799,885,660	\$770,883,080
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	44,230,899	44,638,339	43,993,711	42,398,569
City Debt Outstanding (2)	14,159,991	14,809,991	19,329,991	19,008,515
Less: Applicable Debt Service Fund Amounts	(391,186)	(699,446)	(1,585,501)	(1,368,476)
Net Indebtedness Subject to Limitation	13,768,805	14,110,545	17,744,490	17,640,039
Overall Legal Debt Margin	\$30,462,094	\$30,527,794	\$26,249,221	\$24,758,530

(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

2016	2017	2018	2019	2020	2021
\$776,258,520	\$843,197,460	\$845,262,340	\$854,318,216	\$984,634,740	\$995,719,300
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
81,507,145	88,535,733	88,752,546	89,703,413	103,386,648	104,550,527
18,372,230	18,086,000	18,350,000	20,120,000	18,950,000	21,330,000
(1,207,458)	(1,118,394)	(1,017,064)	(1,073,881)	(1,350,793)	(966,465)
17,164,772	16,967,606	17,332,936	19,046,119	17,599,207	20,363,535
\$64,342,373	\$71,568,127	\$71,419,610	\$70,657,294	\$85,787,441	\$84,186,992
78.94%	80.84%	80.47%	78.77%	82.98%	80.52%
\$776,258,520	\$843,197,460	\$845,262,340	\$854,318,216	\$984,634,740	\$995,719,300
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
42,694,219	46,375,860	46,489,429	46,987,502	54,154,911	54,764,562
18,372,230	18,086,000	18,350,000	20,120,000	18,950,000	21,330,000
(1,207,458)	(1,118,394)	(1,017,064)	(1,073,881)	(1,350,793)	(966,465)
17,164,772	16,967,606	17,332,936	19,046,119	17,599,207	20,363,535
\$25,529,447	\$29,408,254	\$29,156,493	\$27,941,383	\$36,555,704	\$34,401,027

City of Newark

Pledged Revenue Coverage Last Ten Years

	2012	2013	2014	2015	2016
Special Assessment Bonds (1)					
Special Assessment Collections	\$7,254	\$6,725	\$6,529	\$0	\$0
Debt Service					
Principal	5,128	5,128	5,132	0	0
Interest	730	488	244	0	0
Coverage	1.24	1.20	1.21	0.00	0.00
Tax Increment Financing (TIF) (2)					
Payment in Lieu of Taxes	\$232,252	\$166,819	\$25,587	\$69,405	\$0
Debt Service					
Principal	95,000	100,000	100,000	105,000	120,000
Interest	92,732	88,932	84,932	80,932	87,640
Coverage	1.24	0.88	0.14	0.37	0.00
Tax Increment Financing (TIF) (3)					
Payment in Lieu of Taxes	\$108,302	\$107,079	\$111,712	\$112,753	\$114,903
Debt Service					
Principal	55,000	55,000	55,000	55,000	60,000
Interest	39,554	37,492	35,428	33,366	31,304
Coverage	1.15	1.16	1.24	1.28	1.26
Water System Revenue Bonds (4)					
Gross Revenues	\$0	\$0	\$0	\$0	\$0
Direct Operating Expenses	0	0	0	0	0
Net Revenue Available for Debt Service	0	0	0	0	0
Annual Debt Service Requirement	0	0	0	0	0
Coverage	0.00	0.00	0.00	0.00	0.00

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

(2) East Main Street Improvement, Governmental Activities

(3) Deo Drive Improvement, Governmental Activities

(4) Water System Improvement Revenue Bonds

Source: City Auditor's Office

City of Newark

2017	2018	2019	2020	2021
\$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
\$0	\$808,083	\$0	\$17,738	\$5,826
125,000	125,000	130,000	130,000	135,000
46,550	44,050	41,550	39,600	35,700
0.00	4.78	0.00	0.10	0.03
\$102,364	\$157,075	\$0	\$0	\$0
65,000	65,000	65,000	70,000	75,000
29,054	26,454	23,854	21,254	18,384
1.09	1.72	0.00	0.00	0.00
\$0	\$0	\$0	\$0	\$6,950,142
0	0	0	0	2,857,950
0	0	0	0	4,092,192
0	0	0	0	1,053,244
0.00	0.00	0.00	0.00	3.89

City of Newark

Demographic and Economic Statistics Last Ten Years

Calendar Year	2012	2013	2014	2015	2016
Population ⁽¹⁾					
City of Newark	47,537	47,537	47,537	47,537	47,537
Licking County	166,492	166,492	166,492	166,492	166,492
Income ^{(2) (a)}					
Total Personal (in thousands)	\$1,894,349	\$1,837,685	\$1,897,962	\$1,983,576	\$2,006,870
Per Capita	\$39,850	\$38,658	\$39,926	\$41,727	\$42,217
Unemployment Rate ⁽³⁾					
Federal	7.8%	7.4%	5.6%	5.3%	4.9%
State	6.7%	7.4%	5.1%	4.9%	4.9%
Licking County	6.5%	6.9%	4.1%	4.2%	4.3%
Civilian Work Force Estimates ⁽³⁾					
State	5,740,900	5,704,000	5,726,000	5,731,000	5,788,000
Licking County	84,829	85,800	87,900	88,400	87,900

Sources:

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

(2) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2020, for the presentation of 2021 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

2017	2018	2019	2020	2021
47,537	47,537	47,537	50,943	51,257
166,492	166,492	166,492	176,862	180,401
\$2,006,870	\$2,006,870	\$2,006,870	\$2,006,870	\$1,549,757
\$42,217	\$42,217	\$42,217	\$39,394	\$30,235
4.1%	3.8%	3.5%	4.7%	5.3%
4.3%	4.5%	4.1%	4.6%	5.1%
3.8%	3.9%	3.8%	5.9%	4.0%
5,778,000	5,783,000	5,783,000	5,783,000	5,737,546
90,300	90,600	90,600	90,600	90,142



City of Newark

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2021	
		Number of Employees	Rank
Licking Memorial Hospital	Health Care	1,975	1
State Farm	Insurance	1,250	2
Licking County Government	Government	1,200	3
Owens Corning	Fiberglass Insulation	970	4
Newark City Schools	Education	800	5
Park National Corporation	Banking	750	6
Anomatic Corporation	Metal Finishers	730	7
OSUN/COTC	Education	549	8
City of Newark	Government	360	9
C-TEC Of Licking County	Education	312	10
Total		8,896	
Total Employment within the City (1)		N/A	

Employer	Nature of Business	2012	
		Number of Employees	Rank
Licking Memorial Hospital	Hospital	1,700	1
State Farm Insurance	Insurance	1,499	2
Licking County Government	Government	1,101	3
Anomatic	Metal Finishers	1,085	4
OSUN/COTC	Education	1,082	5
Newark City Schools	Education	1,079	6
Walmart	Retail	960	7
Meijer	Retail	701	8
Owens Corning Fiberglass	Fiberglass Insulation	550	9
City of Newark	Government	438	10
Total		10,195	
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

	2012	2013	2014	2015	2016
Governmental Activities					
General Government					
Finance	19.00	19.00	19.00	18.00	18.00
Legal/Court	51.00	50.00	50.00	46.00	42.00
Administration	29.00	29.00	29.00	27.00	26.00
Maintenance	16.00	16.00	16.00	16.00	16.00
Security of Persons and Property					
Police	105.00	104.00	104.00	96.00	77.00
Fire	88.00	88.00	88.00	87.00	80.00
Transportation					
Street	28.00	28.00	28.00	25.00	25.00
Leisure Time Activities					
Recreation/Seniors	15.00	14.00	14.00	14.00	12.00
Community Environment	40.00	40.00	40.00	30.00	30.00
Community Development	9.00	5.00	5.00	4.00	4.00
Business-Type Activities					
Utilities					
Water	44.00	44.00	46.00	41.00	41.00
Sewer	25.00	25.00	29.00	26.00	26.00
Storm Water	3.00	3.00	3.00	3.00	3.00
<i>Total Employees</i>	<u>472.00</u>	<u>465.00</u>	<u>471.00</u>	<u>433.00</u>	<u>400.00</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

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
16.00	16.00	16.00	15.00	17.00
40.00	40.00	40.00	40.00	56.00
26.00	26.00	26.00	26.00	20.00
16.00	16.00	16.00	16.00	3.00
77.00	77.00	79.00	79.00	79.00
80.00	79.00	79.00	79.00	80.00
24.00	23.00	23.00	23.00	25.00
12.00	12.00	12.00	12.00	7.00
30.00	30.00	30.00	30.00	11.00
3.00	3.00	3.00	3.00	4.00
41.00	41.00	41.00	41.00	40.00
26.00	26.00	26.00	26.00	20.00
3.00	3.00	3.00	3.00	2.00
<u>394.00</u>	<u>392.00</u>	<u>394.00</u>	<u>393.00</u>	<u>364.00</u>

City of Newark

Operating Indicators by Function Last Ten Years

	2012	2013	2014	2015	2016
Governmental Activities					
General Government					
Court					
Number of Traffic Cases	3,912	3,936	4,002	4,121	4,020
Licenses and Permits					
Number of Building Permits	453	450	452	370	401
Security of Persons and Property					
Police					
Number of Citations Issued	2,516	2,614	2,725	2,814	2,874
Number of Arrests	1,811	1,896	1,915	2,019	2,088
Fire					
Number of Fire Calls	6,111	5,921	5,411	5,466	5,461
Number of EMS Runs	7,310	7,412	7,501	7,618	7,701
Transportation					
Street					
Number of Streets Resurfaced	34	35	39	32	34
Business-Type Activities					
Water					
Number of Service Connections	20,888	20,897	20,902	20,911	20,901
Water Main Breaks	36	35	39	44	58
Daily Average Consumption (thousands of gallons)	9.1M	9.2M	9.3M	9.4M	9.4M
Sewer					
Number of Service Connections	18,911	18,925	18,999	19,122	19,119
Daily Average Sewage Treatment (thousands of gallons)	8.7M	8.8M	8.9M	8.9M	8.9M

Source: City Auditor's Office

City of Newark

2017	2018	2019	2020	2021
4,101	4,109	4,379	8,246	10,920
486	384	401	239	519
2,922	3,004	3,696	3,701	988
2,093	2,111	2,121	2,129	1,287
5,516	5,501	4,870	4,819	2,224
7,814	7,995	8,225	8,345	10,150
32	31	31	31	57
20,920	20,923	20,923	20,923	18,896
61	70	60	71	35
9.4M	9.4M	9.4M	9.4M	6.5M
19,206	19,214	19,214	19,214	17,193
8.9M	8.9M	8.9M	8.9M	7.6M

City of Newark

Capital Asset Statistics by Function Last Ten Years

	2012	2013	2014	2015	2016
Governmental Activities					
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	24	24	24	24	24
Fire					
Stations	4	4	4	4	4
Vehicles	22	22	22	23	23
Transportation					
Street					
Streets (lane miles)	228	228	228	228	228
Traffic Signals	3,348	3,348	3,348	3,351	3,351
Vehicles	42	42	42	42	42
Leisure Time Activities					
Recreation/Seniors					
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
Business-Type Activities					
Utilities					
Water					
Waterlines (Miles)	204	204	204	205	205
Number of Hydrants	291	291	291	292	292
Sewer					
Sewer lines (Miles)	194	194	194	194	194
Lift Stations	10	10	10	10	10
Storm Water Drainage					
Storm Drains (Miles)	117	117	119	120	120
Number of Catch Basins	4,529	4,529	4,533	4,536	4,536

Source: City Auditor's Office

City of Newark

2017	2018	2019	2020	2021
459	459	459	459	903
29	29	29	29	35
1	1	1	1	1
25	26	26	26	36
4	4	4	5	5
23	23	23	23	23
228	228	228	228	502
3,354	3,355	3,355	3,355	1,802
43	43	43	43	48
16	16	16	16	42
39	39	39	39	23
14	14	14	14	14
1	1	1	1	1
12	12	12	12	12
205	205	205	205	265
292	292	292	292	2,083
195	195	195	195	224
10	10	10	10	23
121	121	121	121	141
4,540	4,549	4,549	4,549	9,348

