

# City of Newark, Ohio

*Licking County*



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2016



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2016

*Prepared by the Auditor's Office*

Stephen E. Johnson  
City Auditor



## TABLE OF CONTENTS

CITY OF NEWARK  
LICKING COUNTY, OHIO

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### **I** INTRODUCTORY SECTION

<b>A</b>	Letter of Transmittal .....	v
<b>B</b>	List of Principal Officials .....	xiv
<b>C</b>	City Organizational Chart .....	xv
<b>D</b>	Certificate of Achievement for Excellence in Financial Reporting.....	xvi

### **II** FINANCIAL SECTION

<b>A</b>	Independent Auditor's Report.....	1
<b>B</b>	Management's Discussion and Analysis.....	5
<b>C</b>	Basic Financial Statements:	
	Government-wide Financial Statements:	
	Statement of Net Position .....	16
	Statement of Activities .....	18
	Fund Financial Statements:	
	<i>Governmental Funds:</i>	
	Balance Sheet .....	20
	Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities.....	21
	Statement of Revenues, Expenditures and Changes in Fund Balances .....	23
	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	24
	Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
	General Fund .....	27
	<i>Proprietary Funds:</i>	
	Statement of Net Position .....	28
	Statement of Revenues, Expenses and Changes in Fund Net Position.....	32
	Statement of Cash Flows .....	34
	<i>Fiduciary Funds:</i>	
	Statement of Assets and Liabilities.....	38
	Notes to the Basic Financial Statements.....	39

**D** Required Supplemental Information:

Schedule of the City's Proportionate Share of the Net Pension Liability .....	90
Schedule of City Contributions .....	91

**E** Combining and Individual Fund Statements and Schedules:

Nonmajor Governmental Financial Statements:

Combining Balance Sheet.....	96
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	97
Combining Balance Sheet – Nonmajor Special Revenue Funds .....	98
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds .....	102
Combining Balance Sheet – Nonmajor Debt Service Funds .....	106
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds .....	107
Combining Balance Sheet – Nonmajor Capital Projects Funds .....	108
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	109

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

Major Governmental Funds:

<i>General Fund</i> .....	110
---------------------------	-----

Nonmajor Special Revenue Funds:

Street Department Fund.....	116
Cemetery Fund .....	117
Community Development Fund .....	118
Veterans Memorial Sidewalk Fund .....	119
Safety Grants Fund .....	120
Police/Fire Pension Fund.....	121
State Highway Fund .....	122

Nonmajor Special Revenue Funds: (Continued)

Law Enforcement Fund .....	123
Landfill Reclamation Fund.....	124
Court Computerization Fund .....	125
Permissive License Tax Fund.....	126
Probation Grant Fund .....	127
Federal Transit Administration Fund .....	128
Ohio Department of Natural Resources (ODNR) Grants Fund.....	129
Brownfield Cleanup Fund .....	130
Judicial Fund .....	131

*Debt Service Funds:*

Debt Service Fund .....	132
Tax Increment Financing Fund .....	133

*Capital Projects Funds:*

Capital Improvement Fund.....	134
Court Capital Improvement Fund.....	135

Fiduciary Funds – Agency Funds:

Combining Statement of Changes in Assets and Liabilities .....	138
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**III** STATISTICAL SECTION

Net Position by Component - Last Ten Years .....	S 2
Changes in Net Position - Last Ten Years.....	S 4
Fund Balances, Governmental Funds - Last Ten Years .....	S 8
Changes in Fund Balances, Governmental Funds - Last Ten Years .....	S 10
Income Tax Revenues by Source, Governmental Funds - Last Ten Years .....	S 14
Income Tax Statistics - Current Year and Nine Years Ago .....	S 17
Ratios of Outstanding Debt by Type - Last Ten Years .....	S 18
Ratios of General Bonded Debt Outstanding - Last Ten Years.....	S 20
Computation of Direct and Overlapping Debt Attributable to Governmental Activities - Current Year .....	S 23
Debt Limitations - Last Ten Years .....	S 24
Pledged Revenue Coverage - Last Ten Years .....	S 26
Demographic and Economic Statistics - Last Ten Years .....	S 28
Principal Employers - Current Year and Nine Years Ago .....	S 31
Full Time Equivalent Employees by Function - Last Ten Years .....	S 32
Operating Indicators by Function - Last Ten Years .....	S 34
Capital Asset Statistics by Function - Last Ten Years .....	S 36



## *INTRODUCTORY SECTION*

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## CITY OF NEWARK

40 West Main Street • Newark, Ohio 43055  
Stephen E. Johnson, City Auditor

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June 2, 2017

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

We are pleased to submit for your review the Comprehensive Annual Financial Report of the City of Newark, Ohio for the fiscal year ended December 31, 2016. This report has been prepared in accordance with generally accepted accounting principles established by statements of the Governmental Accounting Standards Board (GASB), other authoritative pronouncements and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

### **INTRODUCTION**

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

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

### **The Reporting Entity:**

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

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

***Letter of Transmittal  
For the Year Ended December 31, 2016***

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**Form of Government:**

Statutory

Newark is a charter Mayor-Council form of government as prescribed by the Newark City Charter and Title Seven of the Ohio Revised Code. Newark's government was incorporated in 1826. The City is divided into seven wards with 47 election precincts. The City Council consists of one council person from each ward, plus three council persons at-large and a council president elected at-large. All serve four year terms. Elected officials serving four year terms are the Mayor, Law Director, Auditor and Treasurer. Currently, the Auditor is serving in his fifth term, the Law Director is serving in his fourth term, and the Mayor and Treasurer are serving in their second term. 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 and again in 2012. Some highlights of the Charter are as follows:

- ❖ Department of Economic Development established.
- ❖ Certain bidding requirements were altered.
- ❖ City council's term of office adjusted from two year to four year term.
- ❖ Residence requirements for safety forces.
- ❖ Auditor and Law Director added to Board of Control.
- ❖ Standards for open meetings and information access.
- ❖ Police Chief and Fire Chief recruitment outside departments is now allowed.
- ❖ 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 47,537. The City's elevation is approximately 830 feet above sea level. Its median temperatures are 75 degrees in summer and 30.2 degrees in winter. State highways 79, 13 and 16 serve as the City's major transportation arteries. The City is also served by the east-west interstate highway I-70 which lies approximately 9 miles to the south.

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

***Letter of Transmittal  
For the Year Ended December 31, 2016***

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Newark is the home of the historic Moundbuilders State Memorial Park, known for its prehistoric Indian lore and featuring an Ohio Indian art museum. The National Heisey Glass Museum exhibits glass produced in Newark from 1895 to 1957. The Heisey Collectors of America operate this striking display of Heisey glassware housed in the 175 year old home of S.D. King, a prominent criminal attorney in the mid 1800's.

The Licking County Courthouse is located in the public square in downtown Newark. A variety of outdoor events are centered around the historic courthouse each year. At Christmas, the courthouse is a magnificent display of holiday splendor which has been featured on several magazine covers. The newly completed Canal Market District provides a setting for various functions including a twice weekly farmers market running from May through October.

Newark's campus style high school is ranked as one of the five outstanding secondary educational institutions in the nation. As an alternative to public education, Newark has two parochial elementary schools and one high school.

**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, 2016***

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**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.

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

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

The Longaberger Company, a manufacturer of decorative baskets, corporate office building is a seven-story, \$30 million complex that follows the design of one of the company's famous handmade baskets. The unusual design has been featured in the Wall Street Journal, U.S. News and World Report and on CNN.

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

***Letter of Transmittal  
For the Year Ended December 31, 2016***

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

**Unemployment Rates:**

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

**Employee Relations:**

The City of Newark negotiates contracts with five employee bargaining units. These groups consist of Local 109 of the International Association of Firefighters, Lodge 12 of the Licking County Fraternal Order of Police, the American Federation of State, County and Municipal Employees (AFSCME) Local 2963, Ohio Council 8, AFL-CIO, certain other non-uniform employees of the City and employees in management and supervisory service. Current contracts with union employees cover the years 2017 through 2019.

**MAJOR INITIATIVES**

During 2016, continuing efforts were made to upgrade services and improve the quality of life for the citizens of Newark through the following projects:

**Infrastructure Improvements**

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

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

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

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

***Letter of Transmittal  
For the Year Ended December 31, 2016***

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Parks and Recreation

Throughout 2016, activities were provided at the City's youth center and community meeting hall in the newly renovated Everett Pool House. The building was remodeled to provide a meeting center for youth and adults who live on the near east side. It has been a very successful improvement project and has been well received by the near east side residents. In addition, Denman Park was rebuilt and new playground equipment installed. Also included in the renovation was a new road and entrance to the park. Improvements have been made at Hollander Pool on the City's north side, including a waterslide. The City entered into a management agreement with the Newark-Licking County YMCA for Hollander Pool operations. Major renovations were made to the City's ice arena including new mechanicals. The funding for the one million dollar project came from private donations. The facility has been leased to the Newark Sport and Event Commission and remains open to the public. The City recently acquired Don Edwards Field, the Babe Ruth Baseball Complex from Babe Ruth International with funds generated by a "Bed Tax" on occupied hotel rooms with proceeds being dedicated to recreation and tourism. With the purchase of Don Edwards Field, plans are underway to host the Babe Ruth World series in the upcoming years.

City-Wide Initiatives

During 2015 financing was arranged for a two year, twenty million dollar improvement project that will replace combined sanitary and storm sewers as well as replacing aging water lines. The project will also include a streetscape design that will feature environmentally friendly storm water drainage, and make changes to the traffic flow around the downtown Courthouse Square. The multi stage project continued through 2016. Also included is the market district and green spaces along with improved parking in the Canal and Market Street area just south of the Square.

Long-Term Financial Planning

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



***Letter of Transmittal  
For the Year Ended December 31, 2016***

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**FINANCIAL INFORMATION**

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

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

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

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

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

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

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

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

***Letter of Transmittal  
For the Year Ended December 31, 2016***

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

**OTHER INFORMATION**

**Independent Audit:**

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

**Awards:**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Newark, Ohio for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2015. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards in state and local government financial reporting. To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents satisfy all program standards. The report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements respective to the reporting entity.

A Certificate of Achievement is valid for a period of one year only. The City of Newark has received a Certificate of Achievement for twenty-five consecutive years (1991 - 2015). We believe this current report continues to conform to the Certificate of Achievement for Excellence in Financial Reporting program requirements and are submitting it to the GFOA.

**Public Disclosure:**

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

***Letter of Transmittal  
For the Year Ended December 31, 2016***

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**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.

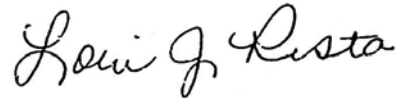
Respectfully,



Stephen E. Johnson  
City Auditor



Jacqueline S. Prince  
Accounting Manager



Lori J. Resta  
Deputy City Auditor

## ***CITY OF NEWARK, OHIO***

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### ***List of Principal Officials For the Year Ended December 31, 2016***

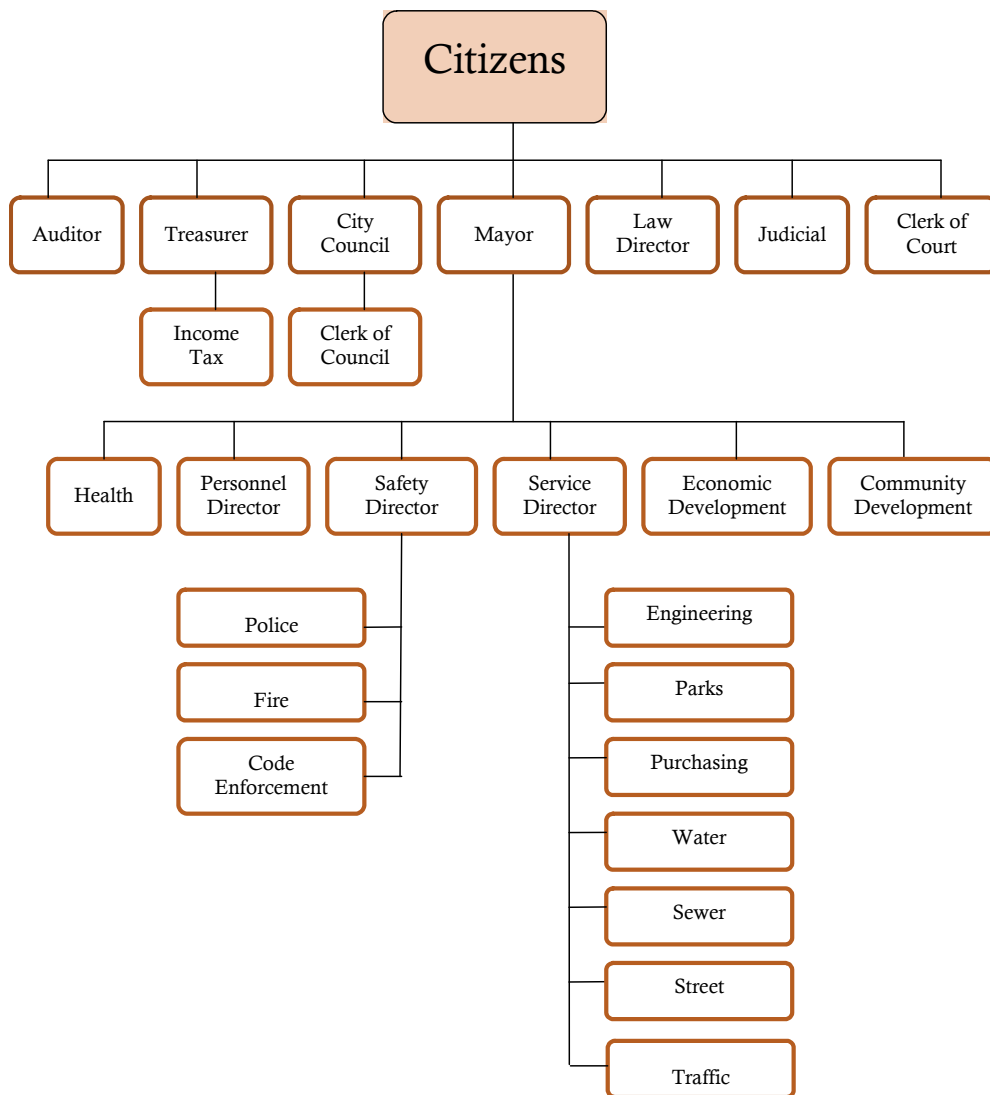
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NAME	TITLE	TERM OF OFFICE	SURETY DATA *
Jeff Hall	Mayor	01/01/16 to 12/31/19	
Stephen E. Johnson	Auditor	01/01/16 to 12/31/19	\$5,000 12/31/16 to 12/31/17
Michael F. Higgins	Judge	01/01/14 to 12/31/19	
David Stansberry	Judge	01/01/12 to 12/31/17	
Douglas Sassen	Law Director	01/01/16 to 12/31/19	
Tim Mercer	Treasurer	01/01/14 to 12/31/17	\$30,000 01/01/14 to 12/31/17
Don Ellington	President of Council	01/01/16 to 12/31/19	
Ryan T. Bubb	Council-at-Large	01/01/16 to 12/31/19	
Bill Cost Jr.	Council-at-Large	01/01/16 to 12/31/19	
Mark Fraizer	Council-at-Large	01/01/16 to 12/31/19	
Dee Hall	Council 1st Ward	01/01/14 to 12/31/17	
Jeremy Blake	Council 2nd Ward	01/01/14 to 12/31/17	
Jeff Rath	Council 3rd Ward	01/01/14 to 12/31/17	
Alex Roletta	Council 4th Ward	09/01/14 to 12/31/17	
Curtis Johnson	Council 5th Ward	01/11/14 to 12/31/17	
Douglas Marmie	Council 6th Ward	01/01/14 to 12/31/17	
Carol Floyd	Council 7th Ward	01/01/14 to 12/31/17	
Marcia Phelps	Clerk of Court	01/01/14 to 12/31/19	\$10,000 01/01/14 to 12/31/19

\* - Liberty Mutual

***City Organizational Chart  
For the Year Ended December 31, 2016***

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

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Government Finance Officers Association

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

Presented to

**City of Newark  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2015**



Executive Director/CEO

## *FINANCIAL SECTION*

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**bhm cpa group, inc.**  
CERTIFIED PUBLIC ACCOUNTANTS

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## **Independent Auditor's Report**

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

To the Members of Council:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Newark, Licking County, Ohio (the City), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

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

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

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

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### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Newark, Licking County, Ohio, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### **Required Supplementary Information**

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

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

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

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2017, 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.

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and slightly slanted to the right.

BHM CPA Group, Inc  
Piketon, Ohio  
June 2, 2017



***Management's Discussion and Analysis  
For the Year Ended December 31, 2016***

***Unaudited***

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This discussion and analysis of the City of Newark's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2016. 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 2016 are as follows:

- ❑ In total, net position increased \$3,694,455. Net position of governmental activities increased \$424,917, which represents a 1% change from 2015. Net position of business-type activities increased \$3,269,538 or 11% from 2015.
- ❑ General revenues accounted for \$27,745,650 in revenue or 49% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$28,283,961, or 51% of total revenues of \$56,029,611.
- ❑ The City had \$37,448,779 in expenses related to governmental activities; only \$9,891,266 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$27,744,976 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$30,174,376 in revenues and other financing sources and \$29,099,782 in expenditures and other financing uses. The general fund's fund balance increased from \$3,693,588 to \$4,902,177.

**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, 2016***

***Unaudited***

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**Government-wide Statements**

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

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

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

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

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

**Fund Financial Statements**

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

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

***Management's Discussion and Analysis  
For the Year Ended December 31, 2016***

***Unaudited***

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

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

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

The following table provides a summary of the City's net position for 2016 compared to 2015.

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and Other Assets	\$26,563,825	\$26,662,605	\$15,982,798	\$15,509,235	\$42,546,623	\$42,171,840
Capital Assets, Net	67,156,252	65,984,655	77,929,475	74,456,115	145,085,727	140,440,770
Total Assets	93,720,077	92,647,260	93,912,273	89,965,350	187,632,350	182,612,610
Deferred Outflows of Resources	10,307,964	4,305,951	1,776,263	663,537	12,084,227	4,969,488
Net Pension Liability	38,585,567	30,980,581	4,465,245	3,010,761	43,050,812	33,991,342
Other Long-term Liabilities	26,447,672	21,722,196	50,467,305	50,203,238	76,914,977	71,925,434
Other Liabilities	4,412,507	10,634,370	8,490,891	8,494,119	12,903,398	19,128,489
Total Liabilities	69,445,746	63,337,147	63,423,441	61,708,118	132,869,187	125,045,265
Deferred Inflows of Resources	3,733,796	3,192,482	127,561	52,773	3,861,357	3,245,255
Net Position						
Net Investment in Capital Assets	45,753,020	45,289,248	25,890,917	23,666,267	71,643,937	68,955,515
Restricted	13,304,726	11,989,270	0	0	13,304,726	11,989,270
Unrestricted	(28,209,247)	(26,854,936)	6,246,617	5,201,729	(21,962,630)	(21,653,207)
Total Net Position	\$30,848,499	\$30,423,582	\$32,137,534	\$28,867,996	\$62,986,033	\$59,291,578

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

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

***Management's Discussion and Analysis  
For the Year Ended December 31, 2016***

***Unaudited***

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

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

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

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

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



**Management's Discussion and Analysis  
For the Year Ended December 31, 2016**

**Unaudited**

Change in Net Position – The following table shows the change in net position for 2016 compared with 2015:

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Program Revenues:						
Charges for Services and Sales	\$4,143,179	\$4,139,804	\$17,884,890	\$16,819,271	\$22,028,069	\$20,959,075
Operating Grants and Contributions	4,752,661	4,307,895	0	0	4,752,661	4,307,895
Capital Grants and Contributions	995,426	414,045	507,805	0	1,503,231	414,045
Total Program Revenues	9,891,266	8,861,744	18,392,695	16,819,271	28,283,961	25,681,015
General Revenues:						
Property Taxes	2,910,228	3,039,579	0	0	2,910,228	3,039,579
Income Taxes	22,318,619	20,454,357	0	0	22,318,619	20,454,357
Other Local Taxes	515,033	514,057	0	0	515,033	514,057
Intergovernmental, Unrestricted	1,482,292	1,566,000	0	0	1,482,292	1,566,000
Investment Earnings	169,378	67,376	674	1,381	170,052	68,757
Miscellaneous	349,426	499,272	0	0	349,426	499,272
Total General Revenues	27,744,976	26,140,641	674	1,381	27,745,650	26,142,022
Total Revenues	37,636,242	35,002,385	18,393,369	16,820,652	56,029,611	51,823,037
Program Expenses						
Security of Persons and Property	20,139,086	18,199,966	0	0	20,139,086	18,199,966
Leisure Time Activities	788,906	919,417	0	0	788,906	919,417
Community Environment	1,119,922	1,531,206	0	0	1,119,922	1,531,206
Public Health and Welfare Services	43,762	45,062	0	0	43,762	45,062
Transportation	3,836,428	4,351,212	0	0	3,836,428	4,351,212
General Government	10,559,036	10,609,273	0	0	10,559,036	10,609,273
Interest and Fiscal Charges	961,639	735,303	0	0	961,639	735,303
Water	0	0	5,852,349	6,402,011	5,852,349	6,402,011
Sewer	0	0	6,491,673	6,158,986	6,491,673	6,158,986
Storm Water	0	0	2,542,355	2,693,249	2,542,355	2,693,249
Total Expenses	37,448,779	36,391,439	14,886,377	15,254,246	52,335,156	51,645,685
Change in Net Position Before Transfers	187,463	(1,389,054)	3,506,992	1,566,406	3,694,455	177,352
Transfers	237,454	0	(237,454)	0	0	0
Total Change in Net Position	424,917	(1,389,054)	3,269,538	1,566,406	3,694,455	177,352
Beginning Net Position	30,423,582	31,812,636	28,867,996	27,301,590	59,291,578	59,114,226
Ending Net Position	\$30,848,499	\$30,423,582	\$32,137,534	\$28,867,996	\$62,986,033	\$59,291,578

**Governmental Activities**

Net position of the City's governmental activities increased \$424,917. This represents a 1% change from 2015. An increase in operating grants can be attributed to a drawdown of permissive license tax from the County. An Ohio Public Works Commission grant for the West Main Street Rehabilitation project contributed to an increase in capital grants. An increase in income taxes can be attributed to overall economic improvements. An increase in security of persons expense was the result of an increase in the police and fire net pension liability as well as health insurance costs.

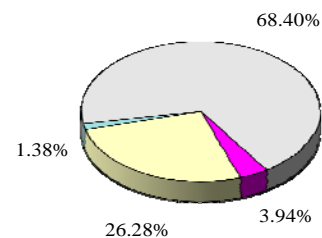
**Management's Discussion and Analysis  
For the Year Ended December 31, 2016****Unaudited**

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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 59% and 8% respectively of revenues for governmental activities in 2016. The City's reliance upon tax revenues is demonstrated by the following graph indicating 68% of total revenues from general tax revenues:

Revenue Sources	2016	Percent of Total
General Tax Revenues	\$25,743,880	68.40%
Intergovernmental, Unrestricted	1,482,292	3.94%
Program Revenues	9,891,266	26.28%
General Other	518,804	1.38%
Total Revenue	<u>\$37,636,242</u>	<u>100.00%</u>

**Business-Type Activities**

Net position of the business-type activities increased \$3,269,538. This represents an 11% change from the previous year. An increase in charges for services can be attributed to increases in water and sewer rates. Capital grants received in 2016 were the result of infrastructure donations from private developers. Overall expenses remained consistent with the prior year.

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

The City's governmental funds reported a combined fund balance of \$15,513,179, which is an increase from last year's balance of \$8,699,699. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2016 and 2015:

	Fund Balance (Deficit) December 31, 2016	Fund Balance (Deficit) December 31, 2015	Increase (Decrease)
General	\$4,902,177	\$3,693,588	\$1,208,589
Other Governmental	10,611,002	5,006,111	5,604,891
Total	<u>\$15,513,179</u>	<u>\$8,699,699</u>	<u>\$6,813,480</u>

**Management's Discussion and Analysis  
For the Year Ended December 31, 2016****Unaudited**

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

	2016	2015	Increase
	Revenues	Revenues	(Decrease)
Taxes	\$24,498,787	\$23,192,164	\$1,306,623
Intergovernmental Revenues	1,853,272	1,859,974	(6,702)
Charges for Services	2,048,949	2,143,529	(94,580)
Licenses, Permits and Fees	100,507	76,249	24,258
Investment Earnings	97,831	70,060	27,771
Fines and Forfeitures	1,354,229	1,416,114	(61,885)
All Other Revenue	174,451	259,630	(85,179)
Total	<u>\$30,128,026</u>	<u>\$29,017,720</u>	<u>\$1,110,306</u>

Total General Fund revenues increased \$1,110,306 or 4% when compared with the previous year. An increase in taxes was the result of an increase in income taxes, which can be attributed to increased efforts by the City to collect on delinquent taxes as well as overall economic improvements.

	2016	2015	Increase
	Expenditures	Expenditures	(Decrease)
Security of Persons and Property	\$15,985,727	\$15,584,736	\$400,991
Leisure Time Activities	697,623	698,450	(827)
Community Environment	276,320	234,991	41,329
Transportation	111	27,826	(27,715)
General Government	9,754,745	9,408,305	346,440
Total	<u>\$26,714,526</u>	<u>\$25,954,308</u>	<u>\$760,218</u>

General Fund expenditures remained stable, increasing \$760,218, or approximately 3% when compared with the prior year. Increases in both security of persons and general government can be attributed to increased health insurance costs.

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 2016 the City amended its General Fund budget several times.

For the General Fund, original revenue estimates were increased 11% to account for increases in income taxes. The difference between final budgeted and actual budget basis receipts was insignificant. The difference between original and final budgeted expenditures was insignificant. Actual expenditures were 3% less than final budget estimates.

**Management's Discussion and Analysis  
For the Year Ended December 31, 2016****Unaudited**

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

At the end of 2016 the City had \$145,085,727 net of accumulated depreciation invested in land, construction in progress, buildings, improvements, infrastructure, equipment and vehicles. Of this total, \$67,156,252 was related to governmental activities and \$77,929,475 to the business-type activities. The following tables show 2016 and 2015 balances:

	Governmental Activities		Increase (Decrease)
	2016	2015	
Land	\$20,059,826	\$20,059,826	\$0
Construction In Progress	2,523,672	4,965,792	(2,442,120)
Buildings	22,560,594	17,913,694	4,646,900
Improvements Other than Buildings	4,331,622	4,331,622	0
Infrastructure	68,235,258	67,178,570	1,056,688
Machinery and Equipment	10,690,265	10,181,584	508,681
Less: Accumulated Depreciation	(61,244,985)	(58,646,433)	(2,598,552)
Totals	<u>\$67,156,252</u>	<u>\$65,984,655</u>	<u>\$1,171,597</u>

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

	Business-Type Activities		Increase (Decrease)
	2016	2015	
Land	\$161,800	\$161,800	\$0
Construction in Progress	13,741,120	17,707,562	(3,966,442)
Buildings and Improvements	58,091,134	58,091,134	0
Infrastructure	30,164,651	20,711,607	9,453,044
Machinery and Equipment	30,546,308	30,417,114	129,194
Less: Accumulated Depreciation	(54,775,538)	(52,633,102)	(2,142,436)
Totals	<u>\$77,929,475</u>	<u>\$74,456,115</u>	<u>\$3,473,360</u>

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

**Management's Discussion and Analysis  
For the Year Ended December 31, 2016****Unaudited**

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**Debt**

At December 31, 2016, the City had \$28.4 million in General Obligation bonds outstanding, \$1.5 million due within one year. The following table summarizes the City's debt outstanding as of December 31, 2016 and 2015:

	2016	2015
Governmental Activities:		
General Obligation Bonds	\$19,153,042	\$14,182,321
ODOT State Infrastructure Bank Loan	784,505	1,082,314
OPWC Loan	558,277	585,000
Capital Leases	835,963	802,766
Net Pension Liability	38,585,567	30,980,581
Workers Compensation Retrospective Liability	155,848	120,087
Accrued Pension Liability	1,587,658	1,643,400
Compensated Absences	3,372,379	3,306,308
Total Governmental Activities	65,033,239	52,702,777
Business-Type Activities:		
General Obligation Bonds	\$9,244,510	\$10,796,376
OWDA Loans	39,331,720	37,218,169
OPWC Loans	1,339,816	1,450,991
Capital Leases	27,607	116,710
Net Pension Liability	4,465,245	3,010,761
Compensated Absences	523,652	620,992
Total Business-Type Activities	54,932,550	53,213,999
Totals	\$119,965,789	\$105,916,776

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, 2016, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 13.

**ECONOMIC FACTORS**

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

While the City has experienced a general decline in manufacturing jobs over the past decade, two major industrial parks are located just outside the City limits and are responsible for a growth in manufacturing jobs. 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 below the national average.

***Management's Discussion and Analysis  
For the Year Ended December 31, 2016***

***Unaudited***

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

The City's ending cash balance had been declining over the past ten years but year-end 2007 saw a 60% increase. Due to declining tax revenues and building permit collections, the cash carry over at year end 2008 saw a decrease of 20% and the need for increased cash reserves has been addressed in recent operating budgets with the creation of cash reserves funded with a dedicated portion of Emergency Medical Transport revenue. A recent history of the cash carry over is as follows: 2010 was nearly equal to 2009 but 2011 showed an increase over 2010 due to increased cash reserves. The 2012 cash carry over showed a slight increase over 2011. The 2013 cash carryover again showed an increase; however, the 2014 cash carryover showed a 20% decrease. The 2015 carryover showed a 55% increase, and the 2016 increased by 35%.

**REQUESTS FOR INFORMATION**

The purpose of this financial report is to provide a clear picture to citizens, taxpayers, investors and creditors and any interested party of the City's accountability of the funds it receives. Please direct any questions you may have or request for additional information to: Stephen E. Johnson, City Auditor, 40 West Main Street, Newark, Ohio 43055.



**CITY OF NEWARK, OHIO****Statement of Net Position  
December 31, 2016**

	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Pooled Cash and Investments	\$ 11,532,850	\$ 13,239,056	\$ 24,771,906
Cash and Cash Equivalents with Fiscal Agent	9,579	0	9,579
Investments	421,466	0	421,466
Receivables:			
Taxes	6,240,077	0	6,240,077
Accounts	679,423	1,905,974	2,585,397
Intergovernmental	2,360,656	0	2,360,656
Interest	5,246	0	5,246
Loans	3,510,737	0	3,510,737
Internal Balance	(180,769)	180,769	0
Inventory of Supplies at Cost	603,280	619,610	1,222,890
Prepaid Items	51,815	23,661	75,476
Restricted Assets:			
Cash and Cash Equivalents	211,028	0	211,028
Cash and Cash Equivalents with Fiscal Agent	19,060	13,728	32,788
Investments	627,500	0	627,500
Investments with Fiscal Agent	471,877	0	471,877
Non-Depreciable Capital Assets	22,583,498	13,902,920	36,486,418
Depreciable Capital Assets, Net	44,572,754	64,026,555	108,599,309
<b>Total Assets</b>	<b>93,720,077</b>	<b>93,912,273</b>	<b>187,632,350</b>
<b>Deferred Outflows of Resources:</b>			
Deferred Charge on Debt Refunding	135,922	86,678	222,600
Pension:			
OPERS	3,217,564	1,689,585	4,907,149
OP&F	6,954,478	0	6,954,478
<b>Total Deferred Outflows of Resources</b>	<b>10,307,964</b>	<b>1,776,263</b>	<b>12,084,227</b>
<b>Liabilities:</b>			
Accounts Payable	302,757	787,016	1,089,773
Accrued Wages and Benefits	1,013,090	206,437	1,219,527
Intergovernmental Payable	131,345	95	131,440
Claims Payable	222,950	0	222,950
Matured Bonds and Interest Payable	0	13,728	13,728
Accrued Interest Payable	152,365	483,615	635,980
General Obligation Notes Payable	2,590,000	7,000,000	9,590,000
Noncurrent Liabilities:			
Due Within One Year	2,758,389	2,966,634	5,725,023
Due in More Than One Year:			
Net Pension Liability	38,585,567	4,465,245	43,050,812
Other Amounts Due in More Than One Year	23,689,283	47,500,671	71,189,954
<b>Total Liabilities</b>	<b>69,445,746</b>	<b>63,423,441</b>	<b>132,869,187</b>



**CITY OF NEWARK, OHIO**

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	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Deferred Inflows of Resources:</b>			
Property Tax Levy for Next Fiscal Year	2,961,311	0	2,961,311
Pension:			
OPERS	242,924	127,561	370,485
OP&F	529,561	0	529,561
<b>Total Deferred Inflows of Resources</b>	<b>3,733,796</b>	<b>127,561</b>	<b>3,861,357</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	45,753,020	25,890,917	71,643,937
Restricted For:			
Capital Projects	1,347,116	0	1,347,116
Debt Service	1,207,458	0	1,207,458
Security of Persons	615,558	0	615,558
Street Improvement	2,854,550	0	2,854,550
Community Environment	3,986,650	0	3,986,650
Judiciary	2,046,078	0	2,046,078
Cemetery Maintenance	1,137,093	0	1,137,093
Other Purposes	110,223	0	110,223
Unrestricted (Deficit)	(28,209,247)	6,246,617	(21,962,630)
<b>Total Net Position</b>	<b>\$ 30,848,499</b>	<b>\$ 32,137,534</b>	<b>\$ 62,986,033</b>

See accompanying notes to the basic financial statements

**CITY OF NEWARK, OHIO**

**Statement of Activities  
For the Year Ended December 31, 2016**

		Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
Security of Persons and Property	\$ 20,139,086	\$ 3,149,170	\$ 1,048,547	\$ 0
Leisure Time Activities	788,906	0	10,603	0
Community Environment	1,119,922	121,929	739,925	0
Public Health and Welfare Services	43,762	162,113	21,042	0
Transportation	3,836,428	0	2,873,780	995,426
General Government	10,559,036	709,967	58,764	0
Interest and Fiscal Charges	961,639	0	0	0
<b>Total Governmental Activities</b>	<b>37,448,779</b>	<b>4,143,179</b>	<b>4,752,661</b>	<b>995,426</b>
<b>Business-Type Activities:</b>				
Water	5,852,349	6,656,234	0	189,115
Sewer	6,491,673	8,374,932	0	184,226
Storm Water	2,542,355	2,853,724	0	134,464
<b>Total Business-Type Activities</b>	<b>14,886,377</b>	<b>17,884,890</b>	<b>0</b>	<b>507,805</b>
<b>Totals</b>	<b>\$ 52,335,156</b>	<b>\$ 22,028,069</b>	<b>\$ 4,752,661</b>	<b>\$ 1,503,231</b>

**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**

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Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (15,941,369)	\$ 0	\$ (15,941,369)
(778,303)	0	(778,303)
(258,068)	0	(258,068)
139,393	0	139,393
32,778	0	32,778
(9,790,305)	0	(9,790,305)
(961,639)	0	(961,639)
(27,557,513)	0	(27,557,513)
0	993,000	993,000
0	2,067,485	2,067,485
0	445,833	445,833
0	3,506,318	3,506,318
\$ (27,557,513)	\$ 3,506,318	\$ (24,051,195)
2,055,097	0	2,055,097
408,316	0	408,316
446,815	0	446,815
22,318,619	0	22,318,619
515,033	0	515,033
1,482,292	0	1,482,292
169,378	674	170,052
349,426	0	349,426
237,454	(237,454)	0
27,982,430	(236,780)	27,745,650
424,917	3,269,538	3,694,455
30,423,582	28,867,996	59,291,578
\$ 30,848,499	\$ 32,137,534	\$ 62,986,033

**CITY OF NEWARK, OHIO**
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2016**

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Pooled Cash and Investments	\$ 4,100,162	\$ 7,408,347	\$ 11,508,509
Investments	0	421,466	421,466
Receivables:			
Taxes	5,299,685	940,392	6,240,077
Accounts	639,454	39,969	679,423
Intergovernmental	809,829	1,550,827	2,360,656
Interest	5,139	107	5,246
Loans	0	3,510,737	3,510,737
Interfund Loans Receivable	79,503	0	79,503
Inventory of Supplies, at Cost	214,955	388,325	603,280
Prepaid Items	51,815	0	51,815
Restricted Assets:			
Cash and Cash Equivalents	0	211,028	211,028
Cash and Cash Equivalents with Fiscal Agent	0	19,060	19,060
Investments	0	627,500	627,500
Investments with Fiscal Agent	0	471,877	471,877
<b>Total Assets</b>	<b>\$ 11,200,542</b>	<b>\$ 15,589,635</b>	<b>\$ 26,790,177</b>
<b>Liabilities:</b>			
Accounts Payable	\$ 180,124	\$ 122,633	\$ 302,757
Accrued Wages and Benefits Payable	921,440	91,650	1,013,090
Intergovernmental Payable	130,895	450	131,345
Interfund Loans Payable	0	79,503	79,503
Accrued Interest Payable	0	20,697	20,697
General Obligation Notes Payable	0	2,590,000	2,590,000
<b>Total Liabilities</b>	<b>1,232,459</b>	<b>2,904,933</b>	<b>4,137,392</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable Amounts	3,019,553	1,158,742	4,178,295
Property Tax Levy for Next Fiscal Year	2,046,353	914,958	2,961,311
<b>Total Deferred Inflows of Resources</b>	<b>5,065,906</b>	<b>2,073,700</b>	<b>7,139,606</b>
<b>Fund Balance:</b>			
Nonspendable	266,770	388,325	655,095
Restricted	0	11,083,187	11,083,187
Assigned	3,636,716	0	3,636,716
Unassigned	998,691	(860,510)	138,181
<b>Total Fund Balance</b>	<b>4,902,177</b>	<b>10,611,002</b>	<b>15,513,179</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 11,200,542</b>	<b>\$ 15,589,635</b>	<b>\$ 26,790,177</b>

See accompanying notes to the basic financial statements

***Reconciliation Of Total Governmental Fund Balances  
To Net Position Of Governmental Activities  
December 31, 2016***

---

**Total Governmental Fund Balances** \$ 15,513,179

***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. 67,156,252

Other long-term assets are not available to pay for current-  
period expenditures and therefore are deferred in the funds. 4,178,295

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

Deferred Outflows - Pension	10,172,042	
Deferred Inflows - Pension	(772,485)	
Net Pension Liability	<u>(38,585,567)</u>	(29,186,010)

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. (369,799)

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	(19,153,042)	
Deferred Charge on Debt Refunding	135,922	
ODOT State Infrastructure Bank Loan	(784,505)	
Ohio Public Works Commission Loan	(558,277)	
Capital Leases Payable	(835,963)	
Accrued Pension Liability	(1,587,658)	
Compensated Absences Payable	(3,372,379)	
Worker's Compensation Retrospective Liability	(155,848)	
Accrued Interest Payable	<u>(131,668)</u>	<u>(26,443,418)</u>

***Net Position of Governmental Activities*** **\$ 30,848,499**

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, 2016**

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Taxes	\$ 24,498,787	\$ 863,013	\$ 25,361,800
Intergovernmental Revenues	1,853,272	5,087,269	6,940,541
Charges for Services	2,048,949	4,152	2,053,101
Licenses, Permits and Fees	100,507	0	100,507
Investment Earnings	97,831	56,443	154,274
Special Assessments	0	2	2
Fines and Forfeitures	1,354,229	474,314	1,828,543
All Other Revenue	174,451	174,975	349,426
<b>Total Revenues</b>	<b>30,128,026</b>	<b>6,660,168</b>	<b>36,788,194</b>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property	15,985,727	1,273,859	17,259,586
Public Health and Welfare Services	0	43,762	43,762
Leisure Time Activities	697,623	0	697,623
Community Environment	276,320	889,473	1,165,793
Transportation	111	2,928,582	2,928,693
General Government	9,754,745	370,829	10,125,574
Capital Outlay	0	1,684,548	1,684,548
Debt Service:			
Principal Retirement	0	2,917,820	2,917,820
Interest and Fiscal Charges	0	789,126	789,126
<b>Total Expenditures</b>	<b>26,714,526</b>	<b>10,897,999</b>	<b>37,612,525</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,413,500	(4,237,831)	(824,331)
<b>Other Financing Sources (Uses):</b>			
Sale of Capital Assets	46,350	0	46,350
Other Financing Sources - Capital Lease	0	465,000	465,000
Bond Issuance	0	5,200,000	5,200,000
OPWC Loan Issuance	0	3,277	3,277
Refunding Bonds Issued	0	1,710,000	1,710,000
Premium on Bond Issuance	0	554,488	554,488
Transfers In	0	2,269,546	2,269,546
Transfers Out	(2,385,256)	(401,550)	(2,786,806)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,338,906)</b>	<b>9,800,761</b>	<b>7,461,855</b>
Net Change in Fund Balance	1,074,594	5,562,930	6,637,524
<b>Fund Balance at Beginning of Year</b>	<b>3,693,588</b>	<b>5,006,111</b>	<b>8,699,699</b>
Increase in Inventory	133,995	41,961	175,956
<b>Fund Balance End of Year</b>	<b>\$ 4,902,177</b>	<b>\$ 10,611,002</b>	<b>\$ 15,513,179</b>

See accompanying notes to the basic financial statements

***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, 2016***

---

**Net Change in Fund Balances - Total Governmental Funds** \$ 6,637,524

*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	3,120,728	
Depreciation Expense	(2,698,591)	422,137

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

Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.		782,880
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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.		(33,420)
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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.		287,518
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Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		2,776,351
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Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		(5,033,037)
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, however, has no effect on net position.

Refunding Bonds Issued	(1,710,000)	
Bond Issuance	(5,200,000)	
Ohio Public Works Commission Loan	(3,277)	
Capital Leases Issued	(465,000)	
Premium on Refunding Bonds	(554,488)	
		(7,932,765)

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

Interest Accretion on General Obligation Bonds	(80,993)	
Accreted Interest Payment	303,715	
Deferred Charge on Debt Refunding Amortization	(9,709)	
Bond Premium Amortization	19,760	
General Obligation Bond Principal Payment	2,251,285	
OPWC Loan Principal Payment	30,000	
ODOT State Infrastructure Bank Loan Retirement	297,809	
Capital Lease Principal Payment	431,803	
Pension Liability Principal Payment	55,742	3,299,412

(Continued)



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

(66,560)

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

(66,071)

Worker's Compensation Retrospective Liability

(35,761)

Change in Inventory

175,956

74,124

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.

(789,247)

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

\$ 424,917

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, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 22,506,157	\$ 24,376,113	\$ 24,824,050	\$ 447,937
Intergovernmental Revenue	1,761,911	1,835,700	1,790,191	(45,509)
Charges for Services	2,001,020	2,083,020	2,075,086	(7,934)
Licenses, Permits and Fees	66,345	96,496	100,507	4,011
Investment Earnings	60,051	110,051	125,830	15,779
Fines and Forfeitures	1,413,000	1,416,248	1,359,184	(57,064)
All Other Revenue	130,550	202,889	239,498	36,609
Total Revenues	27,939,034	30,120,517	30,514,346	393,829
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	16,786,288	17,359,868	16,914,898	444,970
Leisure Time Activities	667,445	799,520	756,482	43,038
Community Environment	315,332	320,855	282,507	38,348
Transportation	0	115	111	4
General Government	10,992,737	11,149,251	10,814,992	334,259
Total Expenditures	28,761,802	29,629,609	28,768,990	860,619
Excess (Deficiency) of Revenues Over (Under) Expenditures	(822,768)	490,908	1,745,356	1,254,448
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	30,000	46,350	46,350	0
Transfers In	1,278,154	2,240,816	2,212,003	(28,813)
Transfers Out	(2,291,734)	(4,053,380)	(4,049,548)	3,832
Advances In	0	45,293	45,293	0
Advances Out	0	(79,503)	(79,503)	0
Total Other Financing Sources (Uses):	(983,580)	(1,800,424)	(1,825,405)	(24,981)
Net Change in Fund Balance	(1,806,348)	(1,309,516)	(80,049)	1,229,467
Fund Balance at Beginning of Year	2,626,218	2,626,218	2,626,218	0
Prior Year Encumbrances	486,502	486,502	486,502	0
Fund Balance at End of Year	\$ 1,306,372	\$ 1,803,204	\$ 3,032,671	\$ 1,229,467

See accompanying notes to the basic financial statements

**CITY OF NEWARK, OHIO**

**Statement of Net Position  
Proprietary Funds  
December 31, 2016**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
<b>Assets:</b>			
Current Assets:			
Pooled Cash and Investments	\$ 5,009,171	\$ 6,564,474	\$ 1,665,411
Receivables:			
Accounts	819,569	819,569	266,836
Inventory of Supplies at Cost	352,925	223,311	43,374
Prepaid Items	11,987	11,473	201
Total Current Assets	6,193,652	7,618,827	1,975,822
Noncurrent Assets:			
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agent	23	13,705	0
Non Depreciable Capital Assets	2,742,337	7,545,676	3,614,907
Depreciable Capital Assets, Net	16,998,618	40,862,050	6,165,887
Total Noncurrent Assets	19,740,978	48,421,431	9,780,794
<b>Total Assets</b>	<b>25,934,630</b>	<b>56,040,258</b>	<b>11,756,616</b>
<b>Deferred Outflows of Resources:</b>			
Deferred Charge on Debt Refunding	86,678	0	0
Pension:			
OPERS	1,082,462	537,538	69,585
<b>Total Deferred Outflows of Resources</b>	<b>1,169,140</b>	<b>537,538</b>	<b>69,585</b>
<b>Liabilities:</b>			
Current Liabilities:			
Accounts Payable	160,729	589,602	36,685
Accrued Wages and Benefits	130,998	67,277	8,162
Intergovernmental Payable	0	95	0
Claims Payable	0	0	0
Compensated Absences Payable - Current	219,517	98,466	10,925
Accrued Interest Payable	65,018	371,675	46,922
General Obligation Notes Payable	5,000,000	0	2,000,000
Capital Leases Payable - Current	27,607	0	0
General Obligation Bonds Payable - Current	618,857	39,511	162,413
OWDA Loans Payable - Current	128,832	1,491,635	57,696
OPWC Loans Payable - Current	0	111,175	0
Total Current Liabilities	6,351,558	2,769,436	2,322,803

**CITY OF NEWARK, OHIO**

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	Governmental Activities - Internal Service Funds
Total	
\$ 13,239,056	\$ 24,341
1,905,974	0
619,610	0
23,661	0
15,788,301	24,341
13,728	9,579
13,902,920	0
64,026,555	0
77,943,203	9,579
93,731,504	33,920
86,678	0
1,689,585	0
1,776,263	0
787,016	0
206,437	0
95	0
0	222,950
328,908	0
483,615	0
7,000,000	0
27,607	0
820,781	0
1,678,163	0
111,175	0
11,443,797	222,950

(Continued)

**CITY OF NEWARK, OHIO**
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2016**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
Noncurrent Liabilities:			
Matured Bonds and Interest Payable	23	13,705	0
General Obligation Bonds Payable	3,900,229	967,500	3,556,000
OWDA Loans Payable	2,540,649	33,272,141	1,840,767
OPWC Loans Payable	0	1,228,641	0
Compensated Absences Payable	77,320	102,064	15,360
Net Pension Liability	2,860,737	1,420,607	183,901
Total Noncurrent Liabilities	9,378,958	37,004,658	5,596,028
<b>Total Liabilities</b>	<b>15,730,516</b>	<b>39,774,094</b>	<b>7,918,831</b>
<b>Deferred Inflows of Resources:</b>			
Pension:			
OPERS	81,724	40,584	5,253
<b>Total Deferred Inflows of Resources</b>	<b>81,724</b>	<b>40,584</b>	<b>5,253</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	12,346,421	10,960,091	2,584,405
Unrestricted	(1,054,891)	5,803,027	1,317,712
<b>Total Net Position</b>	<b>\$ 11,291,530</b>	<b>\$ 16,763,118</b>	<b>\$ 3,902,117</b>

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

Net Position of Business-type Activities

See accompanying notes to the basic financial statements

***CITY OF NEWARK, OHIO***

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	Governmental
	Activities -
	Internal Service
Total	Funds
13,728	0
8,423,729	0
37,653,557	0
1,228,641	0
194,744	0
4,465,245	0
51,979,644	0
63,423,441	222,950
127,561	0
127,561	0
25,890,917	0
6,065,848	(189,030)
\$ 31,956,765	\$ (189,030)
180,769	
\$ 32,137,534	

**CITY OF NEWARK, OHIO**

**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2016**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
<b>Operating Revenues:</b>			
Charges for Services	\$ 6,548,068	\$ 8,113,863	\$ 2,851,376
Other Operating Revenues	108,166	261,069	2,348
<b>Total Operating Revenues</b>	<b>6,656,234</b>	<b>8,374,932</b>	<b>2,853,724</b>
<b>Operating Expenses:</b>			
Personal Services	2,397,649	1,220,986	231,908
Contractual Services	1,209,523	2,841,142	1,524,795
Materials and Supplies	943,828	378,755	97,558
Depreciation	798,367	1,215,207	128,862
<b>Total Operating Expenses</b>	<b>5,349,367</b>	<b>5,656,090</b>	<b>1,983,123</b>
<b>Operating Income (Loss)</b>	<b>1,306,867</b>	<b>2,718,842</b>	<b>870,601</b>
<b>Non-Operating Revenue (Expenses):</b>			
Interest Income	328	346	0
Interest and Fiscal Charges	(479,402)	(827,047)	(230,115)
Other Nonoperating Expense	(23,580)	(8,536)	(237,454)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(502,654)</b>	<b>(835,237)</b>	<b>(467,569)</b>
<b>Income (Loss) Before Transfers and Contributions</b>	<b>804,213</b>	<b>1,883,605</b>	<b>403,032</b>
<b>Transfers and Contributions:</b>			
Transfers In	0	118,420	0
Transfers Out	(19,928)	0	(98,492)
Capital Contributions	189,115	184,226	134,464
<b>Total Transfers and Contributions</b>	<b>169,187</b>	<b>302,646</b>	<b>35,972</b>
<b>Change in Net Position</b>	<b>973,400</b>	<b>2,186,251</b>	<b>439,004</b>
Net Position Beginning of Year	10,318,130	14,576,867	3,463,113
<b>Net Position End of Year</b>	<b>\$ 11,291,530</b>	<b>\$ 16,763,118</b>	<b>\$ 3,902,117</b>

Change in Net Position - Total Enterprise Funds

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

Change in Net Position - Business-type Activities

See accompanying notes to the basic financial statements



**CITY OF NEWARK, OHIO**

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	Governmental Activities - Internal Service Funds
Total	
\$ 17,513,307	\$ 6,783,742
371,583	0
17,884,890	6,783,742
3,850,543	8,434,470
5,575,460	0
1,420,141	0
2,142,436	0
12,988,580	8,434,470
4,896,310	(1,650,728)
674	15,104
(1,536,564)	0
(269,570)	0
(1,805,460)	15,104
3,090,850	(1,635,624)
118,420	517,260
(118,420)	0
507,805	0
507,805	517,260
3,598,655	(1,118,364)
28,358,110	929,334
\$ 31,956,765	\$ (189,030)
\$ 3,598,655	
(329,117)	
\$ 3,269,538	

**CITY OF NEWARK, OHIO****Statement of Cash Flows****Proprietary Funds****For the Year Ended December 31, 2016**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$6,590,614	\$8,309,312	\$2,832,360
Cash Received for Interfund Services	0	0	0
Cash Payments for Goods and Services	(2,078,274)	(3,385,903)	(1,602,056)
Cash Payments to Employees	(2,235,999)	(1,252,085)	(218,000)
Net Cash Provided (Used) by Operating Activities	2,276,341	3,671,324	1,012,304
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	0	118,420	0
Transfers Out to Other Funds	(19,928)	0	(98,492)
Net Cash Provided (Used) by Noncapital Financing Activities	(19,928)	118,420	(98,492)
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(1,452,275)	(3,060,796)	(1,633,539)
General Obligation Notes Issued	5,000,000	0	2,000,000
General Obligation Note Retirement	(4,000,000)	0	(2,000,000)
Principal Paid on Capital Leases	(53,617)	0	(35,486)
Principal Paid on General Obligation Bonds	(652,133)	(41,739)	(160,087)
Ohio Water Development Authority Loans Issued	0	2,957,255	744,702
Principal Paid on Ohio Water Development Authority Loans	(124,215)	(1,408,386)	(55,805)
Principal Paid on Ohio Public Works Commission Loans	0	(111,175)	0
Interest Paid on All Debt	(1,130,824)	(807,725)	(229,427)
Net Cash Used by			
Capital and Related Financing Activities	(2,413,064)	(2,472,566)	(1,369,642)
<u>Cash Flows from Investing Activities:</u>			
Sale of Investments	0	0	0
Receipts of Interest	440	451	0
Net Cash Provided by Investing Activities	440	451	0
Net Increase (Decrease) in Cash and Cash Equivalents	(156,211)	1,317,629	(455,830)
Cash and Cash Equivalents at Beginning of Year	5,165,405	5,260,550	2,121,241
Cash and Cash Equivalents at End of Year	\$5,009,194	\$6,578,179	\$1,665,411
<u>Reconciliation of Cash and</u>			
<u>Cash Equivalents per the Statement of Net Position:</u>			
Cash and Cash Equivalents	\$5,009,171	\$6,564,474	\$1,665,411
Restricted Cash with Fiscal Agent	23	13,705	0
Cash and Cash Equivalents at End of Year	\$5,009,194	\$6,578,179	\$1,665,411

**CITY OF NEWARK, OHIO**

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	Governmental- Activities
<u>Total</u>	<u>Internal Service</u>
\$17,732,286	\$0
0	6,783,742
(7,066,233)	0
<u>(3,706,084)</u>	<u>(8,654,210)</u>
<u>6,959,969</u>	<u>(1,870,468)</u>
118,420	517,260
<u>(118,420)</u>	<u>0</u>
<u>0</u>	<u>517,260</u>
(6,146,610)	0
7,000,000	0
(6,000,000)	0
(89,103)	0
(853,959)	0
3,701,957	0
(1,588,406)	0
(111,175)	0
<u>(2,167,976)</u>	<u>0</u>
<u>(6,255,272)</u>	<u>0</u>
0	246,281
<u>891</u>	<u>8,221</u>
<u>891</u>	<u>254,502</u>
705,588	(1,098,706)
<u>12,547,196</u>	<u>1,132,626</u>
<u>\$13,252,784</u>	<u>\$33,920</u>
\$13,239,056	\$24,341
<u>13,728</u>	<u>9,579</u>
<u>\$13,252,784</u>	<u>\$33,920</u>

(Continued)

***CITY OF NEWARK, OHIO***

***Statement of Cash Flows***

***Proprietary Funds***

***For the Year Ended December 31, 2016***

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	\$1,306,867	\$2,718,842	\$870,601
Adjustments to Reconcile Operating Income (Loss) to			
Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	798,367	1,215,207	128,862
Nonoperating Expense	(23,580)	(8,536)	0
Changes in Assets, Liabilities, and Deferred Outflows/Inflows:			
Increase in Accounts Receivable	(65,620)	(65,620)	(21,364)
(Increase) Decrease in Inventory	53,206	(4,779)	7,247
(Increase) Decrease in Prepaid Items	(437)	77	(19)
Increase in Deferred Outflows of Resources	(749,204)	(359,005)	(47,859)
Increase (Decrease) in Accounts Payable	45,888	(152,593)	13,069
Decrease in Intergovernmental Payable	0	(175)	0
Decrease in Accrued Wages and Benefits	(84,331)	(41,874)	(5,200)
Decrease in Claims Payable	0	0	0
Increase (Decrease) in Compensated Absences	(60,850)	(40,113)	3,623
Increase in Net Pension Liability	1,006,721	387,502	60,261
Increase in Deferred Inflows of Resources	49,314	22,391	3,083
Total Adjustments	969,474	952,482	141,703
Net Cash Provided (Used) by Operating Activities	\$2,276,341	\$3,671,324	\$1,012,304

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2016 the Water and Sewer Funds had outstanding liabilities of \$51,844 and \$369,832, respectively, for the purchase of certain capital assets.

During 2016 the Water Fund, Sewer Fund, and Storm Water Fund received capital contributions of \$189,115, \$184,226, and \$134,464, respectively.

See accompanying notes to the basic financial statements

***CITY OF NEWARK, OHIO***

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	Governmental- Activities
<u>Total</u>	<u>Internal Service</u>
\$4,896,310	(\$1,650,728)
2,142,436	0
(32,116)	0
(152,604)	0
55,674	0
(379)	0
(1,156,068)	0
(93,636)	0
(175)	0
(131,405)	0
0	(219,740)
(97,340)	0
1,454,484	0
74,788	0
<u>2,063,659</u>	<u>(219,740)</u>
<u>\$6,959,969</u>	<u>(\$1,870,468)</u>

***CITY OF NEWARK, OHIO***

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***Statement of Assets and Liabilities  
Fiduciary Funds  
December 31, 2016***

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	<u>Agency Funds</u>
<b>Assets:</b>	
Receivables:	
Taxes	\$ 2,106
Restricted Assets:	
Cash and Cash Equivalents	<u>1,150,556</u>
<b>Total Assets</b>	<u>1,152,662</u>
<b>Liabilities:</b>	
Intergovernmental Payable	881,417
Due to Others	<u>271,245</u>
<b>Total Liabilities</b>	<u>\$ 1,152,662</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

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

The financial statements are presented as of December 31, 2016 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

**A. Reporting Entity**

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

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

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

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

***Governmental Funds***

Governmental funds are those funds through which most governmental functions are typically financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following is the City's only major governmental fund:

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.

***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, 2016***

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**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***

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

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

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

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

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

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

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

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

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

**D. Basis of Accounting**

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from property taxes is recognized in the period for which the taxes are levied and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

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

Special assessment installments including related accrued interest, which are measurable but not available at December 31, are recorded as deferred inflows of resources. Property taxes which are measurable at December 31, 2016 but are not intended to finance 2016 operations, and delinquent property taxes whose availability is indeterminate, are recorded as deferred inflows of resources. Property taxes are further described in Note 6.

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

**E. Budgetary Process**

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

**E. Budgetary Process** (Continued)

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

**1. Tax Budget**

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

**2. Estimated Resources**

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2016.

**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, 2016***

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

**E. Budgetary Process (Continued)**

**3. Appropriations (Continued)**

The allocation of appropriations among departments and objects within a fund may be modified during the year only by an ordinance of City Council. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual for the General Fund" 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, 2016***

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

**E. Budgetary Process (Continued)**

**5. Budgetary Basis of Accounting**

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

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

	Net Change in Fund Balance
	<u>General Fund</u>
GAAP Basis (as reported)	\$1,074,594
Increase (Decrease):	
Accrued Revenues at December 31, 2016 received during 2017	(1,744,365)
Accrued Revenues at December 31, 2015 received during 2016	2,096,475
Accrued Expenditures at December 31, 2016 paid during 2017	1,232,459
Accrued Expenditures at December 31, 2015 paid during 2016	(1,648,170)
2015 Prepays for 2016	51,603
2016 Prepays for 2017	(51,815)
Outstanding Encumbrances	<u>(1,090,830)</u>
Budget Basis	<u><u>(\$80,049)</u></u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

**F. Cash and Cash Equivalents**

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

**G. Investments**

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

The City'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 2016, 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 \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 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, 2016, 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, 2016***

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

**J. Capital Assets and Depreciation**

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

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

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

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

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

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

**3. Depreciation**

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

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



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

**K. Long-Term Obligations**

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

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

**L. Compensated Absences**

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

**L. Compensated Absences** (Continued)

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

**M. Net Position**

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

**N. Interfund Activity**

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

**O. Pensions**

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

**P. Fund Balances**

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

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

*Restricted* – Restricted fund balance consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

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

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

**Q. Restricted Assets**

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

**R. Operating Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water treatment and distribution, wastewater collection and treatment, and storm water collection. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**S. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City and that are either unusual in nature or infrequent in occurrence. The City had no special or extraordinary items to report during 2016.

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

**T. Deferred Outflows/Inflows of Resources (Continued)**

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

**U. Fair Market Value**

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.

**NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE**

For 2016, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 72, “Fair Value Measurement and Application,” and GASB Statement No. 77 “Tax Abatement Disclosures.”

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes, for applying fair value to certain investments, and disclosures related to all fair value measurements. These changes were incorporated in the City’s 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 77 requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. These changes were incorporated in the City’s 2016 financial statements; however, there was no effect on beginning net position/fund balance.

**NOTE 3 - COMPLIANCE AND ACCOUNTABILITY**

***Deficit Fund Equities*** –The fund deficits at December 31, 2016 of \$350,114 in the Landfill Reclamation Fund (special revenue fund) and \$510,396 in the Capital Improvement Fund (capital projects fund) are due to the recording of general obligation notes payable in the individual fund balance sheet.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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**NOTE 4 – FUND BALANCE CLASSIFICATION**

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

<u>Fund Balances</u>	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:			
Supplies Inventory	\$214,955	\$388,325	\$603,280
Prepaid Items	51,815	0	51,815
Total Nonspendable	266,770	388,325	655,095
Restricted:			
Community Development	0	4,024,077	4,024,077
Capital Acquisition and Improvement	0	395,261	395,261
Cemetery Maintenance	0	1,137,093	1,137,093
Memorial Sidewalk Program	0	71,822	71,822
Street Maintenance	0	1,681,451	1,681,451
Adult Probation Program	0	103,059	103,059
FTA Taxi Token Program	0	38,401	38,401
Court Improvements	0	2,046,078	2,046,078
Law Enforcement	0	377,112	377,112
Safety Grants Program	0	1,375	1,375
Debt Retirement	0	1,207,458	1,207,458
Total Restricted	0	11,083,187	11,083,187
Assigned:			
Fiscal 2017 Budget Deficit	2,481,173	0	2,481,173
Supplies and Services	779,806	0	779,806
Compensated Absences	375,737	0	375,737
Total Assigned	3,636,716	0	3,636,716
Unassigned (Deficits):	998,691	(860,510)	138,181
Total Fund Balances	\$4,902,177	\$10,611,002	\$15,513,179

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

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

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

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

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

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

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

**A. Deposits**

At year end the carrying amount of the City's deposits was \$17,678,929 and the bank balance was \$18,477,502. Federal depository insurance covered \$12,568,779 of the bank balance and \$5,908,723 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the City's name	<u>\$5,908,723</u>
Total Balance	<u><u>\$5,908,723</u></u>



**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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

**B. Investments**

The City's investments at December 31, 2016 are summarized below:

	Fair Value	Credit Rating	Concentration of Credit Risk	Investment Maturities (in Years)		
				less than 1	1-3	3-5
Repurchase Agreement	\$3,085,066	N/A	30.80%	\$3,085,066	\$0	\$0
STAR Ohio	2,227,635	AAAm <sup>1</sup>	22.24%	2,227,635	0	0
Government Agency MM	256,115	AA+ <sup>1</sup>	2.56%	256,115	0	0
Corporate Equities*	208,851	N/A	2.08%	208,851	0	0
Corporate Notes/Bonds	9,988	Baa1 <sup>2</sup>	0.10%	9,988	0	0
Mutual Funds	243,076	Aaa-Baa <sup>2</sup>	2.43%	243,076	0	0
Negotiable CD's	961,656	AAA <sup>3</sup>	9.58%	459,827	501,829	0
FHLB	1,287,212	AA+ <sup>1</sup>	12.85%	0	499,290	787,922
FFCB	9,961	AA+ <sup>1</sup>	0.10%	0	9,961	0
FHLMC	983,378	AA+ <sup>1</sup>	9.82%	0	0	983,378
FNMA	744,833	AA+ <sup>1</sup>	7.44%	0	744,833	0
Total Investments	<u>\$10,017,771</u>		<u>100.00%</u>	<u>\$6,490,558</u>	<u>\$1,755,913</u>	<u>\$1,771,300</u>

\* Corporate Equities do not have a maturity

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

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

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

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

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 6 - TAXES**

**A. Property Taxes**

Property taxes include amounts levied against all real estate and public utility property located in the City. Real property taxes (other than public utility) collected during 2016 were levied after October 1, 2015 on assessed values as of January 1, 2015, the lien date. Assessed values are established by the county auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments are made in the third year following reappraisal. The last reappraisal was completed in 2011. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100 percent of its true value. Public utility property taxes are payable on the same dates as real property described previously.

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

The full tax rate for the City's operations for the year ended December 31, 2016 was \$3.70 per \$1,000 of assessed value. The assessed value upon which the 2016 levy was based was \$776,258,520. This amount constitutes \$746,199,310 in real property assessed value and \$30,059,210 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, 2016**

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**NOTE 7 - RECEIVABLES**

Receivables at December 31, 2016 consisted of taxes, interest, accounts, loans, and intergovernmental receivables arising from shared revenues.

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

Following is a summary of transfers in and out for all funds for 2016:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$0	\$2,385,256
Other Governmental Funds	2,269,546	401,550
Total Governmental Funds	2,269,546	2,786,806
Water Fund	0	19,928
Sewer Fund	118,420	0
Storm Water Fund	0	98,492
Total Enterprise Funds	118,420	118,420
Internal Service Fund	517,260	0
Total Proprietary Funds	635,680	118,420
Total Transfers	\$2,905,226	\$2,905,226

Transfers for the year ended December 31, 2016 included a \$612,981 transfer from the General Fund to Capital Improvement Fund which were EMS receipts dedicated to capital improvements. \$1,204,826 was transferred from the General Fund to the Debt Service Funds for debt payments. Transfers from Other Governmental funds of \$401,550 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. During the year, \$517,260 was transferred from the General Fund to the Internal Service Fund to assist with cash flow. All transfers were made in accordance with Ohio Revised Code.

**B. Interfund Receivables/Payables**

The following is a summary of interfund loans receivable and payable for all funds for 2016:

<u>Fund</u>	<u>Interfund Loans Receivable</u>	<u>Interfund Loans Payable</u>
General Fund	\$79,503	\$0
Other Governmental Funds	0	79,503
Totals	\$79,503	\$79,503

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

**NOTE 9 - CAPITAL ASSETS**

**A. Governmental Activities Capital Assets**

Summary by category of changes in governmental activities capital assets at December 31, 2016:

**Historical Cost:**

Class	December 31, 2015	Additions	Deletions	December 31, 2016
<b>Capital assets not being depreciated:</b>				
Land	\$20,059,826	\$0	\$0	\$20,059,826
Construction in Progress	4,965,792	2,528,806	(4,970,926)	2,523,672
Sub-Total	25,025,618	2,528,806	(4,970,926)	22,583,498
<b>Capital assets being depreciated:</b>				
Buildings	17,913,694	4,665,906	(19,006)	22,560,594
Improvements Other than Buildings	4,331,622	0	0	4,331,622
Infrastructure	67,178,570	1,171,141	(114,453)	68,235,258
Machinery and Equipment	10,181,584	508,681	0	10,690,265
Total Cost	<u>\$124,631,088</u>	<u>\$8,874,534</u>	<u>(\$5,104,385)</u>	<u>\$128,401,237</u>

**Accumulated Depreciation:**

Class	December 31, 2015	Additions	Deletions	December 31, 2016
Buildings	(\$7,386,162)	(\$382,774)	\$19,006	(\$7,749,930)
Improvements Other than Buildings	(3,544,477)	(89,369)	0	(3,633,846)
Infrastructure	(39,430,405)	(1,786,505)	81,033	(41,135,877)
Machinery and Equipment	(8,285,389)	(439,943)	0	(8,725,332)
Total Depreciation	<u>(\$58,646,433)</u>	<u>(\$2,698,591) *</u>	<u>\$100,039</u>	<u>(\$61,244,985)</u>
<b>Net Value:</b>	<u>\$65,984,655</u>			<u>\$67,156,252</u>

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

Security of Persons and Property	\$527,239
Leisure Time Activities	47,687
Community Environment	36,959
Transportation	1,880,397
General Government	206,309
Total Depreciation Expense	<u>\$2,698,591</u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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

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

Summary by Category at December 31, 2016:

**Historical Cost:**

Class	December 31, 2015	Additions	Deletions	December 31, 2016
<b>Capital assets not being depreciated:</b>				
Land	\$161,800	\$0	\$0	\$161,800
Construction in Progress	17,707,562	5,486,602	(9,453,044)	13,741,120
Sub-Total	17,869,362	5,486,602	(9,453,044)	13,902,920
<b>Capital assets being depreciated:</b>				
Buildings and Improvements	58,091,134	0	0	58,091,134
Infrastructure	20,711,607	9,453,044	0	30,164,651
Machinery and Equipment	30,417,114	129,194	0	30,546,308
Total Cost	\$127,089,217	\$15,068,840	(\$9,453,044)	\$132,705,013

**Accumulated Depreciation:**

Class	December 31, 2015	Additions	Deletions	December 31, 2016
Buildings and Improvements	(\$18,519,616)	(\$1,591,476)	\$0	(\$20,111,092)
Infrastructure	(4,793,763)	(320,777)	0	(5,114,540)
Machinery and Equipment	(29,319,723)	(230,183)	0	(29,549,906)
Total Depreciation	(\$52,633,102)	(\$2,142,436)	\$0	(\$54,775,538)
<b>Net Value:</b>	<b>\$74,456,115</b>			<b>\$77,929,475</b>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS**

***Net Pension Liability***

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

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

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

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

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

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

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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

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

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

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

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

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

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

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

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

	<u>State and Local</u>
<b>2016 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
<b>2016 Actual Contribution Rates</b>	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	<u>2.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,095,178 for 2016. Of this amount, \$158,871 is reported as an intergovernmental payable.



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

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

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

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

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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

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

	<u>Police</u>	<u>Firefighters</u>
<b>2016 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2016 through December 31, 2016	12.25 %	12.25 %
<b>2016 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee:		
January 1, 2016 through December 31, 2016	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$2,058,255 for 2016. Of this amount, \$254,308 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, 2015, 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, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$12,968,643	\$30,082,169	\$43,050,812
Proportion of the Net Pension Liability-2016	0.074871%	0.467618%	
Proportion of the Net Pension Liability-2015	<u>0.076378%</u>	<u>0.478326%</u>	
Percentage Change	<u>(0.001507%)</u>	<u>(0.010708%)</u>	
Pension Expense	\$1,766,200	\$4,017,123	\$5,783,323

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016****NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$3,811,971	\$4,896,223	\$8,708,194
City contributions subsequent to the measurement date	<u>1,095,178</u>	<u>2,058,255</u>	<u>3,153,433</u>
Total Deferred Outflows of Resources	<u>\$4,907,149</u>	<u>\$6,954,478</u>	<u>\$11,861,627</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$250,581	\$84,469	\$335,050
Change in Proportionate Share	<u>119,904</u>	<u>445,092</u>	<u>564,996</u>
Total Deferred Inflows of Resources	<u>\$370,485</u>	<u>\$529,561</u>	<u>\$900,046</u>

\$3,153,433 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ending December 31:</u>	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
2017	\$778,391	\$1,187,276	\$1,965,667
2018	839,344	1,187,276	2,026,620
2019	961,102	1,187,276	2,148,378
2020	862,649	926,259	1,788,908
2021	0	(102,037)	(102,037)
2022	<u>0</u>	<u>(19,388)</u>	<u>(19,388)</u>
Total	<u>\$3,441,486</u>	<u>\$4,366,662</u>	<u>\$7,808,148</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, 2016***

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**NOTE 10 – 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, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.4 percent for 2015.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

**NOTE 10 – 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 2015 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.31 %
Domestic Equities	20.70	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	18.30	7.40
Other investments	18.00	4.59
Total	100.00 %	5.27 %

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

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

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$20,662,217	\$12,968,643	\$6,479,358

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

***Actuarial Assumptions – OPF***

OPF's total pension liability as of December 31, 2015 is based on the results of an actuarial valuation date of January 1, 2015, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2015, are presented below:

Valuation Date	January 1, 2015
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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

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, 2015 are summarized below:

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

\* levered 2x

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

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

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

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$39,674,350	\$30,082,169	\$21,956,646

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 11 - POSTEMPLOYMENT BENEFITS**

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

Plan Description – OPERS administers three separate pension plans: the Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate all health care assets into the OPERS 115 Health Care Trust. Transition to the new health care trust structure was completed July 1, 2016. As of December 31, 2016, 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. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage. OPERS funds a Retiree Medical Account (RMA) for participants in the Member-Directed Plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45. Please see the Plan Statement in the OPERS 2015 CAFR for details.

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

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

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2016, local government employers contributed at a rate of 14.00% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

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

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2016. As recommended by OPERS’ actuary, the portion of employer contributions allocated to health care beginning January 1, 2017 decreased to 1.0% for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the RMA for participants in the Member-Directed Plan for 2016 was 4.0%.

The City's contributions for health care to the OPERS for the years ending December 31, 2016, 2015, and 2014 were \$192,369, \$199,848 and \$190,896, respectively, which were equal to the required contributions for each year.

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

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

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

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2016, the portion of employer contributions allocated to health care was 0.5% of covered payroll for both police officers and firefighters. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OP&F for the years ending December 31, 2016, 2015, and 2014 were \$22,972, \$23,070 and \$22,704 for police and \$24,776, \$24,008 and \$24,401 for firefighters, respectively, which were equal to the required contributions for each year.

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016****NOTE 12 - NOTES PAYABLE**

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

	Balance January 1, 2016	Issued	(Retired)	Balance December 31, 2016
Special Revenue Fund Notes Payable:				
1.500% Landfill Reclamation	\$370,000	\$0	(\$370,000)	\$0
2.150% Landfill Reclamation	0	370,000	0	370,000
Total Special Revenue Fund Notes Payable	370,000	370,000	(370,000)	370,000
Capital Projects Fund Notes Payable:				
1.200% Downtown Fire Station	5,500,000	0	(5,500,000)	0
1.200% City Hall Parking Deck	300,000	0	(300,000)	0
1.625% City Hall Parking Deck	0	300,000	0	300,000
1.200% Service Complex Roof	200,000	0	(200,000)	0
1.625% Service Complex Roof	0	200,000	0	200,000
1.200% South Second Street Bridge	600,000	0	(600,000)	0
1.625% South Second Street Bridge	0	600,000	0	600,000
1.500% Various Street Improvements	1,120,000	0	(1,120,000)	0
1.750% Various Street Improvements	0	1,120,000	0	1,120,000
Total Capital Projects Fund Notes Payable	7,720,000	2,220,000	(7,720,000)	2,220,000
Enterprise Fund Notes Payable:				
1.500% Downtown Waterline	4,000,000	0	(4,000,000)	0
2.000% Downtown Waterline	0	5,000,000	0	5,000,000
1.500% Buckeye Corridor Storm Water	2,000,000	0	(2,000,000)	0
1.750% Buckeye Corridor Storm Water	0	2,000,000	0	2,000,000
Total Enterprise Fund Notes Payable	6,000,000	7,000,000	(6,000,000)	7,000,000
Total Notes Payable	\$14,090,000	\$9,590,000	(\$14,090,000)	\$9,590,000

# **CITY OF NEWARK, OHIO**

## **Notes to the Basic Financial Statements For the Year Ended December 31, 2016**

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

Long-term debt and other long-term obligations of the City at December 31, 2016 were as follows:

				Balance December 31, 2015	Additions	Deductions	Balance December 31, 2016	Amount Due Within One Year
<b>Governmental Activities:</b>								
General Obligation Bonds:								
East Main Street								
Improvement Refunding (TIF)	4.0%-4.25%	2028		\$1,845,000	\$0	(\$1,845,000)	\$0	\$0
East Main Street								
Improvement Refunding (TIF)	1.5%-3.00%	2028		0	1,710,000	(10,000)	1,700,000	125,000
East Main Street Bridge	4.50%	2021		600,000	0	(100,000)	500,000	100,000
Police and Fire Facilities	2.0%-4.75%	2031		153,515	0	(81,285)	72,230	72,230
Police and Fire Facilities Refunding	2.0%-4.00%	2031		7,930,000	0	0	7,930,000	0
Police and Fire Facilities	1.0%-4.00%	2030		720,000	0	(40,000)	680,000	40,000
Downtown Fire Station	2.0%-4.00%	2036		0	5,200,000	0	5,200,000	150,000
Ice Arena Renovations	1.0%-4.00%	2030		185,000	0	(10,000)	175,000	10,000
Evans Boulevard Construction	1.0%-2.70%	2020		295,000	0	(55,000)	240,000	60,000
Deo Drive Improvement (TIF)	3.75%-4.38%	2027		765,000	0	(60,000)	705,000	65,000
Landfill Reclamation	1.90%-5.00%	2031		1,035,000	0	(50,000)	985,000	50,000
				13,528,515	6,910,000	(2,251,285)	18,187,230	672,230
Bond Premium				161,200	554,488	(19,760)	695,928	0
Interest Accretion				492,606	80,993	(303,715)	269,884	0
Total General Obligation Bonds				14,182,321	7,545,481	(2,574,760)	19,153,042	672,230
ODOT State Infrastructure Bank Loan:								
Waterworks Road Improvements	3.00%	2019		1,082,314	0	(297,809)	784,505	306,812
Ohio Public Works								
Commission Loans (OPWC):								
West Church Street Bridge	0.00%	2034		585,000	0	(30,000)	555,000	30,000
West Main Street Improvements	0.00%	2022		0	3,277	0	3,277	0
Total OPWC Loans				585,000	3,277	(30,000)	558,277	30,000
Capital Leases				802,766	465,000	(431,803)	835,963	270,880
Net Pension Liability:								
Ohio Public Employees Retirement System				6,201,279	2,302,119	0	8,503,398	0
Ohio Police and Fire Pension Fund				24,779,302	5,302,867	0	30,082,169	0
Total Net Pension Liability				30,980,581	7,604,986	0	38,585,567	0
Worker's Compensation Retrospective Liability				120,087	155,848	(120,087)	155,848	42,443
Accrued Pension Liability				1,643,400	0	(55,742)	1,587,658	58,136
Compensated Absences Payable				3,306,308	1,079,318	(1,013,247)	3,372,379	1,377,888
Total Governmental Activities				<u>\$52,702,777</u>	<u>\$16,853,910</u>	<u>(\$4,523,448)</u>	<u>\$65,033,239</u>	<u>\$2,758,389</u>

**CITY OF NEWARK, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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

			Balance December 31, 2015	Additions	Deductions	Balance December 31, 2016	Amount Due Within One Year
<b>Business-Type Activities:</b>							
General Obligation Bonds:							
Water System Improvement Refunding	3.75%-4.50%	2018	\$1,641,726	\$0	(\$577,003)	\$1,064,723	\$547,739
Interest Accretion			2,399,650	215,091	(912,998)	1,701,743	0
			4,041,376	215,091	(1,490,001)	2,766,466	547,739
Storm Water Improvement	2.50%-5.50%	2034	1,520,000	0	(50,000)	1,470,000	55,000
Storm Water Improvement	1.70%-5.25%	2030	1,190,000	0	(60,000)	1,130,000	60,000
Various Purpose	1.00%-3.00%	2032	4,045,000	0	(166,956)	3,878,044	158,042
Total General Obligation Bonds			10,796,376	215,091	(1,766,957)	9,244,510	820,781
Ohio Water Development							
Authority Loans (OWDA):							
Licking River Interceptor Construction	3.25%	2026	1,651,061	0	(127,090)	1,523,971	131,254
Stormwater Utility Planning	3.36%	2028	476,292	0	(55,805)	420,487	57,696
Wastewater Electrical Improvements	0.61%	2027	1,750,217	0	(141,013)	1,609,204	141,877
Wastewater High Rate Treatment System	4.67%	2031	12,431,454	0	(586,033)	11,845,421	610,546
CSO Sewer Separation	3.36%	2028	746,896	0	(20,640)	726,256	21,340
Water Plant Generator	3.53%	2030	867,089	0	(44,734)	822,355	46,328
CSO Sewer Separation	3.25%	2031	1,729,370	0	(83,941)	1,645,429	86,691
Automated Meter Reading	3.53%	2031	1,926,609	0	(79,481)	1,847,128	82,505
CSO Sewer Separation 1030	2.45%	2033	2,228,716	0	(103,395)	2,125,321	105,943
Raccoon Creek Interceptor	2.64%	2033	6,711,928	0	(264,668)	6,447,260	304,947
Aeration System Modifications	2.48%	2034	2,005,877	0	(81,606)	1,924,271	89,036
Downtown Sewer Separation	2.01%	2037	3,959,386	2,957,255	0	6,916,641	0
Alternative Storm Water	1.00%	2032	733,274	744,702	0	1,477,976	0
Total OWDA Loans			37,218,169	3,701,957	(1,588,406)	39,331,720	1,678,163
Ohio Public Works							
Commission Loans (OPWC):							
Licking River Interceptor Construction	0.00%	2026	326,976	0	(28,433)	298,543	28,433
Sewer Improvements	0.00%	2022	30,223	0	(4,318)	25,905	4,318
Idlewilde Park Sewer Phase I	0.00%	2022	26,074	0	(3,259)	22,815	3,259
Idlewilde Park Sewer Phase II	0.00%	2024	318,836	0	(33,561)	285,275	33,561
Channel Street/Postal Avenue Sewer	0.00%	2033	748,882	0	(41,604)	707,278	41,604
Total OPWC Loans			1,450,991	0	(111,175)	1,339,816	111,175
Capital Leases			116,710	0	(89,103)	27,607	27,607
Net Pension Liability:							
Ohio Public Employees Retirement System			3,010,761	1,454,484	0	4,465,245	0
Compensated Absences			620,992	106,242	(203,582)	523,652	328,908
Total Business-Type Activities			\$53,213,999	\$5,477,774	(\$3,759,223)	\$54,932,550	\$2,966,634

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

The City's liability for past service costs relating to the Police and Firemen's Pension Fund at December 31, 2016 was \$2,306,874 in principal and interest payments through the year 2035. Only the principal amount of \$1,587,658 is included in the Government-wide Statement of Net Position.

The East Main Street Improvement Bonds are tax increment financing bonds issued in 1999 in the amount of \$3.5 million and were used for updating and installing a sanitary sewer, road improvements, street lighting and traffic control and flood control improvements. These bonds were advance refunded in 2006. In 2016, the 2006 refunding bonds were called (current refunding).

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

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

In 2016, the City issued \$5,200,000 of general obligation bonds for the construction of a downtown fire station.

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

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

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

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

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

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

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

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

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

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

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

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

In 2016 the City obtained financing through the Ohio Public Works Commission for improvements to West Main Street in the amount of \$200,000 at an interest rate of 0%. This loan is received by the City in increments as the project is completed. As of December 31, 2016, the City had received \$3,277. Subsequent amounts will be received in future years. As of December 31, 2016 the loan has not been finalized and there is no amortization schedule for the loan.

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

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

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

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

*Water Plant Generator* - In 2008 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for installation of a back up power generator at the water plant. The interest rate on the loan is 3.53%, per annum. This loan is payable from water charges.

*Combined Sewer Overflow (CSO) Separation* - In 2010 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for a combined sewer overflow separation project. The interest rate on the loan is 3.25%, per annum. This loan is payable from wastewater collection and treatment charges.

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

*Combined Sewer Overflow (CSO) Separation* - In 2012 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for a combined sewer overflow separation project. The interest rate on the loan is 2.45%, per annum. This loan is payable from wastewater collection and treatment charges.



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

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

*Raccoon Creek Interceptor* - In 2012 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for construction of an interceptor on Raccoon Creek. The interest rate on the loan is 2.64%, per annum. This loan is payable from wastewater collection and treatment charges.

*Aeration System Modifications* - In 2013 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for upgrades to the aeration system at the wastewater treatment plant. The interest rate on the loan is 2.48%, per annum. This loan is payable from wastewater collection and treatment charges.

*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, 2016, the City had received \$6,916,641 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2016 the loan has not been finalized and there is no amortization schedule for the loan.

*Alternative Storm Water* - In 2015 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for storm water improvements. The total amount is subject to change and has not been finalized. The interest rate on the loan is 1.00%, per annum. This loan is payable from storm water collection charges and is received by the City in increments as the project is completed. As of December 31, 2016, the City had received \$1,477,976 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2016 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, 2016**

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

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

A summary of the City's future long-term debt funding requirements including principal and interest payments as of December 31, 2016 follows:

Years	Governmental Activities			
	General Obligation Bonds		Accrued Pension Liability	
	Principal	Interest	Principal	Interest
2017	\$672,230	\$1,319,008	\$58,136	\$66,864
2018	910,000	579,358	60,632	64,368
2019	1,170,000	556,478	63,238	61,762
2020	1,190,000	518,608	65,954	59,046
2021	1,140,000	478,128	68,786	56,214
2022-2026	5,695,000	1,881,426	390,868	234,132
2027-2031	5,775,000	901,380	482,338	142,662
2032-2036	1,635,000	201,600	397,706	34,168
Totals	<u>\$18,187,230</u>	<u>\$6,435,986</u>	<u>\$1,587,658</u>	<u>\$719,216</u>

Years	Governmental Activities			
	ODOT SIB Loan		OPWC Loans	
	Principal	Interest	Principal	Interest
2017	\$306,812	\$21,252	\$30,000	\$0
2018	316,085	11,977	30,000	0
2019	161,608	2,424	30,000	0
2020	0	0	30,000	0
2021	0	0	30,000	0
2022-2026	0	0	150,000	0
2027-2031	0	0	150,000	0
2032-2036	0	0	105,000	0
Totals	<u>\$784,505</u>	<u>\$35,653</u>	<u>\$555,000</u>	<u>\$0</u>

Years	Business-Type Activities					
	General Obligation Bonds		OWDA Loans		OPWC Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$820,781	\$1,219,598	\$1,678,163	\$847,703	\$111,175	\$0
2018	846,986	1,194,496	1,732,114	801,871	111,175	0
2019	335,000	208,234	1,787,977	754,455	111,175	0
2020	345,000	199,882	1,845,820	705,403	111,175	0
2021	355,000	190,468	1,905,718	654,652	111,175	0
2022-2026	1,960,000	774,866	10,504,563	2,448,143	478,488	0
2027-2031	2,235,000	396,505	9,789,502	970,322	222,240	0
2032-2036	645,000	48,176	1,693,246	56,698	83,213	0
Totals	<u>\$7,542,767</u>	<u>\$4,232,225</u>	<u>\$30,937,103</u>	<u>\$7,239,247</u>	<u>\$1,339,816</u>	<u>\$0</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

**C. Defeasance of General Obligation Debt**

In December 1998, the City defeased \$12,045,000 of Water System Improvement Bonds for Water Improvements dated June 1, 1993 through the issuance of \$13,093,825 of Water System Improvement Refunding Bonds. The net proceeds of the 1998 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$2,800,000 at December 31, 2016 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In September 2006, the City defeased \$2,405,000 of General Obligation Bonds for East Main Street Improvements dated September 1, 1999 through the issuance of \$2,645,000 of East Main Street Improvement Refunding Bonds. The net proceeds of the 2006 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$710,000 at December 31, 2016 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In October 2014, the City defeased \$7,780,000 of General Obligation Bonds for Police and Fire Facilities dated September 1, 2003 through the issuance of \$7,930,000 of Police and Fire Facilities Refunding Bonds. The net proceeds of the 2014 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$7,410,000 at December 31, 2016 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In September 2016 the City refunded \$1,735,000 of the 2006 East Main Street Improvement Refunding General Obligation Bonds through the issuance of \$1,710,000 of General Obligation Bonds. The net proceeds of the 2016 Bonds have been used to currently refund the 2006 bonds. The City reduced its aggregate debt service payments over the life of the refunded bonds by \$222,339 and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$193,790.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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**NOTE 14 - CAPITALIZED LEASES**

The City leases several assets under capital leases. The original cost of equipment of \$2,345,935, and the related liability reported as Governmental Activities capital leases are reported on the Government – wide Statement of Net Position. The original cost of equipment of \$458,393 and the related liability reported as Business Type Activities capital leases are reported on the Government – wide Statement of Net Position as well as in the respective funds.

The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 2016:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2017	\$297,642	\$28,151
2018	132,125	0
2019	132,125	0
2020	132,125	0
2021	74,927	0
2022	74,927	0
2023	74,927	0
Minimum Lease Payments	918,798	28,151
Less amount representing interest at the City's incremental borrowing rate of interest	(82,835)	(544)
Present value of minimum lease payments	<u>\$835,963</u>	<u>\$27,607</u>

**NOTE 15 - INSURANCE AND RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters.

**A. Shared Risk Pool**

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

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

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

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

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

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

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

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

**B. Self Insurance**

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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

A liability for unpaid claims cost of \$222,950 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 2015 and 2016 were as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
2015	\$380,429	\$5,746,937	(\$5,684,676)	\$442,690
2016	442,690	8,434,470	(8,654,210)	222,950

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

The City had the following significant contractual commitments at December 31, 2016:

Project	Remaining Contractual Commitment	Expected Date of Completion
Anaerobic Digestion Design	\$295,435	2017
Downtown Renovations	8,006,389	2018
Riverbank Filtration	280,821	2017

**B. Encumbrance Commitments**

At December 31, 2016 the City had encumbrance commitments in the Governmental Funds as follows:

Fund	Encumbrances
General Fund	\$1,090,827
Other Governmental Funds	2,161,059
Total Governmental Funds	<u>\$3,251,886</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 17 - CONTINGENCIES**

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

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*REQUIRED SUPPLEMENTAL INFORMATION*

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**CITY OF NEWARK, OHIO**

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

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**Ohio Public Employees Retirement System**

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
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-employee 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-employee 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	<u>2013</u>	<u>2014</u>	<u>2015</u>
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-employee 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-employee 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 2013 is not available.

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

**CITY OF NEWARK, OHIO**

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***Schedule of City Contributions  
Last Four Years***

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**Ohio Public Employees Retirement System**

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$1,234,987	\$1,125,755	\$1,121,392	\$1,095,178
Contributions in relation to the contractually required contribution	<u>1,234,987</u>	<u>1,125,755</u>	<u>1,121,392</u>	<u>1,095,178</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered-employee payroll	\$9,499,900	\$9,381,292	\$9,344,933	\$9,126,483
Contributions as a percentage of covered-employee payroll	13.00%	12.00%	12.00%	12.00%

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

**Ohio Police and Fire Pension Fund**

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$1,736,855	\$2,002,523	\$2,012,953	\$2,058,255
Contributions in relation to the contractually required contribution	<u>1,736,855</u>	<u>2,002,523</u>	<u>2,012,953</u>	<u>2,058,255</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered-employee payroll	\$9,550,114	\$9,387,938	\$9,451,954	\$9,644,293
Contributions as a percentage of covered-employee payroll	18.19%	21.33%	21.30%	21.34%

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.

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

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

***Nonmajor Governmental Funds***

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***Special Revenue Funds***

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

**Street Department Fund**

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

**Cemetery Fund**

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

**Community Development Fund**

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

**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.

**Safety Grants Fund**

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

**Police/Fire Pension Fund**

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

**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***

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**Court Computerization Fund**

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

**Permissive License Tax Fund**

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

**Probation Grant Fund**

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

**Federal Transit Administration (FTA) Fund**

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

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

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

**Mary E. Barnes Trust Fund**

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

**Brownfield Cleanup Fund**

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

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

**Debt Service Fund**

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

**Tax Increment Financing Fund**

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

***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.

**Capital Improvement Fund**

To account for financial resources used for the major capital projects undertaken by the City.

**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, 2016**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Pooled Cash and Investments	\$ 4,300,137	\$ 1,200,983	\$ 1,907,227	\$ 7,408,347
Investments	210,000	0	211,466	421,466
Receivables:				
Taxes	431,768	508,624	0	940,392
Accounts	31,801	6,475	1,693	39,969
Intergovernmental	1,550,827	0	0	1,550,827
Interest	107	0	0	107
Loans	3,510,737	0	0	3,510,737
Inventory of Supplies, at Cost	388,325	0	0	388,325
Restricted Assets:				
Cash and Cash Equivalents	211,028	0	0	211,028
Cash and Cash Equivalents with Fiscal Agent	19,060	0	0	19,060
Investments	627,500	0	0	627,500
Investments with Fiscal Agent	471,877	0	0	471,877
<b>Total Assets</b>	<b>\$ 11,753,167</b>	<b>\$ 1,716,082</b>	<b>\$ 2,120,386</b>	<b>\$ 15,589,635</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 122,616	\$ 0	\$ 17	\$ 122,633
Accrued Wages and Benefits Payable	91,650	0	0	91,650
Intergovernmental Payable	450	0	0	450
Interfund Loans Payable	79,503	0	0	79,503
Accrued Interest Payable	5,193	0	15,504	20,697
General Obligation Notes Payable	370,000	0	2,220,000	2,590,000
<b>Total Liabilities</b>	<b>669,412</b>	<b>0</b>	<b>2,235,521</b>	<b>2,904,933</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	1,158,742	0	0	1,158,742
Property Tax Levy for Next Fiscal Year	406,334	508,624	0	914,958
<b>Total Deferred Inflows of Resources</b>	<b>1,565,076</b>	<b>508,624</b>	<b>0</b>	<b>2,073,700</b>
<b>Fund Balance:</b>				
Nonspendable	388,325	0	0	388,325
Restricted	9,480,468	1,207,458	395,261	11,083,187
Unassigned	(350,114)	0	(510,396)	(860,510)
<b>Total Fund Balance</b>	<b>9,518,679</b>	<b>1,207,458</b>	<b>(115,135)</b>	<b>10,611,002</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 11,753,167</b>	<b>\$ 1,716,082</b>	<b>\$ 2,120,386</b>	<b>\$ 15,589,635</b>



**CITY OF NEWARK, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2016**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 416,198	\$ 446,815	\$ 0	\$ 863,013
Intergovernmental Revenues	4,637,269	0	450,000	5,087,269
Charges for Services	4,152	0	0	4,152
Investment Earnings	51,406	0	5,037	56,443
Special Assessments	0	2	0	2
Fines and Forfeitures	450,623	0	23,691	474,314
All Other Revenue	98,603	46,125	30,247	174,975
<b>Total Revenues</b>	<b>5,658,251</b>	<b>492,942</b>	<b>508,975</b>	<b>6,660,168</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	1,273,859	0	0	1,273,859
Public Health and Welfare Services	43,762	0	0	43,762
Community Environment	889,473	0	0	889,473
Transportation	2,928,582	0	0	2,928,582
General Government	191,180	179,649	0	370,829
Capital Outlay	0	0	1,684,548	1,684,548
Debt Service:				
Principal Retirement	30,000	2,887,820	0	2,917,820
Interest and Fiscal Charges	7,151	710,971	71,004	789,126
<b>Total Expenditures</b>	<b>5,364,007</b>	<b>3,778,440</b>	<b>1,755,552</b>	<b>10,897,999</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	294,244	(3,285,498)	(1,246,577)	(4,237,831)
<b>Other Financing Sources (Uses):</b>				
Other Financing Sources - Capital Lease	0	0	465,000	465,000
Bond Issuance	0	0	5,200,000	5,200,000
OPWC Loan Issuance	0	0	3,277	3,277
Refunding Bonds Issued	0	1,710,000	0	1,710,000
Premium on Bond Issuance	0	554,488	0	554,488
Transfers In	55,739	1,204,826	1,008,981	2,269,546
Transfers Out	0	(401,550)	0	(401,550)
<b>Total Other Financing Sources (Uses)</b>	<b>55,739</b>	<b>3,067,764</b>	<b>6,677,258</b>	<b>9,800,761</b>
Net Change in Fund Balance	349,983	(217,734)	5,430,681	5,562,930
<b>Fund Balance at Beginning of Year</b>	<b>9,126,735</b>	<b>1,425,192</b>	<b>(5,545,816)</b>	<b>5,006,111</b>
Increase (Decrease) in Inventory	41,961	0	0	41,961
<b>Fund Balance End of Year</b>	<b>\$ 9,518,679</b>	<b>\$ 1,207,458</b>	<b>\$ (115,135)</b>	<b>\$ 10,611,002</b>

**CITY OF NEWARK, OHIO****Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2016**

	Street Department	Cemetery	Community Development	Veterans Memorial Sidewalk
<b>Assets:</b>				
Pooled Cash and Investments	\$ 477,217	\$ 137,619	\$ 307,315	\$ 71,822
Investments	0	0	210,000	0
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	863,032	0	56,176	0
Interest	0	0	107	0
Loans	0	0	3,510,737	0
Inventory of Supplies, at Cost	388,325	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	27,188	0	0
Cash and Cash Equivalents with Fiscal Agent	0	13,803	0	0
Investments	0	627,500	0	0
Investments with Fiscal Agent	0	330,983	0	0
<b>Total Assets</b>	<b>\$ 1,728,574</b>	<b>\$ 1,137,093</b>	<b>\$ 4,084,335</b>	<b>\$ 71,822</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 32,052	\$ 0	\$ 47,025	\$ 0
Accrued Wages and Benefits Payable	60,596	0	13,233	0
Intergovernmental Payable	0	0	0	0
Interfund Loans Payable	0	0	0	0
Accrued Interest Payable	0	0	0	0
General Obligation Notes Payable	0	0	0	0
<b>Total Liabilities</b>	<b>92,648</b>	<b>0</b>	<b>60,258</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	575,355	0	0	0
Property Tax Levy for Next Fiscal Year	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>575,355</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balance:</b>				
Nonspendable	388,325	0	0	0
Restricted	672,246	1,137,093	4,024,077	71,822
Unassigned	0	0	0	0
<b>Total Fund Balance</b>	<b>1,060,571</b>	<b>1,137,093</b>	<b>4,024,077</b>	<b>71,822</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 1,728,574</b>	<b>\$ 1,137,093</b>	<b>\$ 4,084,335</b>	<b>\$ 71,822</b>

***CITY OF NEWARK, OHIO***

Safety Grants	Police/Fire Pension	State Highway	Law Enforcement	Landfill Reclamation	Court Computerization
\$ 0	\$ 0	\$ 3,712	\$ 231,325	\$ 25,079	\$ 470,074
0	0	0	0	0	0
0	431,768	0	0	0	0
0	0	0	5,275	0	14,681
84,394	28,100	69,975	106	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 84,394</u>	<u>\$ 459,868</u>	<u>\$ 73,687</u>	<u>\$ 236,706</u>	<u>\$ 25,079</u>	<u>\$ 484,755</u>
\$ 0	\$ 0	\$ 0	\$ 5,745	\$ 0	\$ 2,167
3,516	0	0	0	0	2,778
0	0	0	0	0	0
79,503	0	0	0	0	0
0	0	0	0	5,193	0
0	0	0	0	370,000	0
<u>83,019</u>	<u>0</u>	<u>0</u>	<u>5,745</u>	<u>375,193</u>	<u>4,945</u>
0	53,534	46,650	0	0	0
0	406,334	0	0	0	0
<u>0</u>	<u>459,868</u>	<u>46,650</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0
1,375	0	27,037	230,961	0	479,810
0	0	0	0	(350,114)	0
<u>1,375</u>	<u>0</u>	<u>27,037</u>	<u>230,961</u>	<u>(350,114)</u>	<u>479,810</u>
<u>\$ 84,394</u>	<u>\$ 459,868</u>	<u>\$ 73,687</u>	<u>\$ 236,706</u>	<u>\$ 25,079</u>	<u>\$ 484,755</u>

(Continued)

**CITY OF NEWARK, OHIO****Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2016**

	Permissive License Tax	Probation Grant	Federal Transit Administration	Mary E. Barnes Trust
<b>Assets:</b>				
Pooled Cash and Investments	\$ 907,969	\$ 74,517	\$ 38,401	\$ 0
Investments	0	0	0	0
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	308,070	140,974	0	0
Interest	0	0	0	0
Loans	0	0	0	0
Inventory of Supplies, at Cost	0	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	183,840	0	0	0
Cash and Cash Equivalents with Fiscal Agent	0	0	0	5,257
Investments	0	0	0	0
Investments with Fiscal Agent	0	0	0	140,894
<b>Total Assets</b>	<b>\$ 1,399,879</b>	<b>\$ 215,491</b>	<b>\$ 38,401</b>	<b>\$ 146,151</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 28,491	\$ 6,472	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	11,527	0	0
Intergovernmental Payable	0	450	0	0
Interfund Loans Payable	0	0	0	0
Accrued Interest Payable	0	0	0	0
General Obligation Notes Payable	0	0	0	0
<b>Total Liabilities</b>	<b>28,491</b>	<b>18,449</b>	<b>0</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	389,220	93,983	0	0
Property Tax Levy for Next Fiscal Year	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>389,220</b>	<b>93,983</b>	<b>0</b>	<b>0</b>
<b>Fund Balance:</b>				
Nonspendable	0	0	0	0
Restricted	982,168	103,059	38,401	146,151
Unassigned	0	0	0	0
<b>Total Fund Balance</b>	<b>982,168</b>	<b>103,059</b>	<b>38,401</b>	<b>146,151</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 1,399,879</b>	<b>\$ 215,491</b>	<b>\$ 38,401</b>	<b>\$ 146,151</b>

**CITY OF NEWARK, OHIO**

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Judicial	Total Nonmajor Special Revenue Funds
\$ 1,555,087	\$ 4,300,137
0	210,000
0	431,768
11,845	31,801
0	1,550,827
0	107
0	3,510,737
0	388,325
0	211,028
0	19,060
0	627,500
0	471,877
<u>\$ 1,566,932</u>	<u>\$ 11,753,167</u>
\$ 664	\$ 122,616
0	91,650
0	450
0	79,503
0	5,193
0	370,000
<u>664</u>	<u>669,412</u>
0	1,158,742
<u>0</u>	<u>406,334</u>
<u>0</u>	<u>1,565,076</u>
0	388,325
1,566,268	9,480,468
<u>0</u>	<u>(350,114)</u>
<u>1,566,268</u>	<u>9,518,679</u>
<u>\$ 1,566,932</u>	<u>\$ 11,753,167</u>

**CITY OF NEWARK, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2016**

	Street Department	Cemetery	Community Development	Veterans Memorial Sidewalk
<b>Revenues:</b>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	1,802,230	0	689,778	0
Charges for Services	0	4,038	0	0
Investment Earnings	0	36,473	2,311	70
Fines and Forfeitures	0	0	0	0
All Other Revenue	60,409	0	450	1,450
<b>Total Revenues</b>	<b>1,862,639</b>	<b>40,511</b>	<b>692,539</b>	<b>1,520</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	0	0	0	0
Public Health and Welfare Services	0	22,720	0	0
Community Environment	0	0	813,486	0
Transportation	1,678,118	0	0	0
General Government	0	0	0	5,800
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<b>Total Expenditures</b>	<b>1,678,118</b>	<b>22,720</b>	<b>813,486</b>	<b>5,800</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	184,521	17,791	(120,947)	(4,280)
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balance	184,521	17,791	(120,947)	(4,280)
<b>Fund Balance at Beginning of Year</b>	<b>834,089</b>	<b>1,119,302</b>	<b>4,145,024</b>	<b>76,102</b>
Increase (Decrease) in Inventory	41,961	0	0	0
<b>Fund Balance End of Year</b>	<b>\$ 1,060,571</b>	<b>\$ 1,137,093</b>	<b>\$ 4,024,077</b>	<b>\$ 71,822</b>

***CITY OF NEWARK, OHIO***

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Safety Grants	Police/Fire Pension	State Highway	Law Enforcement	Landfill Reclamation	Court Computerization
\$ 0	\$ 416,198	\$ 0	\$ 0	\$ 0	\$ 0
258,503	55,497	146,126	4,689	0	0
0	0	0	0	114	0
0	0	0	0	209	0
0	0	0	82,522	0	204,030
114	0	0	0	0	0
258,617	471,695	146,126	87,211	323	204,030
291,487	471,718	0	44,417	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	143,000	0	0	0
0	0	0	0	15,684	156,257
0	0	0	0	0	0
0	0	0	0	7,151	0
291,487	471,718	143,000	44,417	22,835	156,257
(32,870)	(23)	3,126	42,794	(22,512)	47,773
21,648	0	0	0	5,550	0
21,648	0	0	0	5,550	0
(11,222)	(23)	3,126	42,794	(16,962)	47,773
12,597	23	23,911	188,167	(333,152)	432,037
0	0	0	0	0	0
\$ 1,375	\$ 0	\$ 27,037	\$ 230,961	\$ (350,114)	\$ 479,810

(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, 2016**

	Permissive License Tax	Probation Grant	Federal Transit Administration	ODNR Grants
<b>Revenues:</b>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	1,164,473	425,778	0	50,147
Charges for Services	0	0	0	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	33,768	2,412	0	0
<b>Total Revenues</b>	<u>1,198,241</u>	<u>428,190</u>	<u>0</u>	<u>50,147</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	0	459,360	0	0
Public Health and Welfare Services	0	0	0	0
Community Environment	0	0	0	75,987
Transportation	1,105,096	0	2,368	0
General Government	0	0	0	0
Debt Service:				
Principal Retirement	30,000	0	0	0
Interest and Fiscal Charges	0	0	0	0
<b>Total Expenditures</b>	<u>1,135,096</u>	<u>459,360</u>	<u>2,368</u>	<u>75,987</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	63,145	(31,170)	(2,368)	(25,840)
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	2,701	0	25,840
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>2,701</u>	<u>0</u>	<u>25,840</u>
Net Change in Fund Balance	63,145	(28,469)	(2,368)	0
<b>Fund Balance at Beginning of Year</b>	919,023	131,528	40,769	0
Increase (Decrease) in Inventory	0	0	0	0
<b>Fund Balance End of Year</b>	<u>\$ 982,168</u>	<u>\$ 103,059</u>	<u>\$ 38,401</u>	<u>\$ 0</u>



**CITY OF NEWARK, OHIO**

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Mary E. Barnes Trust	Brownfield Cleanup	Judicial	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 416,198
0	40,048	0	4,637,269
0	0	0	4,152
12,343	0	0	51,406
0	0	164,071	450,623
0	0	0	98,603
12,343	40,048	164,071	5,658,251
6,877	0	0	1,273,859
0	21,042	0	43,762
0	0	0	889,473
0	0	0	2,928,582
0	0	13,439	191,180
0	0	0	30,000
0	0	0	7,151
6,877	21,042	13,439	5,364,007
5,466	19,006	150,632	294,244
0	0	0	55,739
0	0	0	55,739
5,466	19,006	150,632	349,983
140,685	(19,006)	1,415,636	9,126,735
0	0	0	41,961
\$ 146,151	\$ 0	\$ 1,566,268	\$ 9,518,679

**CITY OF NEWARK, OHIO**

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**Combining Balance Sheet  
Nonmajor Debt Service Funds  
December 31, 2016**

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	Debt Service	Tax Increment Financing	Total Nonmajor Debt Service Funds
<b>Assets:</b>			
Pooled Cash and Investments	\$ 1,200,983	\$ 0	\$ 1,200,983
Receivables:			
Taxes	0	508,624	508,624
Accounts	6,475	0	6,475
<b>Total Assets</b>	<u>\$ 1,207,458</u>	<u>\$ 508,624</u>	<u>\$ 1,716,082</u>
<b>Liabilities:</b>			
<b>Total Liabilities</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Deferred Inflows of Resources:</b>			
Property Tax Levy for Next Fiscal Year	0	508,624	508,624
<b>Total Deferred Inflows of Resources</b>	<u>0</u>	<u>508,624</u>	<u>508,624</u>
<b>Fund Balance:</b>			
Restricted	1,207,458	0	1,207,458
<b>Total Fund Balance</b>	<u>1,207,458</u>	<u>0</u>	<u>1,207,458</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ 1,207,458</u>	<u>\$ 508,624</u>	<u>\$ 1,716,082</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, 2016**

	Debt Service	Tax Increment Financing	Total Nonmajor Debt Service Funds
<b>Revenues:</b>			
Taxes	\$ 0	\$ 446,815	\$ 446,815
Special Assessments	2	0	2
All Other Revenue	7,652	38,473	46,125
<b>Total Revenues</b>	<b>7,654</b>	<b>485,288</b>	<b>492,942</b>
<b>Expenditures:</b>			
Current:			
General Government	0	179,649	179,649
Debt Service:			
Principal Retirement	2,410,011	477,809	2,887,820
Interest and Fiscal Charges	561,773	149,198	710,971
<b>Total Expenditures</b>	<b>2,971,784</b>	<b>806,656</b>	<b>3,778,440</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,964,130)	(321,368)	(3,285,498)
<b>Other Financing Sources (Uses):</b>			
Refunding Bonds Issued	1,710,000	0	1,710,000
Premium on Bond Issuance	554,488	0	554,488
Transfers In	940,174	264,652	1,204,826
Transfers Out	(401,550)	0	(401,550)
<b>Total Other Financing Sources (Uses)</b>	<b>2,803,112</b>	<b>264,652</b>	<b>3,067,764</b>
Net Change in Fund Balance	(161,018)	(56,716)	(217,734)
<b>Fund Balance at Beginning of Year</b>	<b>1,368,476</b>	<b>56,716</b>	<b>1,425,192</b>
<b>Fund Balance End of Year</b>	<b>\$ 1,207,458</b>	<b>\$ 0</b>	<b>\$ 1,207,458</b>

**CITY OF NEWARK, OHIO**

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**Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2016**

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	Capital Improvement	Court Capital Improvement	Total Nonmajor Capital Projects Funds
<b>Assets:</b>			
Pooled Cash and Investments	\$ 1,513,659	\$ 393,568	\$ 1,907,227
Investments	211,466	0	211,466
Receivables:			
Accounts	0	1,693	1,693
<b>Total Assets</b>	<b>\$ 1,725,125</b>	<b>\$ 395,261</b>	<b>\$ 2,120,386</b>
<b>Liabilities:</b>			
Accounts Payable	\$ 17	\$ 0	\$ 17
Accrued Interest Payable	15,504	0	15,504
General Obligation Notes Payable	2,220,000	0	2,220,000
<b>Total Liabilities</b>	<b>2,235,521</b>	<b>0</b>	<b>2,235,521</b>
<b>Fund Balance:</b>			
Restricted	0	395,261	395,261
Unassigned	(510,396)	0	(510,396)
<b>Total Fund Balance</b>	<b>(510,396)</b>	<b>395,261</b>	<b>(115,135)</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,725,125</b>	<b>\$ 395,261</b>	<b>\$ 2,120,386</b>

**CITY OF NEWARK, OHIO****Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2016**

	Capital Improvement	Court Capital Improvement	Total Nonmajor Capital Project Funds
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 450,000	\$ 0	\$ 450,000
Investment Earnings	5,037	0	5,037
Fines and Forfeitures	0	23,691	23,691
All Other Revenue	30,247	0	30,247
<b>Total Revenues</b>	<b>485,284</b>	<b>23,691</b>	<b>508,975</b>
<b>Expenditures:</b>			
Capital Outlay	1,681,800	2,748	1,684,548
Debt Service:			
Interest and Fiscal Charges	71,004	0	71,004
<b>Total Expenditures</b>	<b>1,752,804</b>	<b>2,748</b>	<b>1,755,552</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,267,520)	20,943	(1,246,577)
<b>Other Financing Sources (Uses):</b>			
Other Financing Sources - Capital Lease	465,000	0	465,000
Bond Issuance	5,200,000	0	5,200,000
OPWC Loan Issuance	3,277	0	3,277
Transfers In	1,008,981	0	1,008,981
<b>Total Other Financing Sources (Uses)</b>	<b>6,677,258</b>	<b>0</b>	<b>6,677,258</b>
Net Change in Fund Balance	5,409,738	20,943	5,430,681
<b>Fund Balance at Beginning of Year</b>	<b>(5,920,134)</b>	<b>374,318</b>	<b>(5,545,816)</b>
<b>Fund Balance End of Year</b>	<b>\$ (510,396)</b>	<b>\$ 395,261</b>	<b>\$ (115,135)</b>

**CITY OF NEWARK, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2016***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 22,506,157	\$ 24,376,113	\$ 24,824,050	\$ 447,937
Intergovernmental Revenues	1,761,911	1,835,700	1,790,191	(45,509)
Charges for Services	2,001,020	2,083,020	2,075,086	(7,934)
Licenses, Permits and Fees	66,345	96,496	100,507	4,011
Investment Earnings	60,051	110,051	125,830	15,779
Fines and Forfeitures	1,413,000	1,416,248	1,359,184	(57,064)
All Other Revenue	130,550	202,889	239,498	36,609
Total Revenues	27,939,034	30,120,517	30,514,346	393,829
<b>Expenditures:</b>				
Security of Persons and Property:				
Impound Lot:				
Personal Services	19,070	21,188	20,937	251
Materials and Supplies	500	500	500	0
Contractual Services	53,945	49,224	46,753	2,471
Capital Outlay	0	2,800	2,800	0
Total Impound Lot	73,515	73,712	70,990	2,722
Police:				
Personal Services	7,321,595	7,633,727	7,505,585	128,142
Materials and Supplies	238,462	237,462	213,734	23,728
Contractual Services	572,822	555,997	491,346	64,651
Other Expenditures	525	525	0	525
Capital Outlay	87,077	106,357	102,097	4,260
Total Police	8,220,481	8,534,068	8,312,762	221,306
Fire:				
Personal Services	7,417,939	7,578,901	7,476,943	101,958
Materials and Supplies	385,023	376,779	333,599	43,180
Contractual Services	549,989	638,317	564,453	73,864
Other Expenditures	1,000	1,500	500	1,000
Capital Outlay	138,341	156,591	155,651	940
Total Fire	8,492,292	8,752,088	8,531,146	220,942
Total Security of Persons and Property	16,786,288	17,359,868	16,914,898	444,970

(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, 2016***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Leisure Time Activities:				
Parks and Cemetery:				
Personal Services	371,901	395,977	392,495	3,482
Materials and Supplies	71,074	76,548	67,426	9,122
Contractual Services	144,926	245,904	218,833	27,071
Other Expenditures	300	300	156	144
Total Parks and Cemetery	588,201	718,729	678,910	39,819
Hollander Pool:				
Materials and Supplies	5,619	5,629	5,365	264
Contractual Services	45,615	45,606	42,866	2,740
Total Hollander Pool	51,234	51,235	48,231	3,004
Babe Ruth Baseball:				
Materials and Supplies	5,501	6,341	6,287	54
Contractual Services	22,419	23,125	23,054	71
Capital Outlay	90	90	0	90
Total Babe Ruth Baseball	28,010	29,556	29,341	215
Total Leisure Time Activities	667,445	799,520	756,482	43,038
Community Environment:				
CDBG:				
Capital Outlay	440	440	440	0
Total CDBG	440	440	440	0
Code Administration:				
Personal Services	235,850	241,484	238,806	2,678
Materials and Supplies	4,324	4,324	2,055	2,269
Contractual Services	71,126	71,015	39,597	31,418
Other Expenditures	387	387	100	287
Capital Outlay	3,205	3,205	1,509	1,696
Total Code Administration	314,892	320,415	282,067	38,348
Total Community Environment	315,332	320,855	282,507	38,348

(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, 2016***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Transportation:				
Street/Traffic:				
Personal Services	0	115	111	4
Total Transportation	0	115	111	4
General Government:				
City Council:				
Personal Services	100,253	104,233	103,354	879
Total City Council	100,253	104,233	103,354	879
Clerk of Council:				
Personal Services	64,965	66,323	65,489	834
Materials and Supplies	347	363	267	96
Contractual Services	11,990	11,974	11,611	363
Total Clerk of Council	77,302	78,660	77,367	1,293
Mayor:				
Personal Services	174,666	177,830	176,120	1,710
Materials and Supplies	750	740	490	250
Contractual Services	11,904	11,914	10,597	1,317
Capital Outlay	1,600	1,600	0	1,600
Total Mayor	188,920	192,084	187,207	4,877
Auditor:				
Personal Services	410,270	414,570	411,270	3,300
Materials and Supplies	3,038	2,256	2,256	0
Contractual Services	152,128	144,307	138,685	5,622
Other Expenditures	180,000	216,600	216,600	0
Capital Outlay	500	7,514	7,514	0
Total Auditor	745,936	785,247	776,325	8,922
Law Director:				
Personal Services	917,753	953,507	946,501	7,006
Materials and Supplies	8,127	6,127	5,760	367
Contractual Services	25,526	23,030	20,788	2,242
Capital Outlay	15,000	15,000	15,000	0
Total Law Director	966,406	997,664	988,049	9,615

(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, 2016***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Clerk of Courts:				
Personal Services	1,194,335	1,211,635	1,185,271	26,364
Materials and Supplies	28,168	24,968	17,911	7,057
Contractual Services	77,961	101,161	94,319	6,842
Other Expenditures	2,000	2,000	68	1,932
Total Clerk of Courts	1,302,464	1,339,764	1,297,569	42,195
Civil Service:				
Personal Services	283	466	466	0
Materials and Supplies	123	623	623	0
Contractual Services	53,483	52,983	52,883	100
Total Civil Service	53,889	54,072	53,972	100
Workers Compensation:				
Personal Services	92,500	159,234	68,283	90,951
Total Workers Compensation	92,500	159,234	68,283	90,951
Judiciary:				
Personal Services	703,838	764,125	746,683	17,442
Materials and Supplies	8,819	8,609	8,038	571
Contractual Services	81,938	97,147	96,787	360
Total Judiciary	794,595	869,881	851,508	18,373
Personnel:				
Personal Services	172,265	181,437	173,700	7,737
Materials and Supplies	651	651	600	51
Contractual Services	111,940	110,356	107,873	2,483
Other Expenditures	0	1,583	1,583	0
Total Personnel	284,856	294,027	283,756	10,271
Adult Probation:				
Personal Services	505,940	514,815	509,980	4,835
Materials and Supplies	13,327	17,787	16,286	1,501
Contractual Services	45,844	44,634	40,305	4,329
Total Adult Probation	565,111	577,236	566,571	10,665

(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, 2016***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Service Department:				
Personal Services	232,716	233,586	231,587	1,999
Materials and Supplies	4,304	7,601	7,594	7
Contractual Services	2,262,348	2,293,737	2,289,168	4,569
Other Expenditures	0	25	25	0
Capital Outlay	<u>170,747</u>	<u>170,997</u>	<u>170,134</u>	<u>863</u>
Total Service Department	2,670,115	2,705,946	2,698,508	7,438
Engineer:				
Personal Services	491,496	501,824	496,932	4,892
Materials and Supplies	6,870	7,070	4,523	2,547
Contractual Services	72,307	71,407	67,921	3,486
Capital Outlay	<u>5,073</u>	<u>5,773</u>	<u>3,700</u>	<u>2,073</u>
Total Engineer	575,746	586,074	573,076	12,998
Custodial:				
Personal Services	176,845	175,415	167,944	7,471
Materials and Supplies	14,394	7,169	6,566	603
Contractual Services	<u>83,060</u>	<u>95,637</u>	<u>94,298</u>	<u>1,339</u>
Total Custodial	274,299	278,221	268,808	9,413
Income Tax:				
Personal Services	825,673	761,556	760,367	1,189
Materials and Supplies	10,633	10,026	9,393	633
Contractual Services	125,635	89,639	89,399	240
Other Expenditures	450,000	374,086	374,086	0
Capital Outlay	<u>3,180</u>	<u>2,680</u>	<u>2,500</u>	<u>180</u>
Total Income Tax	1,415,121	1,237,987	1,235,745	2,242

(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, 2016***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Safety Director:				
Personal Services	168,197	171,894	158,480	13,414
Materials and Supplies	796	796	600	196
Contractual Services	707,869	701,719	614,942	86,777
Other Expenditures	8,362	6,794	4,000	2,794
Capital Outlay	0	7,718	6,872	846
Total Safety Director	885,224	888,921	784,894	104,027
Total General Government	10,992,737	11,149,251	10,814,992	334,259
Total Expenditures	28,761,802	29,629,609	28,768,990	860,619
Excess (Deficiency) of Revenues Over (Under) Expenditures	(822,768)	490,908	1,745,356	1,254,448
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	30,000	46,350	46,350	0
Transfers In	1,278,154	2,240,816	2,212,003	(28,813)
Transfers Out	(2,291,734)	(4,053,380)	(4,049,548)	3,832
Advances In	0	45,293	45,293	0
Advances Out	0	(79,503)	(79,503)	0
Total Other Financing Sources (Uses)	(983,580)	(1,800,424)	(1,825,405)	(24,981)
Net Change in Fund Balance	(1,806,348)	(1,309,516)	(80,049)	1,229,467
Fund Balance at Beginning of Year	2,626,218	2,626,218	2,626,218	0
Prior Year Encumbrances	486,502	486,502	486,502	0
Fund Balance at End of Year	\$ 1,306,372	\$ 1,803,204	\$ 3,032,671	\$ 1,229,467

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016***

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<b>STREET DEPARTMENT FUND</b>			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 1,750,000	\$ 1,786,830	\$ 36,830
All Other Revenue	45,500	61,602	16,102
Total Revenues	1,795,500	1,848,432	52,932
<b>Expenditures:</b>			
Transportation:			
Personal Services	1,791,511	1,625,749	165,762
Materials and Supplies	551,047	486,538	64,509
Contractual Services	326,114	300,577	25,537
Other Expenditures	2,400	736	1,664
Capital Outlay	15,562	14,986	576
Total Expenditures	2,686,634	2,428,586	258,048
Excess (Deficiency) of Revenues Over (Under) Expenditures	(891,134)	(580,154)	310,980
<b>Other Financing Sources (Uses):</b>			
Transfers In	543,000	543,000	0
Total Other Financing Sources (Uses)	543,000	543,000	0
Net Change in Fund Balance	(348,134)	(37,154)	310,980
Fund Balance at Beginning of Year	270,255	270,255	0
Prior Year Encumbrances	102,223	102,223	0
Fund Balance at End of Year	\$ 24,344	\$ 335,324	\$ 310,980

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016***

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	CEMETERY FUND		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Charges for Services	\$ 3,500	\$ 4,038	\$ 538
Investment Earnings	43	546	503
Total Revenues	3,543	4,584	1,041
<b>Expenditures:</b>			
Public Health and Welfare Services:			
Materials and Supplies	9,070	7,000	2,070
Contractual Services	4,000	2,000	2,000
Total Expenditures	13,070	9,000	4,070
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,527)	(4,416)	5,111
Fund Balance at Beginning of Year	793,393	793,393	0
Prior Year Encumbrances	1,070	1,070	0
Fund Balance at End of Year	\$ 784,936	\$ 790,047	\$ 5,111

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016***

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COMMUNITY DEVELOPMENT FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 1,403,743	\$ 685,242	\$ (718,501)
Investment Earnings	506	2,204	1,698
All Other Revenue	218,450	224,533	6,083
Total Revenues	1,622,699	911,979	(710,720)
<b>Expenditures:</b>			
Community Environment:			
Personal Services	376,128	358,238	17,890
Materials and Supplies	1,448	1,004	444
Contractual Services	910,913	812,501	98,412
Total Expenditures	1,288,489	1,171,743	116,746
Excess (Deficiency) of Revenues Over (Under) Expenditures	334,210	(259,764)	(593,974)
Fund Balance at Beginning of Year	374,686	374,686	0
Prior Year Encumbrances	191,920	191,920	0
Fund Balance at End of Year	\$ 900,816	\$ 306,842	\$ (593,974)

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016***

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**VETERANS MEMORIAL SIDEWALK FUND**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Investment Earnings	\$ 300	\$ 70	\$ (230)
All Other Revenue	1,500	1,450	(50)
Total Revenues	1,800	1,520	(280)
<b>Expenditures:</b>			
General Government:			
Contractual Services	5,823	5,800	23
Total Expenditures	5,823	5,800	23
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(4,023)	(4,280)	(257)
Fund Balance at Beginning of Year	76,079	76,079	0
Prior Year Encumbrances	23	23	0
Fund Balance at End of Year	\$ 72,079	\$ 71,822	\$ (257)

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016***

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SAFETY GRANTS FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 359,601	\$ 213,237	\$ (146,364)
All Other Revenue	0	114	114
Total Revenues	359,601	213,351	(146,250)
<b>Expenditures:</b>			
Security of Persons and Property:			
Personal Services	328,163	261,511	66,652
Materials and Supplies	9,750	6,250	3,500
Contractual Services	12,522	11,247	1,275
Capital Outlay	11,820	11,820	0
Total Expenditures	362,255	290,828	71,427
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,654)	(77,477)	(74,823)
<b>Other Financing Sources (Uses):</b>			
Transfers In	28,943	21,648	(7,295)
Advances In	79,503	79,503	0
Advances Out	(26,287)	(26,287)	0
Total Other Financing Sources (Uses)	82,159	74,864	(7,295)
Net Change in Fund Balance	79,505	(2,613)	(82,118)
Fund Balance at Beginning of Year	(14,672)	(14,672)	0
Prior Year Encumbrances	14,672	14,672	0
Fund Balance at End of Year	\$ 79,505	\$ (2,613)	\$ (82,118)



**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016***

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<b>POLICE/FIRE PENSION FUND</b>			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Taxes	\$ 429,634	\$ 416,198	\$ (13,436)
Intergovernmental Revenues	60,540	55,497	(5,043)
Total Revenues	490,174	471,695	(18,479)
<b>Expenditures:</b>			
Security of Persons and Property:			
Personal Services	464,182	464,182	0
Contractual Services	7,536	7,536	0
Total Expenditures	471,718	471,718	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	18,456	(23)	(18,479)
Fund Balance at Beginning of Year	23	23	0
Fund Balance at End of Year	\$ 18,479	\$ 0	\$ (18,479)

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016***

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	STATE HIGHWAY FUND		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 143,000	\$ 144,878	\$ 1,878
Total Revenues	143,000	144,878	1,878
<b>Expenditures:</b>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	143,000	144,878	1,878
<b>Other Financing Sources (Uses):</b>			
Transfers Out	(143,000)	(143,000)	0
Total Other Financing Sources (Uses)	(143,000)	(143,000)	0
Net Change in Fund Balance	0	1,878	1,878
Fund Balance at Beginning of Year	1,834	1,834	0
Fund Balance at End of Year	\$ 1,834	\$ 3,712	\$ 1,878

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016***

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<b>LAW ENFORCEMENT FUND</b>			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 4,000	\$ 4,832	\$ 832
Fines and Forfeitures	85,500	83,307	(2,193)
Total Revenues	89,500	88,139	(1,361)
<b>Expenditures:</b>			
Security of Persons and Property:			
Contractual Services	91,557	54,936	36,621
Total Expenditures	91,557	54,936	36,621
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,057)	33,203	35,260
Fund Balance at Beginning of Year	173,337	173,337	0
Prior Year Encumbrances	11,557	11,557	0
Fund Balance at End of Year	\$ 182,837	\$ 218,097	\$ 35,260

**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, 2016***

<b>LANDFILL RECLAMATION FUND</b>			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Charges for Services	\$ 0	\$ 114	\$ 114
Investment Earnings	0	209	209
Total Revenues	0	323	323
<b>Expenditures:</b>			
General Government:			
Capital Outlay	41,732	41,724	8
Debt Service:			
Principal Retirement	370,000	370,000	0
Total Expenditures	411,732	411,724	8
Excess (Deficiency) of Revenues Over (Under) Expenditures	(411,732)	(411,401)	331
<b>Other Financing Sources (Uses):</b>			
Note Issuance	370,000	370,000	0
Total Other Financing Sources (Uses)	370,000	370,000	0
Net Change in Fund Balance	(41,732)	(41,401)	331
Fund Balance at Beginning of Year	4,996	4,996	0
Prior Year Encumbrances	41,732	41,732	0
Fund Balance at End of Year	\$ 4,996	\$ 5,327	\$ 331

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016***

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<b>COURT COMPUTERIZATION FUND</b>			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Fines and Forfeitures	\$ 208,000	\$ 205,426	\$ (2,574)
Total Revenues	<u>208,000</u>	<u>205,426</u>	<u>(2,574)</u>
<b>Expenditures:</b>			
General Government:			
Personal Services	89,474	83,183	6,291
Materials and Supplies	8,315	7,943	372
Contractual Services	139,756	51,826	87,930
Capital Outlay	<u>62,777</u>	<u>22,200</u>	<u>40,577</u>
Total Expenditures	<u>300,322</u>	<u>165,152</u>	<u>135,170</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(92,322)	40,274	132,596
Fund Balance at Beginning of Year	406,233	406,233	0
Prior Year Encumbrances	<u>14,572</u>	<u>14,572</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 328,483</u>	<u>\$ 461,079</u>	<u>\$ 132,596</u>

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016***

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PERMISSIVE LICENSE TAX FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 1,160,000	\$ 1,160,849	\$ 849
All Other Revenue	0	33,768	33,768
Total Revenues	1,160,000	1,194,617	34,617
<b>Expenditures:</b>			
Transportation:			
Contractual Services	1,791,451	1,791,141	310
Debt Service:			
Principal Retirement	30,000	30,000	0
Total Expenditures	1,821,451	1,821,141	310
Excess (Deficiency) of Revenues Over (Under) Expenditures	(661,451)	(626,524)	34,927
Fund Balance at Beginning of Year	214,253	214,253	0
Prior Year Encumbrances	621,451	621,451	0
Fund Balance at End of Year	\$ 174,253	\$ 209,180	\$ 34,927

**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, 2016***

<b>PROBATION GRANT FUND</b>			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 431,544	\$ 378,787	\$ (52,757)
All Other Revenue	0	2,412	2,412
Total Revenues	431,544	381,199	(50,345)
<b>Expenditures:</b>			
Security of Persons and Property:			
Personal Services	308,817	295,751	13,066
Materials and Supplies	120,349	98,530	21,819
Contractual Services	149,811	101,418	48,393
Other Expenditures	2,600	1,360	1,240
Capital Outlay	956	0	956
Total Expenditures	582,533	497,059	85,474
Excess (Deficiency) of Revenues Over (Under) Expenditures	(150,989)	(115,860)	35,129
<b>Other Financing Sources (Uses):</b>			
Transfers In	12,933	2,701	(10,232)
Total Other Financing Sources (Uses)	12,933	2,701	(10,232)
Net Change in Fund Balance	(138,056)	(113,159)	24,897
Fund Balance at Beginning of Year	85,712	85,712	0
Prior Year Encumbrances	70,595	70,595	0
Fund Balance at End of Year	\$ 18,251	\$ 43,148	\$ 24,897

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016***

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FEDERAL TRANSIT ADMINISTRATION FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Total Revenues	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>			
Transportation:			
Contractual Services	2,368	2,368	0
Total Expenditures	2,368	2,368	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,368)	(2,368)	0
Fund Balance at Beginning of Year	40,769	40,769	0
Fund Balance at End of Year	\$ 38,401	\$ 38,401	\$ 0



**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016***

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ODNR GRANTS FUND			Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 50,147	\$ 50,147	\$ 0
Total Revenues	50,147	50,147	0
<b>Expenditures:</b>			
Community Environment:			
Materials and Supplies	1,000	1,000	0
Contractual Services	74,987	74,987	0
Total Expenditures	75,987	75,987	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,840)	(25,840)	0
<b>Other Financing Sources (Uses):</b>			
Transfers In	25,840	25,840	0
Total Other Financing Sources (Uses)	25,840	25,840	0
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**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016***

---

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 50,000	\$ 40,048	\$ (9,952)
Total Revenues	50,000	40,048	(9,952)
<b>Expenditures:</b>			
Public Health and Welfare Services:			
Contractual Services	30,994	21,042	9,952
Total Expenditures	30,994	21,042	9,952
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,006	19,006	0
<b>Other Financing Sources (Uses):</b>			
Advances Out	(19,006)	(19,006)	0
Total Other Financing Sources (Uses)	(19,006)	(19,006)	0
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	(30,994)	(30,994)	0
Prior Year Encumbrances	30,994	30,994	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016***

---

<b>JUDICIAL FUND</b>			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Fines and Forfeitures	\$ 171,000	\$ 165,147	\$ (5,853)
Total Revenues	<u>171,000</u>	<u>165,147</u>	<u>(5,853)</u>
<b>Expenditures:</b>			
General Government:			
Materials and Supplies	6,067	5,130	937
Contractual Services	<u>65,745</u>	<u>14,070</u>	<u>51,675</u>
Total Expenditures	<u>71,812</u>	<u>19,200</u>	<u>52,612</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	99,188	145,947	46,759
Fund Balance at Beginning of Year	1,400,903	1,400,903	0
Prior Year Encumbrances	<u>1,812</u>	<u>1,812</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,501,903</u>	<u>\$ 1,548,662</u>	<u>\$ 46,759</u>

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2016***

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<b>DEBT SERVICE FUND</b>			Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>			
Special Assessments	\$ 0	\$ 2	\$ 2
All Other Revenue	0	1,177	1,177
Total Revenues	<u>0</u>	<u>1,179</u>	<u>1,179</u>
<b>Expenditures:</b>			
Debt Service:			
Principal Retirement	8,360,000	8,360,000	0
Interest and Fiscal Charges	<u>478,508</u>	<u>469,720</u>	<u>8,788</u>
Total Expenditures	<u>8,838,508</u>	<u>8,829,720</u>	<u>8,788</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,838,508)	(8,828,541)	9,967
<b>Other Financing Sources (Uses):</b>			
Note Issuance	2,220,000	2,220,874	874
Transfers In	940,416	940,174	(242)
Bond Issuance	<u>5,500,000</u>	<u>5,500,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>8,660,416</u>	<u>8,661,048</u>	<u>632</u>
Net Change in Fund Balance	(178,092)	(167,493)	10,599
Fund Balance at Beginning of Year	<u>1,368,476</u>	<u>1,368,476</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,190,384</u>	<u>\$ 1,200,983</u>	<u>\$ 10,599</u>

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2016***

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TAX INCREMENT FINANCING FUND			Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
<b>Revenues:</b>			
Taxes	\$ 524,678	\$ 446,815	\$ (77,863)
All Other Revenue	0	38,473	38,473
Total Revenues	524,678	485,288	(39,390)
<b>Expenditures:</b>			
General Government:			
Contractual Services	8,925	1,539	7,386
Other Expenditures	194,092	178,110	15,982
Debt Service:			
Principal Retirement	477,809	477,809	0
Interest and Fiscal Charges	149,198	149,198	0
Total Expenditures	830,024	806,656	23,368
Excess (Deficiency) of Revenues Over (Under) Expenditures	(305,346)	(321,368)	(16,022)
<b>Other Financing Sources (Uses):</b>			
Transfers In	268,991	264,652	(4,339)
Total Other Financing Sources (Uses)	268,991	264,652	(4,339)
Net Change in Fund Balance	(36,355)	(56,716)	(20,361)
Fund Balance at Beginning of Year	56,716	56,716	0
Fund Balance at End of Year	\$ 20,361	\$ 0	\$ (20,361)

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2016***

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CAPITAL IMPROVEMENT FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 650,000	\$ 450,000	\$ (200,000)
Investment Earnings	1,513	5,037	3,524
All Other Revenue	30,247	30,247	0
Total Revenues	681,760	485,284	(196,476)
<b>Expenditures:</b>			
Capital Outlay	3,143,571	2,296,850	846,721
Total Expenditures	3,143,571	2,296,850	846,721
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,461,811)	(1,811,566)	650,245
<b>Other Financing Sources (Uses):</b>			
OPWC Loan Issuance	650,000	3,277	(646,723)
Transfers In	612,981	612,981	0
Total Other Financing Sources (Uses)	1,262,981	616,258	(646,723)
Net Change in Fund Balance	(1,198,830)	(1,195,308)	3,522
Fund Balance at Beginning of Year	806,525	806,525	0
Prior Year Encumbrances	1,089,394	1,089,394	0
Fund Balance at End of Year	\$ 697,089	\$ 700,611	\$ 3,522

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2016***

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COURT CAPITAL IMPROVEMENT FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Fines and Forfeitures	\$ 24,500	\$ 23,848	\$ (652)
Total Revenues	24,500	23,848	(652)
<b>Expenditures:</b>			
Capital Outlay	70,000	3,500	66,500
Total Expenditures	70,000	3,500	66,500
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(45,500)	20,348	65,848
Fund Balance at Beginning of Year	372,468	372,468	0
Fund Balance at End of Year	\$ 326,968	\$ 392,816	\$ 65,848





***Fiduciary Funds***

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

***Agency Funds***

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**Municipal Court Fund**

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

**Fire Code Fund**

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

**Law Library Fund**

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

**Joint Economic Development Zone Fund**

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

**CITY OF NEWARK, OHIO****Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended December 31, 2016**

	Balance December 31, 2015	Additions	Deductions	Balance December 31, 2016
<b><u>Municipal Court Fund</u></b>				
Assets:				
Restricted Assets:				
Cash and Cash Equivalents	\$405,966	\$4,527,449	(\$4,554,971)	\$378,444
Total Assets	\$405,966	\$4,527,449	(\$4,554,971)	\$378,444
Liabilities:				
Intergovernmental Payable	\$247,076	\$2,731,161	(\$2,773,729)	\$204,508
Due to Others	158,890	1,796,288	(1,781,242)	173,936
Total Liabilities	\$405,966	\$4,527,449	(\$4,554,971)	\$378,444
<b><u>Fire Code Fund</u></b>				
Assets:				
Restricted Assets:				
Cash and Cash Equivalents	\$45,034	\$99,172	(\$46,897)	\$97,309
Total Assets	\$45,034	\$99,172	(\$46,897)	\$97,309
Liabilities:				
Due to Others	\$45,034	\$99,172	(\$46,897)	\$97,309
Total Liabilities	\$45,034	\$99,172	(\$46,897)	\$97,309
<b><u>Law Library Fund</u></b>				
Assets:				
Restricted Assets:				
Cash and Cash Equivalents	\$2,472	\$69,133	(\$71,605)	\$0
Total Assets	\$2,472	\$69,133	(\$71,605)	\$0
Liabilities:				
Due to Others	\$2,472	\$69,133	(\$71,605)	\$0
Total Liabilities	\$2,472	\$69,133	(\$71,605)	\$0
<b><u>Joint Economic Development Zone Fund</u></b>				
Assets:				
Receivables:				
Taxes	\$4,499	\$2,106	(\$4,499)	\$2,106
Restricted Assets:				
Cash and Cash Equivalents	548,287	689,117	(562,601)	674,803
Total Assets	\$552,786	\$691,223	(\$567,100)	\$676,909
Liabilities:				
Intergovernmental Payable	\$552,786	\$691,223	(\$567,100)	\$676,909
Total Liabilities	\$552,786	\$691,223	(\$567,100)	\$676,909

(Continued)

**CITY OF NEWARK, OHIO**

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	Balance December 31, 2015	Additions	Deductions	Balance December 31, 2016
<u>Totals - All Agency Funds</u>				
Assets:				
Receivables:				
Taxes	\$4,499	\$2,106	(\$4,499)	\$2,106
Restricted Assets:				
Cash and Cash Equivalents	1,001,759	5,384,871	(5,236,074)	1,150,556
Total Assets	<u>\$1,006,258</u>	<u>\$5,386,977</u>	<u>(\$5,240,573)</u>	<u>\$1,152,662</u>
Liabilities:				
Intergovernmental Payable	\$799,862	\$3,422,384	(\$3,340,829)	\$881,417
Due to Others	206,396	1,964,593	(1,899,744)	271,245
Total Liabilities	<u>\$1,006,258</u>	<u>\$5,386,977</u>	<u>(\$5,240,573)</u>	<u>\$1,152,662</u>



## *STATISTICAL SECTION*

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

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

***Contents***

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<b>Financial Trends</b>	S 2 – S 13
These schedules contain trend information to help the reader understand how the City’s financial position has changed over time.	
<b>Revenue Capacity</b>	S 14 – S 17
These schedules contain information to help the reader understand and assess the factors affecting the City’s ability to generate its most significant local revenue sources, the income tax.	
<b>Debt Capacity</b>	S 18 – S 27
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
<b>Economic and Demographic Information</b>	S 28 – S 31
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
<b>Operating Information</b>	S 32 – S 37
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	
<b>Sources Note:</b>	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.	

## City of Newark

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

	2007	2008	2009	2010
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$42,336,454	\$40,441,667	\$41,316,426	\$40,274,220
Restricted	10,651,987	11,110,542	10,280,743	11,967,071
Unrestricted	8,161,990	6,404,496	5,535,025	1,469,212
Total Governmental Activities Net Position	<u>\$61,150,431</u>	<u>\$57,956,705</u>	<u>\$57,132,194</u>	<u>\$53,710,503</u>
<b>Business-type Activities:</b>				
Net Investment in Capital Assets	\$17,699,290	\$16,956,742	\$22,335,180	\$21,621,744
Unrestricted	7,143,040	3,965,856	1,819,773	4,271,539
Total Business-type Activities Net Position	<u>\$24,842,330</u>	<u>\$20,922,598</u>	<u>\$24,154,953</u>	<u>\$25,893,283</u>
<b>Primary Government:</b>				
Net Investment in Capital Assets	\$60,035,744	\$57,398,409	\$63,651,606	\$61,895,964
Restricted	10,651,987	11,110,542	10,280,743	11,967,071
Unrestricted	15,305,030	10,370,352	7,354,798	5,740,751
Total Primary Government Net Position	<u>\$85,992,761</u>	<u>\$78,879,303</u>	<u>\$81,287,147</u>	<u>\$79,603,786</u>

\*Restated

Source: City Auditor's Office



*City of Newark*

*					
2011	2012	2013	2014	2015	2016
\$42,258,279	\$42,970,107	\$46,111,207	\$44,958,995	\$45,289,248	\$45,753,020
14,149,111	13,070,091	11,903,557	12,518,066	11,989,270	13,304,726
2,265,579	2,407,288	1,671,736	(25,664,425)	(26,854,936)	(28,209,247)
<u>\$58,672,969</u>	<u>\$58,447,486</u>	<u>\$59,686,500</u>	<u>\$31,812,636</u>	<u>\$30,423,582</u>	<u>\$30,848,499</u>
\$20,600,700	\$22,105,075	\$23,693,170	\$23,473,836	\$23,666,267	\$25,890,917
6,514,026	5,214,754	5,003,115	3,827,754	5,201,729	6,246,617
<u>\$27,114,726</u>	<u>\$27,319,829</u>	<u>\$28,696,285</u>	<u>\$27,301,590</u>	<u>\$28,867,996</u>	<u>\$32,137,534</u>
\$62,858,979	\$65,075,182	\$69,804,377	\$68,432,831	\$68,955,515	\$71,643,937
14,149,111	13,070,091	11,903,557	12,518,066	11,989,270	13,304,726
8,779,605	7,622,042	6,674,851	(21,836,671)	(21,653,207)	(21,962,630)
<u>\$85,787,695</u>	<u>\$85,767,315</u>	<u>\$88,382,785</u>	<u>\$59,114,226</u>	<u>\$59,291,578</u>	<u>\$62,986,033</u>

# City of Newark

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

	2007	2008	2009
<b>Expenses</b>			
Governmental Activities:			
Security of Persons and Property	\$18,150,460	\$19,619,726	\$18,993,822
Leisure Time Activities	524,374	560,532	669,024
Community Environment	2,921,535	3,059,820	2,984,886
Public Health and Welfare Services	2,375,792	599,601	10,329
Transportation	5,927,546	6,060,496	6,762,557
General Government	9,020,333	10,396,217	10,430,285
Interest and Fiscal Charges	900,691	800,191	760,156
<i>Total Governmental Activities Expenses</i>	<u>39,820,731</u>	<u>41,096,583</u>	<u>40,611,059</u>
Business-type Activities:			
Water	7,006,340	6,650,976	6,604,911
Sewer	5,161,535	5,291,774	5,941,006
Storm Water	323,709	614,380	989,162
<i>Total Business-type Activities Expenses</i>	<u>12,491,584</u>	<u>12,557,130</u>	<u>13,535,079</u>
<i>Total Primary Government Expenses</i>	<u>\$52,312,315</u>	<u>\$53,653,713</u>	<u>\$54,146,138</u>
<b>Program Revenues</b>			
Governmental Activities:			
Charges for Services			
Security of Persons and Property	\$2,412,289	\$3,411,136	\$3,886,667
Leisure Time Activities	17,489	16,428	16,031
Community Environment	59,808	55,384	45,885
Public Health and Welfare Services	749,119	190,593	202,895
Transportation	408,675	411,174	142,495
General Government	1,450,658	1,011,575	1,131,397
Operating Grants and Contributions	6,773,027	4,730,482	5,488,390
Capital Grants and Contributions	490,142	10,000	184,019
<i>Total Governmental Activities Program Revenues</i>	<u>12,361,207</u>	<u>9,836,772</u>	<u>11,097,779</u>

*City of Newark*

2010	2011	2012	2013	2014	2015	2016
\$18,825,824	\$17,438,065	\$19,288,483	\$17,844,738	\$18,014,306	\$18,199,966	\$20,139,086
575,431	560,236	658,305	629,675	864,731	919,417	788,906
2,666,668	1,958,987	2,221,036	2,050,028	1,614,911	1,531,206	1,119,922
157,745	217,140	1,770,199	119,440	186,078	45,062	43,762
5,686,444	5,364,963	6,457,578	4,761,118	3,852,334	4,351,212	3,836,428
11,671,609	10,283,567	10,860,659	10,207,273	10,588,687	10,609,273	10,559,036
787,437	757,878	799,142	812,373	822,031	735,303	961,639
<u>40,371,158</u>	<u>36,580,836</u>	<u>42,055,402</u>	<u>36,424,645</u>	<u>35,943,078</u>	<u>36,391,439</u>	<u>37,448,779</u>
6,120,509	6,444,744	6,670,964	5,729,159	6,019,772	6,402,011	5,852,349
5,238,347	5,568,346	6,660,500	6,000,714	7,370,520	6,158,986	6,491,673
2,122,819	1,920,374	1,721,062	3,002,057	1,844,358	2,693,249	2,542,355
<u>13,481,675</u>	<u>13,933,464</u>	<u>15,052,526</u>	<u>14,731,930</u>	<u>15,234,650</u>	<u>15,254,246</u>	<u>14,886,377</u>
<u>\$53,852,833</u>	<u>\$50,514,300</u>	<u>\$57,107,928</u>	<u>\$51,156,575</u>	<u>\$51,177,728</u>	<u>\$51,645,685</u>	<u>\$52,335,156</u>
\$3,650,730	\$3,346,407	\$3,415,217	\$3,063,296	\$3,153,173	\$3,120,520	\$3,149,170
0	0	0	0	0	0	0
44,318	62,801	68,149	72,154	101,985	163,450	121,929
73,932	138,358	245,040	108,539	157,337	144,829	162,113
108,475	89,514	109,699	11,657	1,709	0	0
459,996	585,758	574,438	650,115	718,048	711,005	709,967
5,745,895	7,222,698	9,926,907	6,169,429	4,471,047	4,307,895	4,752,661
295,531	2,892,903	290,794	1,081,549	54,406	414,045	995,426
<u>10,378,877</u>	<u>14,338,439</u>	<u>14,630,244</u>	<u>11,156,739</u>	<u>8,657,705</u>	<u>8,861,744</u>	<u>9,891,266</u>

(Continued)

# City of Newark

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

	2007	2008	2009
Business-type Activities:			
Charges for Services			
Water	6,034,022	5,998,709	5,850,171
Sewer	5,836,149	5,880,392	5,918,464
Storm Water	1,843,164	2,168,753	2,229,720
Capital Grants and Contributions	0	0	3,691,191
<i>Total Business-type Activities Program Revenues</i>	<u>13,713,335</u>	<u>14,047,854</u>	<u>17,689,546</u>
<i>Total Primary Government Program Revenues</i>	<u>26,074,542</u>	<u>23,884,626</u>	<u>28,787,325</u>
<b>Net (Expense)/Revenue</b>			
Governmental Activities	(27,459,524)	(31,259,811)	(29,513,280)
Business-type Activities	1,221,751	1,490,724	4,154,467
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$26,237,773)</u>	<u>(\$29,769,087)</u>	<u>(\$25,358,813)</u>
<b>General Revenues and Other Changes in Net Position</b>			
Governmental Activities:			
Property Taxes Levied for:			
General Purposes	\$2,306,500	\$2,189,609	\$2,150,345
Special Purposes	457,534	436,568	427,084
Capital Purposes	284,487	282,935	251,214
Income Taxes	20,312,181	20,899,162	18,845,278
Other Local Taxes	433,007	366,551	358,197
Intergovernmental, Unrestricted	3,794,607	3,264,236	4,214,287
Investment Earnings	1,077,750	636,922	369,406
Miscellaneous	751,758	431,212	1,134,938
Transfers	834,314	924,993	938,020
<i>Total Governmental Activities</i>	<u>30,252,138</u>	<u>29,432,188</u>	<u>28,688,769</u>
Business-type Activities:			
Investment Earnings	93,819	37,267	15,908
Transfers	(834,314)	(924,993)	(938,020)
<i>Total Business-type Activities</i>	<u>(740,495)</u>	<u>(887,726)</u>	<u>(922,112)</u>
<i>Total Primary Government</i>	<u>\$29,511,643</u>	<u>\$28,544,462</u>	<u>\$27,766,657</u>
<b>Change in Net Position</b>			
Governmental Activities	\$2,792,614	(\$1,827,623)	(\$824,511)
Business-type Activities	481,256	602,998	3,232,355
<i>Total Primary Government Change in Net Position</i>	<u>\$3,273,870</u>	<u>(\$1,224,625)</u>	<u>\$2,407,844</u>

Source: City Auditor's Office

*City of Newark*

2010	2011	2012	2013	2014	2015	2016
6,094,605	6,027,520	6,217,554	6,570,928	6,212,924	6,294,557	6,656,234
6,563,274	6,600,685	6,742,077	6,871,755	7,419,978	7,653,112	8,374,932
2,513,032	2,655,588	2,728,525	2,806,031	2,769,820	2,871,602	2,853,724
750,445	0	0	350,000	0	0	507,805
15,921,356	15,283,793	15,688,156	16,598,714	16,402,722	16,819,271	18,392,695
26,300,233	29,622,232	30,318,400	27,755,453	25,060,427	25,681,015	28,283,961
(29,992,281)	(22,242,397)	(27,425,158)	(25,267,906)	(27,285,373)	(27,529,695)	(27,557,513)
2,439,681	1,350,329	635,630	1,866,784	1,168,072	1,565,025	3,506,318
<u>(\$27,552,600)</u>	<u>(\$20,892,068)</u>	<u>(\$26,789,528)</u>	<u>(\$23,401,122)</u>	<u>(\$26,117,301)</u>	<u>(\$25,964,670)</u>	<u>(\$24,051,195)</u>
\$2,126,951	\$2,003,214	\$2,037,865	\$2,079,535	\$2,100,858	\$2,040,628	\$2,055,097
421,153	398,173	403,724	411,562	416,520	404,872	408,316
265,668	919,482	740,590	662,390	428,807	594,079	446,815
18,880,522	19,440,371	20,287,028	19,435,197	20,092,754	20,454,357	22,318,619
361,444	496,040	476,211	503,408	420,782	514,057	515,033
3,554,614	3,099,985	2,231,124	2,075,599	1,542,244	1,566,000	1,482,292
219,412	175,826	168,953	132,177	149,711	67,376	169,378
658,189	540,484	417,356	715,301	867,854	499,272	349,426
82,637	131,288	436,824	491,751	(5,376)	0	237,454
26,570,590	27,204,863	27,199,675	26,506,920	26,014,154	26,140,641	27,982,430
3,247	2,402	6,297	1,423	901	1,381	674
(82,637)	(131,288)	(436,824)	(491,751)	5,376	0	(237,454)
(79,390)	(128,886)	(430,527)	(490,328)	6,277	1,381	(236,780)
<u>\$26,491,200</u>	<u>\$27,075,977</u>	<u>\$26,769,148</u>	<u>\$26,016,592</u>	<u>\$26,020,431</u>	<u>\$26,142,022</u>	<u>\$27,745,650</u>
(\$3,421,691)	\$4,962,466	(\$225,483)	\$1,239,014	(\$1,271,219)	(\$1,389,054)	\$424,917
2,360,291	1,221,443	205,103	1,376,456	1,174,349	1,566,406	3,269,538
<u>(\$1,061,400)</u>	<u>\$6,183,909</u>	<u>(\$20,380)</u>	<u>\$2,615,470</u>	<u>(\$96,870)</u>	<u>\$177,352</u>	<u>\$3,694,455</u>

# City of Newark

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

	2007	2008	2009	2010
General Fund				
Nonspendable	\$0	\$0	\$0	\$0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	848,097	470,901	580,093	570,773
Unreserved	2,717,746	2,608,161	2,403,167	1,774,282
<i>Total General Fund</i>	<u>3,565,843</u>	<u>3,079,062</u>	<u>2,983,260</u>	<u>2,345,055</u>
All Other Governmental Funds				
Nonspendable	\$0	\$0	\$0	\$0
Restricted	0	0	0	0
Unassigned	0	0	0	0
Reserved	2,531,396	2,867,626	2,542,594	3,989,848
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	4,329,307	3,774,340	2,850,367	3,858,783
Capital Projects Funds	(849,552)	(4,972)	(211,166)	331,383
<i>Total All Other Governmental Funds</i>	<u>6,011,151</u>	<u>6,636,994</u>	<u>5,181,795</u>	<u>8,180,014</u>
<i>Total Governmental Funds</i>	<u>\$9,576,994</u>	<u>\$9,716,056</u>	<u>\$8,165,055</u>	<u>\$10,525,069</u>

Source: City Auditor's Office

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

*City of Newark*

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2011	2012	2013	2014	2015	2016
\$115,987	\$117,771	\$122,904	\$121,858	\$132,563	\$266,770
534,701	1,300,983	2,298,246	1,365,840	1,720,745	3,636,716
3,752,273	2,501,691	1,095,173	1,230,500	1,840,280	998,691
0	0	0	0	0	0
0	0	0	0	0	0
4,402,961	3,920,445	3,516,323	2,718,198	3,693,588	4,902,177
\$4,903,304	\$231,351	\$187,475	\$257,886	\$346,364	\$388,325
8,042,449	12,053,339	10,966,671	11,722,819	10,932,039	11,083,187
(755,421)	(558,807)	(1,044,814)	(2,422,355)	(6,272,292)	(860,510)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
12,190,332	11,725,883	10,109,332	9,558,350	5,006,111	10,611,002
\$16,593,293	\$15,646,328	\$13,625,655	\$12,276,548	\$8,699,699	\$15,513,179

# City of Newark

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

	2007	2008	2009	2010
<b>Revenues:</b>				
Taxes	\$23,795,166	\$24,141,533	\$21,995,412	\$22,138,933
Intergovernmental Revenues	10,137,168	8,458,536	9,778,082	10,267,862
Charges for Services	1,615,096	2,341,997	2,484,063	2,289,390
Licenses, Permits and Fees	1,343,140	672,053	739,218	63,204
Investment Earnings	1,034,943	582,307	362,306	217,555
Special Assessments	71,218	7,198	39,295	27,635
Fines and Forfeitures	2,092,652	2,072,203	2,134,239	2,056,603
All Other Revenue	755,691	431,212	1,134,938	658,189
<b>Total Revenue</b>	<b>40,845,074</b>	<b>38,707,039</b>	<b>38,667,553</b>	<b>37,719,371</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	18,093,642	18,603,640	18,299,201	18,207,565
Public Health and Welfare Services	2,464,530	622,243	7,911	140,923
Leisure Time Activities	468,478	536,902	616,513	575,431
Community Environment	2,790,461	2,823,629	3,171,385	2,549,523
Transportation	4,880,029	4,161,938	4,886,329	3,936,324
General Government	8,769,728	10,003,984	9,770,565	9,774,503
Capital Outlay	4,222,928	2,915,007	4,123,220	2,460,005
Debt Service:				
Principal Retirement	475,000	530,000	535,000	550,000
Interest and Fiscal Charges	765,960	748,092	705,764	722,471
<b>Total Expenditures</b>	<b>42,930,756</b>	<b>40,945,435</b>	<b>42,115,888</b>	<b>38,916,745</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,085,682)	(2,238,396)	(3,448,335)	(1,197,374)



*City of Newark*

2011	2012	2013	2014	2015	2016
\$23,235,579	\$23,598,538	\$23,209,071	\$23,321,413	\$24,195,781	\$25,361,800
11,112,100	12,475,770	9,742,262	6,188,662	6,167,868	6,940,541
2,114,800	2,102,342	1,989,940	2,141,130	2,150,036	2,053,101
136,677	65,196	75,781	83,409	76,249	100,507
170,071	161,787	124,176	146,950	74,259	154,274
25,439	7,703	6,843	6,828	50	2
1,948,006	2,101,869	1,829,655	1,884,913	1,898,252	1,828,543
540,484	417,356	715,301	867,854	499,272	349,426
<u>39,283,156</u>	<u>40,930,561</u>	<u>37,693,029</u>	<u>34,641,159</u>	<u>35,061,767</u>	<u>36,788,194</u>
17,582,231	18,462,490	17,586,636	17,441,213	16,720,295	17,259,586
200,044	1,751,877	119,440	186,078	45,062	43,762
560,236	652,138	687,552	746,428	698,450	697,623
1,940,710	2,160,549	2,140,823	1,569,877	1,322,320	1,165,793
3,981,510	4,377,197	3,433,453	2,059,898	2,876,635	2,928,693
10,750,798	10,259,639	9,959,941	10,641,150	9,846,419	10,125,574
2,983,077	3,614,008	4,701,957	2,205,873	5,843,235	1,684,548
751,726	894,321	1,018,701	685,592	1,099,074	2,917,820
665,800	736,336	725,068	732,569	623,997	789,126
<u>39,416,132</u>	<u>42,908,555</u>	<u>40,373,571</u>	<u>36,268,678</u>	<u>39,075,487</u>	<u>37,612,525</u>
(132,976)	(1,977,994)	(2,680,542)	(1,627,519)	(4,013,720)	(824,331)

(Continued)

# City of Newark

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

	2007	2008	2009	2010
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	81,510	43,321	0	0
Other Financing Sources - Capital Lease	1,413,634	402,087	0	718,698
State Infrastructure Bank Loan	0	0	1,021,359	162,954
Premium on Bond Issuance	0	0	0	0
General Obligation Bonds Issued	0	1,180,000	0	1,710,000
Refunding General Obligation Bonds Issued	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
OPWC Loan Issuance	0	0	0	0
Transfers In	24,517,996	23,984,004	21,370,773	19,675,687
Transfers Out	(23,714,241)	(23,059,011)	(20,432,753)	(18,793,050)
<b>Total Other Financing Sources (Uses)</b>	<b>2,298,899</b>	<b>2,550,401</b>	<b>1,959,379</b>	<b>3,474,289</b>
<b>Net Change in Fund Balance</b>	<b>\$213,217</b>	<b>\$312,005</b>	<b>(\$1,488,956)</b>	<b>\$2,276,915</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>3.19%</b>	<b>3.24%</b>	<b>3.26%</b>	<b>3.40%</b>

Source: City Auditor's Office

*City of Newark*

2011	2012	2013	2014	2015	2016
0	42,975	8,372	48,375	46,971	46,350
319,820	350,000	73,900	0	291,575	465,000
191,560	738,339	52,516	0	0	0
0	0	0	182,694	0	554,488
1,200,000	0	0	0	0	5,200,000
0	0	0	7,930,000	0	1,710,000
0	0	0	(7,945,049)	0	0
0	0	600,000	0	0	3,277
4,469,758	2,915,010	3,031,308	2,628,597	2,377,818	2,269,546
(4,113,653)	(2,862,443)	(3,065,058)	(2,633,973)	(2,377,818)	(2,786,806)
2,067,485	1,183,881	701,038	210,644	338,546	7,461,855
\$1,934,509	(\$794,113)	(\$1,979,504)	(\$1,416,875)	(\$3,675,174)	\$6,637,524
3.91%	4.11%	4.98%	4.16%	5.10%	10.75%

## *City of Newark*

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

<b>Tax year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Income Tax Rate	1.75%	1.75%	1.75%	1.75%	1.75%
Total Tax Collected	\$20,420,533	\$20,708,589	\$18,880,102	\$18,775,403	\$19,380,456
Income Tax Receipts					
Withholding	15,928,540	15,761,577	15,034,690	14,871,975	15,394,159
Percentage	78.00%	76.12%	79.63%	79.21%	79.43%
Corporate	1,850,596	2,399,014	1,264,276	1,389,251	1,407,060
Percentage	9.06%	11.58%	6.70%	7.40%	7.26%
Individuals	2,641,397	2,547,998	2,581,136	2,514,176	2,579,238
Percentage	12.94%	12.30%	13.67%	13.39%	13.31%

Source: City Income Tax Department

*City of Newark*

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



# City of Newark

## Income Tax Statistics Current Year and Nine Years Ago

Calendar Year 2016						
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%	\$22,982,755	3.37%	\$402,198	3.37%
All Others	16,741	99.94%	659,903,179	96.63%	11,548,306	96.63%
Total	16,751	100.00%	\$682,885,934	100.00%	\$11,950,504	100.00%

Calendar Year 2007						
Income Tax Filers	Number of Filers	Percent of Total	Taxable Income	Percent of Income	Income Tax Collections	Percent of Income
Top Ten	10	0.05%	\$28,822,867	4.03%	\$504,400	4.03%
All Others	21,272	99.95%	685,524,040	95.97%	11,996,671	95.97%
Total	21,282	100.00%	\$714,346,907	100.00%	\$12,501,071	100.00%

Source: City Income Tax Department

# City of Newark

## Ratios of Outstanding Debt By Type Last Ten Years

	2007	2008	2009	2010
<b>Governmental Activities</b> <sup>(1)</sup>				
General Obligation Bonds Payable	\$14,115,868	\$14,609,991	\$14,074,991	\$15,234,991
Ohio Public Works Commission Loan Payable	0	0	0	0
Capital Leases	3,255,703	2,904,221	2,253,763	2,218,696
ODOT State Infrastructure Bank Loan	0	0	1,021,359	1,184,313
<b>Business-type Activities</b> <sup>(1)</sup>				
General Obligation Bonds Payable	\$8,252,069	\$6,925,411	\$7,333,753	\$6,506,120
Ohio Water Development Authority Loans Payable	10,754,578	11,845,846	12,687,667	22,899,357
Ohio Public Works Commission Loans Payable	554,439	526,007	1,119,535	1,049,964
Special Assessment Bonds Payable	35,900	30,772	25,644	20,516
Capital Leases	418,364	398,080	362,395	319,995
Total Primary Government	<u>\$37,386,921</u>	<u>\$37,240,328</u>	<u>\$38,879,107</u>	<u>\$49,433,952</u>
<b>Population</b> <sup>(2)</sup>				
City of Newark	46,279	46,279	46,279	47,537
Outstanding Debt Per Capita	\$808	\$805	\$840	\$1,040
<b>Income</b> <sup>(3)</sup>				
Personal (in thousands)	\$1,569,876	\$1,600,374	\$1,581,029	\$1,648,155
Percentage of Personal Income	2.38%	2.33%	2.46%	3.00%

### 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 2015, for the presentation of 2016 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*

2011	2012	2013	2014	2015	2016
\$15,759,991	\$15,039,991	\$14,854,203	\$14,873,212	\$14,182,321	\$19,153,042
0	0	600,000	600,000	585,000	558,277
2,001,395	1,794,187	1,397,398	905,528	802,766	835,963
1,299,147	1,863,165	1,651,980	1,371,388	1,082,314	784,505
\$7,145,172	\$11,268,626	\$13,798,821	\$12,332,636	\$10,796,376	\$9,244,510
25,580,376	27,158,821	32,630,272	33,729,939	37,218,169	39,331,720
980,393	910,822	1,673,341	1,562,166	1,450,991	1,339,816
15,388	10,260	5,132	0	0	0
275,901	230,049	285,659	202,691	116,710	27,607
<u>\$53,057,763</u>	<u>\$58,275,921</u>	<u>\$66,896,806</u>	<u>\$65,577,560</u>	<u>\$66,234,647</u>	<u>\$71,275,440</u>
47,537	47,537	47,537	47,537	47,537	47,537
\$1,116	\$1,226	\$1,407	\$1,380	\$1,393	\$1,499
\$1,782,210	\$1,894,349	\$1,837,685	\$1,897,962	\$1,976,636	\$1,976,636
2.98%	3.08%	3.64%	3.46%	3.35%	3.61%

# *City of Newark*

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

Year	2007	2008	2009	2010
<b>Population</b> <sup>(1)</sup>	46,279	46,279	46,279	47,537
<b>Personal Income</b> <sup>(2)</sup>	\$1,569,876,238	\$1,600,374,099	\$1,581,029,477	\$1,648,155,327
<b>General Bonded Debt</b>				
General Obligation Bonds	\$22,367,937	\$21,535,402	\$21,408,744	\$21,741,111
<b>Resources Available to Pay Principal</b>	\$6,126	\$154,983	\$8,059	\$18,749
<b>Net General Bonded Debt</b>	\$22,361,811	\$21,380,419	\$21,400,685	\$21,722,362
<b>Ratio of Net Bonded Debt to Personal Income</b>	1.42%	1.34%	1.35%	1.32%
<b>Net Bonded Debt per Capita</b>	\$483.20	\$461.99	\$462.43	\$456.96

**Sources:**

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

(2) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2015, for the presentation of 2016 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*

2011	2012	2013	2014	2015	2016
47,537	47,537	47,537	47,537	47,537	47,537
\$1,782,209,667	\$1,894,349,450	\$1,837,685,346	\$1,897,962,262	\$1,976,635,997	\$1,976,635,997
\$22,905,163	\$26,308,617	\$28,653,024	\$27,205,848	\$24,978,697	\$28,397,552
\$166,935	\$391,186	\$699,446	\$1,585,501	\$1,368,476	\$1,207,458
\$22,738,228	\$25,917,431	\$27,953,578	\$25,620,347	\$23,610,221	\$27,190,094
1.28%	1.37%	1.52%	1.35%	1.19%	1.38%
\$478.33	\$545.21	\$588.04	\$538.96	\$496.67	\$571.98



## *City of Newark*

*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
December 31, 2016*

<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>
<b>Direct:</b>			
City of Newark	\$21,331,787	100.00%	\$21,331,787
<b>Overlapping:</b>			
Career and Technology Education Center	3,643,333	18.77%	683,854
Licking County	25,841,037	19.55%	5,051,923
		Subtotal	5,735,777
		Total	\$27,067,564

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	2007	2008	2009	2010
<b>Total Debt</b>				
Net Assessed Valuation	\$810,786,940	\$799,331,100	\$789,272,045	\$799,841,220
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	85,132,629	83,929,766	82,873,565	83,983,328
City Debt Outstanding (2)	12,744,991	12,619,991	12,214,991	11,859,991
Less: Applicable Debt Service Fund Amounts	(6,126)	(154,983)	(8,059)	(18,749)
Net Indebtedness Subject to Limitation	12,738,865	12,465,008	12,206,932	11,841,242
Overall Legal Debt Margin	<u>\$72,393,764</u>	<u>\$71,464,758</u>	<u>\$70,666,633</u>	<u>\$72,142,086</u>
Debt Margin as a Percentage of Debt Limit	85.04%	85.15%	85.27%	85.90%
<b>Unvoted Debt</b>				
Net Assessed Valuation	\$810,786,940	\$799,331,100	\$789,272,045	\$799,841,220
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	44,593,282	43,963,211	43,409,962	43,991,267
City Debt Outstanding (2)	12,744,991	12,619,991	12,214,991	11,859,991
Less: Applicable Debt Service Fund Amounts	(6,126)	(154,983)	(8,059)	(18,749)
Net Indebtedness Subject to Limitation	12,738,865	12,465,008	12,206,932	11,841,242
Overall Legal Debt Margin	<u>\$31,854,417</u>	<u>\$31,498,203</u>	<u>\$31,203,030</u>	<u>\$32,150,025</u>

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

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

Source: City Auditor's Office

*City of Newark*

2011	2012	2013	2014	2015	2016
\$803,775,990	\$804,198,160	\$811,606,160	\$799,885,660	\$770,883,080	\$776,258,520
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
84,396,479	84,440,807	85,218,647	83,987,994	80,942,723	81,507,145
12,529,991	14,159,991	14,809,991	19,329,991	19,008,515	18,372,230
(166,935)	(391,186)	(699,446)	(1,585,501)	(1,368,476)	(1,207,458)
12,363,056	13,768,805	14,110,545	17,744,490	17,640,039	17,164,772
\$72,033,423	\$70,672,002	\$71,108,102	\$66,243,504	\$63,302,684	\$64,342,373
85.35%	83.69%	83.44%	78.87%	78.21%	78.94%
\$803,775,990	\$804,198,160	\$811,606,160	\$799,885,660	\$770,883,080	\$776,258,520
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
44,207,679	44,230,899	44,638,339	43,993,711	42,398,569	42,694,219
12,529,991	14,159,991	14,809,991	19,329,991	19,008,515	18,372,230
(166,935)	(391,186)	(699,446)	(1,585,501)	(1,368,476)	(1,207,458)
12,363,056	13,768,805	14,110,545	17,744,490	17,640,039	17,164,772
\$31,844,623	\$30,462,094	\$30,527,794	\$26,249,221	\$24,758,530	\$25,529,447

# City of Newark

## Pledged Revenue Coverage Last Ten Years

	2007	2008	2009	2010	2011
<b>Special Assessment Bonds (1)</b>					
Special Assessment Collections	\$24,264	\$0	\$0	\$0	\$0
Debt Service					
Principal	25,000	0	0	0	0
Interest	1,250	0	0	0	0
Coverage	0.92	0.00	0.00	0.00	0.00
<b>Special Assessment Bonds (2)</b>					
Special Assessment Collections	\$6,725	\$7,198	\$6,725	\$6,245	\$6,525
Debt Service					
Principal	5,128	5,128	5,128	5,128	5,128
Interest	1,948	1,706	1,462	1,218	974
Coverage	0.95	1.05	1.02	0.98	1.07
<b>Tax Increment Financing (TIF) (3)</b>					
Payment in Lieu of Taxes	\$172,892	\$171,761	\$163,200	\$164,491	\$170,495
Debt Service					
Principal	60,000	80,000	85,000	85,000	90,000
Interest	125,645	106,332	103,132	99,732	96,332
Coverage	0.93	0.92	0.87	0.89	0.92
<b>Tax Increment Financing (TIF) (4)</b>					
Payment in Lieu of Taxes	\$0	\$111,174	\$88,014	\$97,264	\$99,659
Debt Service					
Principal	0	50,000	45,000	45,000	55,000
Interest	0	41,919	44,992	43,304	41,616
Coverage	0.00	1.21	0.98	1.10	1.03

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

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

(3) East Main Street Improvement, Governmental Activities

(4) Deo Drive Improvement, Governmental Activities

Source: City Auditor's Office



*City of Newark*

2012	2013	2014	2015	2016
\$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
\$7,254	\$6,725	\$6,529	\$0	\$0
5,128	5,128	5,132	0	0
730	488	244	0	0
1.24	1.20	1.21	0.00	0.00
\$232,252	\$166,819	\$25,587	\$69,405	\$0
95,000	100,000	100,000	105,000	120,000
92,732	88,932	84,932	80,932	87,640
1.24	0.88	0.14	0.37	0.00
\$108,302	\$107,079	\$111,712	\$112,753	\$114,903
55,000	55,000	55,000	55,000	60,000
39,554	37,492	35,428	33,366	31,304
1.15	1.16	1.24	1.28	1.26

# City of Newark

## Demographic and Economic Statistics Last Ten Years

Calendar Year	2007	2008	2009	2010	2011
<b>Population</b> <sup>(1)</sup>					
City of Newark	46,279	46,279	46,279	47,537	47,537
Licking County	154,806	154,806	154,806	166,492	166,492
<b>Income</b> <sup>(2) (a)</sup>					
Total Personal (in thousands)	\$1,569,876	\$1,600,374	\$1,581,029	\$1,648,155	\$1,782,210
Per Capita	\$33,922	\$34,581	\$34,163	\$34,671	\$37,491
<b>Unemployment Rate</b> <sup>(3)</sup>					
Federal	4.6%	5.8%	9.7%	8.9%	8.9%
State	5.6%	6.6%	10.2%	8.5%	8.6%
Licking County	5.2%	6.1%	11.1%	8.7%	8.0%
<b>Civilian Work Force Estimates</b> <sup>(3)</sup>					
State	5,976,500	5,986,400	5,979,100	5,989,150	5,806,500
Licking County	84,500	85,600	85,700	86,700	84,400

### Sources:

- (1) U.S. Bureau of Census of Population.
- (2) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2015, for the presentation of 2016 statistics, the City is using the latest information available. As the most current information becomes available, prior year figures are updated.
  - (a) Per Capita Income is only available by County, Total Personal Income is a calculation.
- (3) State Department of Labor Statistics.

*City of Newark*

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2012	2013	2014	2015	2016
47,537	47,537	47,537	47,537	47,537
166,492	166,492	166,492	166,492	166,492
\$1,894,349	\$1,837,685	\$1,897,962	\$1,976,636	\$1,976,636
\$39,850	\$38,658	\$39,926	\$41,581	\$41,581
7.8%	7.4%	5.6%	5.3%	4.9%
6.7%	7.4%	5.1%	4.9%	4.9%
6.5%	6.9%	4.1%	4.2%	4.3%
5,740,900	5,704,000	5,726,000	5,731,000	5,788,000
84,829	85,800	87,900	88,400	87,900



# City of Newark

## Principal Employers Current Year and Nine Years Ago

		2016	
Employer	Nature of Business	Number of Employees	Rank
Licking Memorial Hospital	Health Care	1,950	1
State Farm	Insurance	1,180	2
Licking County Government	Government	1,180	3
Newark City Schools	Education	980	4
Anomatic	Metal Finishers	925	5
OSUN/COTC	Education	720	6
Walmart	Retail	620	7
Owens Corning	Fiberglass Insulation	550	8
Park National Bank	Banking	540	9
City of Newark	Government	352	10
Total		8,997	
Total Employment within the City (1)		N/A	

		2007	
Employer	Nature of Business	Number of Employees	Rank
State Farm Insurance	Insurance	1,410	1
Newark City Schools	School District	1,367	2
Licking County Government	Government	1,284	3
Licking Memorial Hospital	Hospital	1,282	4
Anomatic Corp.	Metal Finishings	1,147	5
Owens Corning, Inc.	Fiberglass Insulation	975	6
OSUN/COTC	Education	671	7
Park National Bank	Financial	586	8
City of Newark	Government	486	9
Longaberger Corp.	Decorative Basket Manufacturer	480	10
Total		9,688	
Total Employment within the City		19,322	

(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

	2007	2008	2009	2010	2011
<b>Governmental Activities</b>					
General Government					
Finance	20.00	20.00	19.00	19.00	19.00
Legal/Court	52.00	52.00	51.00	51.00	51.00
Administration	31.00	30.00	29.00	29.00	29.00
Maintenance	18.00	18.00	16.00	16.00	16.00
Security of Persons and Property					
Police	106.00	106.00	104.00	103.00	105.00
Fire	86.00	88.00	88.00	87.00	88.00
Transportation					
Street	32.00	32.00	29.00	28.00	28.00
Leisure Time Activities					
Recreation/Seniors	20.00	18.00	16.00	16.00	15.00
Community Environment	42.00	42.00	40.00	40.00	40.00
Community Development	7.00	7.00	9.00	9.00	11.00
<b>Business-Type Activities</b>					
Utilities					
Water	45.00	45.00	44.00	44.00	44.00
Sewer	26.00	26.00	25.00	25.00	25.00
Storm Water	1.00	2.00	3.00	3.00	3.00
<i>Total Employees</i>	<u>486.00</u>	<u>486.00</u>	<u>473.00</u>	<u>470.00</u>	<u>474.00</u>

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

Source: City Auditor's Office

*City of Newark*

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2012	2013	2014	2015	2016
19.00	19.00	19.00	18.00	18.00
51.00	50.00	50.00	46.00	42.00
29.00	29.00	29.00	27.00	26.00
16.00	16.00	16.00	16.00	16.00
105.00	104.00	104.00	96.00	77.00
88.00	88.00	88.00	87.00	80.00
28.00	28.00	28.00	25.00	25.00
15.00	14.00	14.00	14.00	12.00
40.00	40.00	40.00	30.00	30.00
9.00	5.00	5.00	4.00	4.00
44.00	44.00	46.00	41.00	41.00
25.00	25.00	29.00	26.00	26.00
3.00	3.00	3.00	3.00	30.00
472.00	465.00	471.00	433.00	427.00

# City of Newark

## Operating Indicators by Function Last Ten Years

	2007	2008	2009	2010	2011
<b>Governmental Activities</b>					
General Government					
Court					
Number of Traffic Cases	3,602	3,777	3,922	3,999	4,021
Licenses and Permits					
Number of Building Permits	521	501	450	437	444
Security of Persons and Property					
Police					
Number of Citations Issued	2,213	2,322	2,353	2,453	2,503
Number of Arrests	1,797	1,832	1,702	1,767	1,802
Fire					
Number of Fire Calls	6,204	6,220	6,316	6,288	6,334
Number of EMS Runs	7,737	7,839	6,998	7,002	7,253
Transportation					
Street					
Number of Streets Resurfaced	33	35	35	36	35
Community Environment					
Number of Code Violations	7	8	5	N/A	N/A
<b>Business-Type Activities</b>					
Water					
Number of Service Connections	20,408	20,543	20,543	20,777	20,827
Water Main Breaks	29	28	38	44	32
Daily Average Consumption (thousands of gallons)	8.9M	9.0M	8.9M	9.0M	9.0M
Sewer					
Number of Service Connections	18,687	18,703	18,723	18,798	18,842
Daily Average Sewage Treatment (thousands of gallons)	8.4M	8.5M	8.4M	8.5M	8.6M

Source: City Auditor's Office



*City of Newark*

2012	2013	2014	2015	2016
3,912	3,936	4,002	4,121	4,020
453	450	452	370	401
2,516	2,614	2,725	2,814	2,874
1,811	1,896	1,915	2,019	2,088
6,111	5,921	5,411	5,466	5,461
7,310	7,412	7,501	7,618	7,701
34	35	39	32	34
N/A	N/A	N/A	N/A	N/A
20,888	20,897	20,902	20,911	20,901
36	35	39	44	58
9.1M	9.2M	9.3M	9.4M	9.4M
18,911	18,925	18,999	19,122	19,119
8.7M	8.8M	8.9M	8.9M	8.9M

# City of Newark

## Capital Asset Statistics by Function Last Ten Years

	2007	2008	2009	2010	2011
<b>Governmental Activities</b>					
General Government					
Public Land and Buildings					
Land (acres)	459	459	459	459	459
Buildings	29	29	29	29	29
Security of Persons and Property					
Police					
Stations	1	1	1	1	1
Vehicles	22	22	22	23	24
Fire					
Stations	4	4	4	4	4
Vehicles	19	20	20	22	22
Transportation					
Street					
Streets (lane miles)	228	228	228	228	228
Traffic Signals	3,342	3,342	3,342	3,344	3,346
Vehicles	39	39	39	40	41
Leisure Time Activities					
Recreation/Seniors					
Land (acres)					
Buildings	16	16	16	16	16
Parks	39	39	39	39	39
Playgrounds	14	14	14	14	14
Swimming Pools	1	1	1	1	1
Baseball/Softball Diamonds	12	12	12	12	12
<b>Business-Type Activities</b>					
Utilities					
Water					
Waterlines (Miles)	201	203	203	204	204
Number of Hydrants	284	290	288	290	291
Sewer					
Sewer lines (Miles)	189	191	191	192	194
Lift Stations	7	7	10	10	10
Storm Water Drainage					
Storm Drains (Miles)	108	110	110	115	117
Number of Catch Basins	4,490	4,494	4,494	4,504	4,508

Source: City Auditor's Office

*City of Newark*

2012	2013	2014	2015	2016
459	459	459	459	459
29	29	29	29	29
1	1	1	1	1
24	24	24	24	24
4	4	4	4	4
22	22	22	23	23
228	228	228	228	228
3,348	3,348	3,348	3,351	3,351
42	42	42	42	42
16	16	16	16	16
39	39	39	39	39
14	14	14	14	14
1	1	1	1	1
12	12	12	12	12
204	204	204	205	205
291	291	291	292	292
194	194	194	194	194
10	10	10	10	10
117	117	119	120	120
4,529	4,529	4,533	4,536	4,536

