

City of Newark, Ohio

Licking County



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2022



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2022

Prepared by the Auditor's Office

Ryan T. Bubb
City Auditor



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LICKING COUNTY, OHIO

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INTRODUCTORY SECTION





CITY OF NEWARK

40 West Main Street • Newark, Ohio 43055

Ryan T. Bubbs, City Auditor

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

June 23, 2023

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

We are pleased to submit for your review the Annual Comprehensive Financial Report of the City of Newark, Ohio for the fiscal year ended December 31, 2022. 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, 2022***

Form of Government:

Statutory

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

City Charter

The Newark City Charter was approved by the voters in November of 1997 and became effective January 1, 1998. The Charter was amended in November 2002, 2007, 2012 and again in 2017. Some highlights of the Charter are as follows:

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

Location:

Newark is located in the central part of the state, approximately 33 miles east of Columbus, the state capital. Its 22.30 square mile area serves a residential population of 50,943. The City's elevation is approximately 830 feet above sea level. Its median temperatures are 75 degrees in summer and 30.2 degrees in winter. State highways 79, 13 and 16 serve as the City's major transportation arteries. The City is also served by the east-west interstate highway I-70 which lies approximately 9 miles to the south.

Letter of Transmittal

For the Year Ended December 31, 2022

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

Newark is the home of the Historic Moundbuilders State Memorial Park, known for its prehistoric Indian lore and featuring an Ohio Indian art museum. The historic Midland Theatre also calls Newark home offering many concerts and events throughout the year.

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

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

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

Municipal Services:

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2022***

ECONOMIC OUTLOOK

Local Economy:

The Newark-Licking County area continues to benefit from a stable economy. Several industrial parks in close proximity to Newark provide employment opportunities for residents in and around Newark and neighboring communities within the borders of Licking County. The Licking County region is close to post bulk mail centers and package delivery air hubs.

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

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

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

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2022***

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

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

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

Unemployment Rates:

The Ohio Bureau of Employment Services does not maintain statistics for the City of Newark, but unemployment within the City was estimated to be 4%.

Employee Relations:

The City of Newark negotiates contracts with three employee bargaining units. These groups consist of Local 109 of the International Association of Firefighters, Lodge 12 of the Licking County Fraternal Order of Police, and the American Federation of State, County and Municipal Employees (AFSCME) Local 2963 Ohio Council 8, AFL-CIO. Non Union consists of the following: Non Bargaining, Management and Supervisory, Administrative/Technical, and Police/Fire Chiefs. Current contracts with union employees cover the years 2020 through 2022.

MAJOR INITIATIVES

During 2022, continuing efforts were made to upgrade services and improve the quality of life for the citizens of Newark through the following projects:

Infrastructure Improvements:

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

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2022***

Parks and Recreation

Throughout 2022, Parks and Recreations throughout the City continued to evolve. At Horns Hill Park - 5 miles of Mountain Bike Paths were constructed and remodeling was finished on 2 shelter houses. Additionally, plans for a second playground are in the works. Over 1,100 baseball games were played at Don Edwards Park bringing many overnight stays to our City. Trout and Catfish Derby Tournaments were held at TJ Evans. Northpoint Dive Quarry at TJ Evans continues to be a major attraction for diving and law enforcement instruction. Also, at TJ Evans, 5 shelter houses continued to be offered to the public. Everett Park hosted 2 skateboard tournaments and is used on an almost daily basis. A disc golf course at TJ Evans attracts numerous guests during the year. Also, at Everett Park, you will find The Civil Air Patrol headquarters and a dog park. A second dog park was planned in 2021 at Reddington Rd. Canal Market hosts Farmers Markets and Private Events throughout at the Spring, Summer, and Fall. The Historic Licking County Jail brings many visitors to our City during the Fall.

City-Wide Initiatives

During 2022 financing was arranged for the following:

- A roundabout to be constructed at the intersection of Horns Hill Road and Waterworks Road.
- A new fire station to be constructed on Horns Hill Road.

Long-Term Financial Planning

During fiscal year 2007 the City began charging for EMS transport services. Legislation has been passed and amended mandating that 8% of the proceeds be set aside in reserve to provide stability to the City's General Fund with an additional 20% of the proceeds being earmarked and credited to the City's Capital Improvement Fund, 9% is for EMS vehicles, 37% for Buildings for Property and Fire Stations. which is dedicated to infrastructure upgrades and improvements. As a result of these fees, the City has been able to increase the number of firefighters and medics and has been able to increase the replacement of EMS transport vehicles.

***Letter of Transmittal
For the Year Ended December 31, 2022***

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 classification level for each function within each fund by legislation approved by City Council. The various objects are:

- * Personnel services
- * All others

***Letter of Transmittal
For the Year Ended December 31, 2022***

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 Wilson, Shannon and Snow Inc. The independent Auditor's unmodified opinion has been included in this report.

Awards:

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Newark, Ohio for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2021. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards in state and local government financial reporting. To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Annual Comprehensive Financial Report whose contents satisfy all program standards. The report must satisfy both accounting principles generally accepted in the United States of America (GAAP) and applicable legal requirements respective to the reporting entity.

A Certificate of Achievement is valid for a period of one year only. The City of Newark has received a certificate of Achievement for thirty-one consecutive years (1991 - 2021). We believe this current report continues to conform to the Certificate of Achievement for Excellence in Financial Reporting program requirements and are submitting it to the GFOA.

Public Disclosure:

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

***Letter of Transmittal
For the Year Ended December 31, 2022***

Acknowledgments:

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

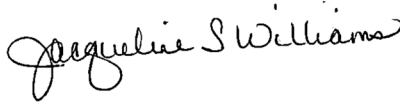
We also express our sincere appreciation to Donald J. Schonhardt and Associates, Inc. for their professional manner, expertise and countless hours of consultation in completing this annual financial report for the citizens of this community.

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

Respectfully,



Ryan T. Bubba
City Auditor



Jacqueline S. Williams
Accounting Manager



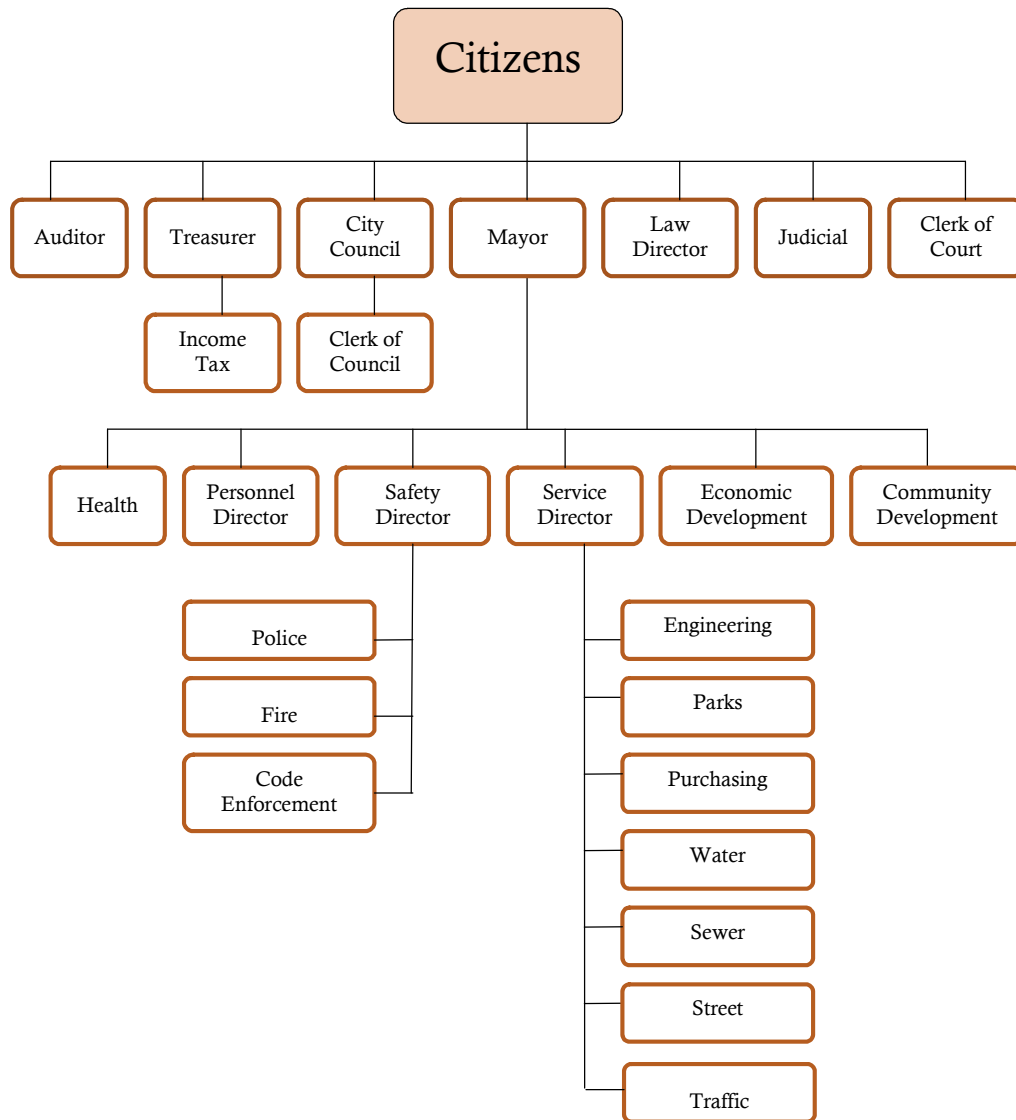
James A. Weisent
Deputy City Auditor

CITY OF NEWARK, OHIO

***List of Principal Officials
For the Year Ended December 31, 2022***

NAME	TITLE	TERM OF OFFICE
Jeff Hall	Mayor	01/01/20 to 12/31/23
Ryan T. Bubb	Auditor	01/01/20 to 12/31/23
Matt George	Judge	01/01/20 to 12/31/25
David Stansbury	Judge	01/01/18 to 12/31/23
Tricia Moore	Law Director	01/01/21 to 12/31/23
Bradley Feightner	Treasurer	01/01/22 to 12/31/25
Don Ellington	President of Council	01/01/20 to 12/31/23
Cheri Hottinger	Council-at-Large	01/01/20 to 12/31/23
Spencer Barker.	Council-at-Large	01/01/20 to 12/31/23
Jeff Harris	Council-at-Large	01/01/18 to 12/31/23
Michael Houser	Council 1st Ward	01/01/22 to 12/31/25
Beth Blin	Council 2nd Ward	01/01/22 to 12/31/25
Jeff Rath	Council 3rd Ward	01/01/22 to 12/31/25
Mark Labutis	Council 4th Ward	01/01/22 to 12/31/25
Jonathan Lang	Council 5th Ward	01/01/22 to 12/31/25
Douglas Marmie	Council 6th Ward	01/01/22 to 12/31/25
Colton Rine	Council 7th Ward	01/01/22 to 12/31/25
Marcia Phelps	Clerk of Court	01/01/20 to 12/31/26

***City Organizational Chart
For the Year Ended December 31, 2022***



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



Government Finance Officers Association

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

Presented to

**City of Newark
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Newark, Licking County, Ohio as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and American Rescue Plan Act funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary information

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

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2023, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Wilson, Shannon & Sons, Inc.

Newark, Ohio
June 23, 2023



***Management's Discussion and Analysis
For the Year Ended December 31, 2022***

Unaudited

This discussion and analysis of the City of Newark's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2022. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, 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 2022 are as follows:

- ❑ In total, net position increased \$18,613,065. Net position of governmental activities increased \$11,749,240, or 27% from 2021. Net position of business-type activities increased \$6,863,825 or 16% from 2021.
- ❑ General revenues accounted for \$35,423,883 in revenue or 46% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$41,857,294, or 54% of total revenues of \$77,281,177.
- ❑ The City had \$43,004,659 in expenses related to governmental activities; only \$19,337,023 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$35,416,876 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$39,024,288 in revenues and other financing sources and \$37,742,770 in expenditures and other financing uses. The general fund's fund balance increased from \$11,767,991 to \$13,049,509.

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, 2022***

Unaudited

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

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

**Management's Discussion and Analysis
For the Year Ended December 31, 2022**

Unaudited

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a summary of the City's net position for 2022 compared to 2021.

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	\$58,879,060	\$53,389,519	\$23,532,062	\$20,443,952	\$82,411,122	\$73,833,471
Net OPEB Asset	1,527,562	855,150	757,033	421,463	2,284,595	1,276,613
Capital Assets, Net	92,027,758	85,400,143	136,675,043	123,809,545	228,702,801	209,209,688
Total Assets	152,434,380	139,644,812	160,964,138	144,674,960	313,398,518	284,319,772
Deferred Outflows of Resources	14,315,720	8,877,504	1,206,394	1,438,798	15,522,114	10,316,302
Net Pension Liability	32,218,751	36,418,031	2,070,860	3,462,168	34,289,611	39,880,199
Net OPEB Liability	4,919,531	4,568,326	0	0	4,919,531	4,568,326
Other Long-term Liabilities	32,347,201	30,417,939	97,814,597	90,162,299	130,161,798	120,580,238
Other Liabilities	19,328,143	17,574,795	7,726,624	4,996,351	27,054,767	22,571,146
Total Liabilities	88,813,626	88,979,091	107,612,081	98,620,818	196,425,707	187,599,909
Deferred Inflows of Resources	22,314,690	15,670,681	3,428,398	3,226,712	25,743,088	18,897,393
Net Position						
Net Investment in Capital Assets	63,519,450	58,547,237	39,963,556	36,307,178	103,483,006	94,854,415
Restricted	16,278,758	14,738,392	0	0	16,278,758	14,738,392
Unrestricted	(24,176,424)	(29,413,085)	11,166,497	7,959,050	(13,009,927)	(21,454,035)
Total Net Position	\$55,621,784	\$43,872,544	\$51,130,053	\$44,266,228	\$106,751,837	\$88,138,772

The net pension liability (NPL) is reported by the City pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net OPEB liability (NOL) is reported by the City pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

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

***Management's Discussion and Analysis
For the Year Ended December 31, 2022***

Unaudited

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

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

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

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

CITY OF NEWARK, OHIO

Management's Discussion and Analysis For the Year Ended December 31, 2022

Unaudited

Change in Net Position – The following table shows the change in net position for 2022 compared with 2021:

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues:						
Charges for Services and Sales	\$5,387,616	\$6,565,567	\$20,974,233	\$19,176,263	\$26,361,849	\$25,741,830
Operating Grants and Contributions	9,685,795	6,653,830	0	0	9,685,795	6,653,830
Capital Grants and Contributions	4,263,612	5,999,528	1,546,038	660,146	5,809,650	6,659,674
Total Program Revenues	19,337,023	19,218,925	22,520,271	19,836,409	41,857,294	39,055,334
General Revenues:						
Property Taxes	3,880,580	3,838,612	0	0	3,880,580	3,838,612
Income Taxes	28,153,154	26,323,603	0	0	28,153,154	26,323,603
Other Local Taxes	586,689	693,166	0	0	586,689	693,166
Intergovernmental, Unrestricted	2,220,594	2,105,938	0	0	2,220,594	2,105,938
Investment Earnings	(123,713)	98,937	7,007	432	(116,706)	99,369
Miscellaneous	699,572	2,501,453	0	0	699,572	2,501,453
Total General Revenues	35,416,876	35,561,709	7,007	432	35,423,883	35,562,141
Total Revenues	54,753,899	54,780,634	22,527,278	19,836,841	77,281,177	74,617,475
Program Expenses						
Security of Persons and Property	20,946,340	20,388,448	0	0	20,946,340	20,388,448
Leisure Time Activities	930,189	709,835	0	0	930,189	709,835
Community Environment	1,199,495	1,275,008	0	0	1,199,495	1,275,008
Public Health and Welfare Services	29,078	32,098	0	0	29,078	32,098
Transportation	4,612,892	4,111,421	0	0	4,612,892	4,111,421
General Government	14,305,997	9,868,895	0	0	14,305,997	9,868,895
Interest and Fiscal Charges	980,668	757,487	0	0	980,668	757,487
Water	0	0	5,919,670	4,493,994	5,919,670	4,493,994
Sewer	0	0	7,559,020	6,937,457	7,559,020	6,937,457
Storm Water	0	0	2,184,763	1,957,102	2,184,763	1,957,102
Total Expenses	43,004,659	37,143,192	15,663,453	13,388,553	58,668,112	50,531,745
Change in Net Position Before Transfers	11,749,240	17,637,442	6,863,825	6,448,288	18,613,065	24,085,730
Transfers	0	(121,529)	0	121,529	0	0
Total Change in Net Position	11,749,240	17,515,913	6,863,825	6,569,817	18,613,065	24,085,730
Beginning Net Position	43,872,544	26,356,631	44,266,228	37,696,411	88,138,772	64,053,042
Ending Net Position	\$55,621,784	\$43,872,544	\$51,130,053	\$44,266,228	\$106,751,837	\$88,138,772

Governmental Activities

Governmental activities net position increased \$11,749,240, or 27%. An increase in charges for services in the prior year due to a catch up of collection charges for various Joint Economic Development District agreements resulted in a subsequent decrease in charges for services in 2022. An increase in operating grants can be attributed to Coronavirus Relief Funding received as part of the American Rescue Plan Act. An increase in income taxes was the result of improving economic conditions. A decrease in miscellaneous revenue can be attributed to Ohio Bureau of Workers' Compensation refunds received in the prior year.

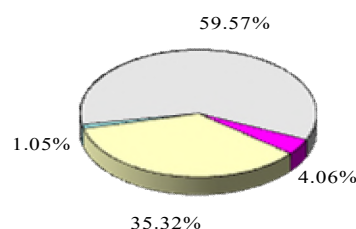
**Management's Discussion and Analysis
For the Year Ended December 31, 2022****Unaudited**

A substantial decrease in expenses in the prior year due to changes in the Net Pension and Net OPEB liabilities/asset resulted in a subsequent increase in expenses in 2022.

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 51% and 7% respectively of revenues for governmental activities in 2022. The City's reliance upon tax revenues is demonstrated by the following graph indicating 60% of total revenues from general tax revenues:

Revenue Sources	2022	Percent of Total
General Tax Revenues	\$32,620,423	59.57%
Intergovernmental, Unrestricted	2,220,594	4.06%
Program Revenues	19,337,023	35.32%
General Other	575,859	1.05%
Total Revenue	<u>\$54,753,899</u>	<u>100.00%</u>

**Business-Type Activities**

Net position of business-type activities increased \$6,863,825. This represents a 16% change from the previous year. An increase in charges for services can mostly be attributed to rate increases in water and sewer. A substantial decrease in expenses in the prior year due to changes in the Net Pension and Net OPEB liabilities/asset resulted in a subsequent increase in expenses in 2022.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$29,023,819, which is an increase from last year's balance of \$25,160,710. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2022 and 2021:

	Fund Balance December 31, 2022	Fund Balance December 31, 2021	Increase (Decrease)
General	\$13,049,509	\$11,767,991	\$1,281,518
American Rescue Plan Act	0	0	0
Capital Improvement	2,394,089	579,638	1,814,451
Other Governmental	13,580,221	12,813,081	767,140
Total	<u>\$29,023,819</u>	<u>\$25,160,710</u>	<u>\$3,863,109</u>

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

Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

	2022	2021	Increase
	Revenues	Revenues	(Decrease)
Taxes	\$31,181,220	\$29,229,576	\$1,951,644
Intergovernmental Revenues	2,292,750	2,132,432	160,318
Charges for Services	3,672,653	4,412,035	(739,382)
Licenses, Permits and Fees	151,726	103,659	48,067
Investment Earnings	(79,506)	(17,669)	(61,837)
Fines and Forfeitures	1,163,101	1,383,656	(220,555)
All Other Revenue	578,468	1,952,205	(1,373,737)
Total	<u>\$38,960,412</u>	<u>\$39,195,894</u>	<u>(\$235,482)</u>

Overall, General Fund revenues remained stable, decreasing \$235,482, or less than 1% when compared with the previous year. An increase in taxes was the result of an increase in income taxes, which can be attributed to improving economic conditions. An increase in charges for services in the prior year due to a catch up of collection charges for various Joint Economic Development District agreements resulted in a subsequent decrease in charges for services in 2022. A decrease in miscellaneous revenue can be attributed to Ohio Bureau of Workers' Compensation refunds received in the prior year.

	2022	2021	Increase
	Expenditures	Expenditures	(Decrease)
Security of Persons and Property	\$19,206,825	\$19,029,786	\$177,039
Leisure Time Activities	998,411	908,520	89,891
Community Environment	487,465	503,659	(16,194)
Transportation	9,246	997	8,249
General Government	12,489,846	11,217,384	1,272,462
Debt Service:			
Principal Retirement	111,632	104,831	6,801
Interest and Fiscal Charges	10,594	17,396	(6,802)
Total	<u>\$33,314,019</u>	<u>\$31,782,573</u>	<u>\$1,531,446</u>

General Fund expenditures increased \$1,531,446, or approximately 5%. This can mostly be attributed to an increase in general government, which was the result of an overall increase in the cost of goods and services.

American Rescue Plant Act Fund – The City reported the expenditure of \$4,711,486 in State and Local Fiscal Recovery funds, as part of the American Rescue Plan Act for various capital improvements. The remaining \$12,487,256 of unspent funds are reflected on the balance sheet as unearned revenue.

Capital Improvement Fund – The City's Capital Improvement Fund balance increased substantially during 2022, to a balance of \$2,394,089. This can be attributed to the issuance of long-term debt as well as transfers in from the General Fund.

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. During the course of 2022 the City amended its General Fund budget several times.

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

For the General Fund, original and final budgeted receipts were not materially different. Actual budget basis receipts were 20% higher than final estimates due to an increase in income tax receipts. The difference between original, final budgeted, and actual expenditures was insignificant.

CAPITAL ASSETS AND DEBT ADMINISTRATION**Capital Assets**

At the end of 2022 the City had \$228,702,801 net of accumulated depreciation invested in land, construction in progress, buildings, improvements, infrastructure, equipment and vehicles. Of this total, \$92,027,758 was related to governmental activities and \$136,675,043 to the business-type activities. The following tables show 2022 and 2021 balances:

	Governmental Activities		Increase (Decrease)
	2022	2021	
Land	\$21,065,181	\$20,262,578	\$802,603
Construction In Progress	6,512,634	614,805	5,897,829
Buildings	27,682,452	26,146,204	1,536,248
Improvements Other than Buildings	5,153,465	5,153,465	0
Infrastructure	93,006,939	91,268,550	1,738,389
Machinery and Equipment	16,264,186	15,393,516	870,670
Less: Accumulated Depreciation	(77,657,099)	(73,438,975)	(4,218,124)
Totals	<u>\$92,027,758</u>	<u>\$85,400,143</u>	<u>\$6,627,615</u>

Infrastructure additions included developer donated streets at Connor's Pass as well as routine street improvements. Construction in progress included City Hall building improvements, Cherry Valley Road Bridge replacement, and roundabout improvements at Fourth Street and West Main Street. Machinery and equipment additions included police cruisers, street department vehicles, and other various public safety equipment purchases. Additions to land included the purchase of two parcels at Granville Road and 21st Street, which will allow for traffic safety improvements as well as construction of a bike path. Land was also purchased on Horns Hill Road for the future site of a new fire station. Building purchases included the acquisition of space within the former Chase building. The City intends to move several departments to this new space, which will create space for Municipal Court expansion at City Hall.

	Business-Type Activities		Increase (Decrease)
	2022	2021	
Land	\$161,800	\$161,800	\$0
Construction in Progress	42,905,545	45,542,975	(2,637,430)
Buildings and Improvements	58,255,134	58,255,134	0
Infrastructure	62,374,581	44,045,483	18,329,098
Machinery and Equipment	42,632,526	42,426,279	206,247
Less: Accumulated Depreciation	(69,654,543)	(66,622,126)	(3,032,417)
Totals	<u>\$136,675,043</u>	<u>\$123,809,545</u>	<u>\$12,865,498</u>

Significant additions to business-type activities capital assets consisted of multiple sewer separation projects, water and storm water improvements at Tamarack and Fortieth Streets, and developer donated infrastructure at Connor's Pass. Additional information on the City's capital assets can be found in Note 8.

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

Debt and Other Long-Term Obligations

The following table summarizes the City's debt and other long-term obligations outstanding as of December 31, 2022 and 2021:

	2022	2021
Governmental Activities:		
General Obligation Bonds	\$19,127,931	\$15,794,963
ODOT State Infrastructure Bank Loan	3,522,181	3,871,553
OPWC Loans	677,578	609,500
Long Term Note Payable	1,125,000	1,125,000
Installment Loans	2,575,347	3,406,678
Workers Compensation Retrospective Liability	238,106	465,245
Accrued Pension Liability	1,199,172	1,270,912
Compensated Absences	3,881,886	3,874,088
Total Governmental Activities	32,347,201	30,417,939
Business-Type Activities:		
General Obligation Bonds	6,457,929	6,937,070
Revenue Bonds	17,204,152	17,603,010
OWDA Loans	70,106,626	61,365,474
OPWC Loans	728,354	839,529
ODOT State Infrastructure Bank Loan	2,537,386	2,694,866
Compensated Absences	780,150	722,350
Total Business-Type Activities	97,814,597	90,162,299
Totals	\$130,161,798	\$120,580,238

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, 2022, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 12.

ECONOMIC FACTORS

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

While the City has experienced a general decline in manufacturing jobs over the past decade, two major industrial parks are located just outside the City limits and are responsible for a growth in manufacturing jobs. An Amazon distribution complex is located in nearby Etna Township along with two joint economic development zones (JEDZ) have also been created with Etna Township. The City has seen an increase in commercial and retail development in recent years that has provided a positive impact in the tax base. The unemployment in the City remains near the national average.

The City's operating budget has been affected by recession and economic uncertainty in recent years; however, an economic recovery is taking place. The income tax collections, after several years of growth, showed an 8% increase in 2022. It appears to have been impacted by the COVID 19 Pandemic. The City's operating budget however, show an increase over the same period and budgetary forecasts project that growth trend will continue. The City has focused on increasing its cash position by establishing a Budget Stabilization Fund with a dedicated revenue source provided by legislation.

REQUESTS FOR INFORMATION

The purpose of this financial report is to provide a clear picture to citizens, taxpayers, investors and creditors and any interested party of the City's accountability of the funds it receives. Please direct any questions you may have or request for additional information to: Ryan T. Bubbs, City Auditor, 40 West Main Street, Newark, Ohio 43055.



CITY OF NEWARK, OHIO**Statement of Net Position
December 31, 2022**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Pooled Cash and Investments	\$ 40,178,938	\$ 18,526,949	\$ 58,705,887
Cash and Cash Equivalents in Segregated Accounts	115,981	0	115,981
Cash and Cash Equivalents with Fiscal Agent	0	176,651	176,651
Investments	286,489	0	286,489
Receivables:			
Taxes	9,340,759	0	9,340,759
Accounts	1,010,778	2,611,549	3,622,327
Intergovernmental	3,034,619	0	3,034,619
Interest	128,258	0	128,258
Loans	2,379,526	0	2,379,526
Internal Balance	(196,871)	196,871	0
Inventory of Supplies at Cost	568,271	913,964	1,482,235
Prepaid Items	72,259	33,101	105,360
Restricted Assets:			
Cash and Cash Equivalents	925,645	0	925,645
Cash and Cash Equivalents with Fiscal Agent	18,060	1,072,977	1,091,037
Investments	379,445	0	379,445
Investments with Fiscal Agent	636,903	0	636,903
Net OPEB Asset	1,527,562	757,033	2,284,595
Non-Depreciable Capital Assets	27,577,815	43,067,345	70,645,160
Depreciable Capital Assets, Net	64,449,943	93,607,698	158,057,641
Total Assets	152,434,380	160,964,138	313,398,518
Deferred Outflows of Resources:			
Deferred Charge on Debt Refunding	120,338	127,871	248,209
Pension	11,545,480	1,049,732	12,595,212
OPEB	2,649,902	28,791	2,678,693
Total Deferred Outflows of Resources	14,315,720	1,206,394	15,522,114
Liabilities:			
Accounts Payable	1,090,383	514,261	1,604,644
Accrued Wages and Benefits	1,481,145	279,820	1,760,965
Intergovernmental Payable	148,083	0	148,083
Claims Payable	360,437	0	360,437
Matured Bonds and Interest Payable	0	13,728	13,728
Unearned Revenue	12,487,256	0	12,487,256
Accrued Interest Payable	220,839	518,815	739,654
General Obligation Notes Payable	3,540,000	6,400,000	9,940,000
Noncurrent Liabilities:			
Due Within One Year	4,455,537	4,221,789	8,677,326
Due in More Than One Year:			
Net Pension Liability	32,218,751	2,070,860	34,289,611
Net OPEB Liability	4,919,531	0	4,919,531
Other Amounts Due in More Than One Year	27,891,664	93,592,808	121,484,472
Total Liabilities	88,813,626	107,612,081	196,425,707

(Continued)

	Governmental Activities	Business-Type Activities	Total
Deferred Inflows of Resources:			
Property Tax Levy for Next Fiscal Year	4,007,007	0	4,007,007
Pension	14,520,623	2,646,227	17,166,850
OPEB	3,787,060	782,171	4,569,231
Total Deferred Inflows of Resources	22,314,690	3,428,398	25,743,088
Net Position:			
Net Investment in Capital Assets	63,519,450	39,963,556	103,483,006
Restricted For:			
Capital Projects	1,412,974	0	1,412,974
Debt Service	2,494,339	0	2,494,339
Security of Persons	1,219,540	0	1,219,540
Street Improvement	4,876,873	0	4,876,873
Community Environment	2,920,187	0	2,920,187
Judiciary	1,960,683	0	1,960,683
Cemetery Maintenance	1,316,845	0	1,316,845
Other Purposes	77,317	0	77,317
Unrestricted (Deficit)	(24,176,424)	11,166,497	(13,009,927)
Total Net Position	\$ 55,621,784	\$ 51,130,053	\$ 106,751,837

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO**Statement of Activities
For the Year Ended December 31, 2022**

		Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 20,946,340	\$ 3,424,262	\$ 393,860	\$ 0
Leisure Time Activities	930,189	0	0	16,711
Community Environment	1,199,495	379,790	688,343	0
Public Health and Welfare Services	29,078	147,182	29,544	0
Transportation	4,612,892	0	3,862,562	4,246,901
General Government	14,305,997	1,436,382	4,711,486	0
Interest and Fiscal Charges	980,668	0	0	0
Total Governmental Activities	43,004,659	5,387,616	9,685,795	4,263,612
Business-Type Activities:				
Water	5,919,670	7,455,080	0	919,890
Sewer	7,559,020	10,143,988	0	349,550
Storm Water	2,184,763	3,375,165	0	276,598
Total Business-Type Activities	15,663,453	20,974,233	0	1,546,038
Totals	\$ 58,668,112	\$ 26,361,849	\$ 9,685,795	\$ 5,809,650

General Revenues

Property Taxes Levied for:

General Purposes

Special Purposes

Capital Purposes

Income Tax

Other Local Taxes

Intergovernmental, Unrestricted

Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (17,128,218)	\$ 0	\$ (17,128,218)
(913,478)	0	(913,478)
(131,362)	0	(131,362)
147,648	0	147,648
3,496,571	0	3,496,571
(8,158,129)	0	(8,158,129)
<u>(980,668)</u>	<u>0</u>	<u>(980,668)</u>
<u>(23,667,636)</u>	<u>0</u>	<u>(23,667,636)</u>
0	2,455,300	2,455,300
0	2,934,518	2,934,518
<u>0</u>	<u>1,467,000</u>	<u>1,467,000</u>
<u>0</u>	<u>6,856,818</u>	<u>6,856,818</u>
\$ (23,667,636)	\$ 6,856,818	\$ (16,810,818)
2,614,914	0	2,614,914
520,428	0	520,428
745,238	0	745,238
28,153,154	0	28,153,154
586,689	0	586,689
2,220,594	0	2,220,594
(123,713)	7,007	(116,706)
<u>699,572</u>	<u>0</u>	<u>699,572</u>
<u>35,416,876</u>	<u>7,007</u>	<u>35,423,883</u>
11,749,240	6,863,825	18,613,065
<u>43,872,544</u>	<u>44,266,228</u>	<u>88,138,772</u>
\$ 55,621,784	\$ 51,130,053	\$ 106,751,837

CITY OF NEWARK, OHIO**Balance Sheet
Governmental Funds
December 31, 2022**

	General	American Rescue Plan Act	Capital Improvement
Assets:			
Pooled Cash and Investments	\$ 11,692,055	\$ 12,536,372	\$ 5,810,560
Cash and Cash Equivalents in Segregated Accounts	86,013	0	0
Investments	0	0	211,466
Receivables:			
Taxes	8,036,965	0	0
Accounts	1,006,304	0	0
Intergovernmental	1,052,793	0	0
Interest	124,380	0	1,135
Loans	0	0	0
Interfund Loans Receivable	7,712	0	0
Inventory of Supplies, at Cost	200,335	0	0
Prepaid Items	72,259	0	0
Restricted Assets:			
Cash and Cash Equivalents	0	0	0
Investments	0	0	0
Investments with Fiscal Agent	0	0	0
Total Assets	\$ 22,278,816	\$ 12,536,372	\$ 6,023,161
Liabilities:			
Accounts Payable	\$ 744,051	\$ 49,116	\$ 52,099
Accrued Wages and Benefits Payable	1,348,244	0	0
Intergovernmental Payable	148,083	0	0
Unearned Revenue	0	12,487,256	0
Interfund Loans Payable	0	0	0
Compensated Absences Payable	2,646	0	0
Accrued Interest Payable	0	0	36,973
General Obligation Notes Payable	0	0	3,540,000
Total Liabilities	2,243,024	12,536,372	3,629,072
Deferred Inflows of Resources:			
Unavailable Amounts	4,270,822	0	0
Property Tax Levy for Next Fiscal Year	2,715,461	0	0
Total Deferred Inflows of Resources	6,986,283	0	0
Fund Balance:			
Nonspendable	272,594	0	0
Restricted	0	0	966,440
Committed	0	0	1,427,649
Assigned	7,229,732	0	0
Unassigned	5,547,183	0	0
Total Fund Balance	13,049,509	0	2,394,089
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 22,278,816	\$ 12,536,372	\$ 6,023,161

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 9,200,245	\$ 39,239,232
29,968	115,981
75,023	286,489
1,303,794	9,340,759
4,474	1,010,778
1,981,826	3,034,619
562	126,077
2,379,526	2,379,526
0	7,712
367,936	568,271
0	72,259
925,645	925,645
379,445	379,445
636,903	636,903
<u>\$ 17,285,347</u>	<u>\$ 58,123,696</u>
\$ 245,117	\$ 1,090,383
132,901	1,481,145
0	148,083
0	12,487,256
7,712	7,712
0	2,646
0	36,973
0	3,540,000
<u>385,730</u>	<u>18,794,198</u>
2,027,850	6,298,672
1,291,546	4,007,007
<u>3,319,396</u>	<u>10,305,679</u>
367,936	640,530
13,216,978	14,183,418
0	1,427,649
0	7,229,732
(4,693)	5,542,490
<u>13,580,221</u>	<u>29,023,819</u>
<u>\$ 17,285,347</u>	<u>\$ 58,123,696</u>

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2022***

Total Governmental Fund Balances \$ 29,023,819

***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. 92,027,758

Other long-term assets are not available to pay for current-
period expenditures and therefore are deferred in the funds. 6,298,672

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

Deferred Outflows - Pension	11,545,480	
Deferred Inflows - Pension	(14,520,623)	
Net Pension Liability	(32,218,751)	
Deferred Outflows - OPEB	2,649,902	
Deferred Inflows - OPEB	(3,787,060)	
Net OPEB Asset	1,527,562	
Net OPEB Liability	<u>(4,919,531)</u>	(39,723,021)

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. 402,639

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	(19,127,931)	
Deferred Charge on Debt Refunding	120,338	
ODOT State Infrastructure Bank Loan	(3,522,181)	
Long Term Note Payable	(1,125,000)	
Ohio Public Works Commission Loan	(677,578)	
Installment Loans Payable	(2,575,347)	
Accrued Pension Liability	(1,199,172)	
Compensated Absences Payable	(3,879,240)	
Worker's Compensation Retrospective Liability	(238,106)	
Accrued Interest Payable	<u>(183,866)</u>	<u>(32,408,083)</u>

Net Position of Governmental Activities \$ 55,621,784

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, 2022

	General	American Rescue Plan Act	Capital Improvement
Revenues:			
Taxes	\$ 31,181,220	\$ 0	\$ 0
Intergovernmental Revenues	2,292,750	4,711,486	3,447,463
Charges for Services	3,672,653	0	0
Licenses, Permits and Fees	151,726	0	0
Investment Earnings	(79,506)	0	55,383
Special Assessments	0	0	0
Fines and Forfeitures	1,163,101	0	0
All Other Revenue	578,468	0	0
Total Revenues	38,960,412	4,711,486	3,502,846
Expenditures:			
Current:			
Security of Persons and Property	19,206,825	237,252	0
Public Health and Welfare Services	0	0	0
Leisure Time Activities	998,411	0	0
Community Environment	487,465	0	0
Transportation	9,246	0	0
General Government	12,489,846	4,474,234	0
Capital Outlay	0	0	7,129,509
Debt Service:			
Principal Retirement	111,632	0	1,844,699
Interest and Fiscal Charges	10,594	0	280,420
Total Expenditures	33,314,019	4,711,486	9,254,628
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,646,393	0	(5,751,782)
Other Financing Sources (Uses):			
Sale of Capital Assets	63,876	0	0
OPWC Loan Issuance	0	0	164,819
Long Term Note Issuance	0	0	1,125,000
Bond Issuance	0	0	4,540,000
Premium on Bond Issuance	0	0	0
Transfers In	0	0	1,736,414
Transfers Out	(4,428,751)	0	0
Total Other Financing Sources (Uses)	(4,364,875)	0	7,566,233
Net Change in Fund Balance	1,281,518	0	1,814,451
Fund Balance at Beginning of Year	11,767,991	0	579,638
Fund Balance End of Year	\$ 13,049,509	\$ 0	\$ 2,394,089

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 1,265,732	\$ 32,446,952
5,069,367	15,521,066
4,260	3,676,913
0	151,726
(107,850)	(131,973)
112,470	112,470
418,182	1,581,283
121,104	699,572
<u>6,883,265</u>	<u>54,058,009</u>
1,419,119	20,863,196
29,078	29,078
0	998,411
855,621	1,343,086
3,175,348	3,184,594
1,100,297	18,064,377
0	7,129,509
1,721,113	3,677,444
<u>626,248</u>	<u>917,262</u>
<u>8,926,824</u>	<u>56,206,957</u>
(2,043,559)	(2,148,948)
0	63,876
0	164,819
0	1,125,000
0	4,540,000
118,362	118,362
2,745,750	4,482,164
<u>(53,413)</u>	<u>(4,482,164)</u>
<u>2,810,699</u>	<u>6,012,057</u>
767,140	3,863,109
12,813,081	25,160,710
<u>\$ 13,580,221</u>	<u>\$ 29,023,819</u>

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For the Year Ended December 31, 2022***

Net Change in Fund Balances - Total Governmental Funds \$ 3,863,109

***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	10,292,833	
Depreciation Expense	<u>(4,447,101)</u>	5,845,732

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.

799,438

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.

(17,555)

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

(111,808)

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

Pension	3,520,577	
OPEB	<u>58,304</u>	3,578,881

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

Pension	(1,164,702)	
OPEB	<u>998,193</u>	(166,509)

The issuance of long-term debt provides current financial resources to governmental funds, however, has no effect on net position.

Ohio Public Works Commission Loan Proceeds	(164,819)	
General Obligation Bond Issuance	(4,540,000)	
Premium on Bond Issuance	(118,362)	
Long Term Note Issuance	<u>(1,125,000)</u>	(5,948,181)

(Continued)

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

Deferred Charge on Debt Refunding Amortization	(14,450)	
Bond Premium Amortization	50,394	
General Obligation Bond Principal Payment	1,275,000	
OPWC Loan Principal Payment	96,741	
ODOT State Infrastructure Bank Loan Retirement	349,372	
Long Term Note Retirement	1,125,000	
Installment Loan Principal Retirement	831,331	
Pension Liability Principal Payment	<u>71,740</u>	3,785,128

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (99,350)

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	(56,209)	
Worker's Compensation Retrospective Liability	227,139	170,930

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.

49,425

Change in Net Position of Governmental Activities

\$ 11,749,240

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, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 25,942,196	\$ 25,942,196	\$ 30,949,464	\$ 5,007,268
Intergovernmental Revenue	2,007,710	2,007,710	2,278,737	271,027
Charges for Services	2,993,434	2,993,434	3,464,851	471,417
Licenses, Permits and Fees	100,430	100,430	150,832	50,402
Investment Earnings	170,180	170,180	377,214	207,034
Fines and Forfeitures	1,191,250	1,191,250	1,150,422	(40,828)
All Other Revenue	99,450	99,450	625,979	526,529
Total Revenues	32,504,650	32,504,650	38,997,499	6,492,849
Expenditures:				
Current:				
Security of Persons and Property	20,977,383	20,754,174	20,041,065	713,109
Leisure Time Activities	1,109,244	1,162,863	1,093,397	69,466
Community Environment	684,026	615,624	527,000	88,624
Transportation	0	10,000	9,246	754
General Government	14,232,431	13,742,736	13,198,645	544,091
Total Expenditures	37,003,084	36,285,397	34,869,353	1,416,044
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,498,434)	(3,780,747)	4,128,146	7,908,893
Other Financing Sources (Uses):				
Sale of Capital Assets	43,500	43,500	63,876	20,376
Transfers In	1,349,800	1,639,800	1,694,610	54,810
Transfers Out	(4,639,452)	(5,532,500)	(5,518,361)	14,139
Advances Out	0	(15,425)	(7,712)	7,713
Total Other Financing Sources (Uses):	(3,246,152)	(3,864,625)	(3,767,587)	97,038
Net Change in Fund Balance	(7,744,586)	(7,645,372)	360,559	8,005,931
Fund Balance at Beginning of Year	8,159,237	8,159,237	8,159,237	0
Prior Year Encumbrances	2,018,700	2,018,700	2,018,700	0
Fund Balance at End of Year	\$ 2,433,351	\$ 2,532,565	\$ 10,538,496	\$ 8,005,931

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
American Rescue Plan Act Fund
For the Year Ended December 31, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 9,070,010	\$ 9,070,010	\$ 9,070,010	\$ 0
Total Revenues	9,070,010	9,070,010	9,070,010	0
Expenditures:				
Current:				
General Government	10,986,270	16,760,840	16,760,279	561
Security of Persons and Property	0	250,000	237,252	12,748
Total Expenditures	10,986,270	17,010,840	16,997,531	13,309
Net Change in Fund Balance	(1,916,260)	(7,940,830)	(7,927,521)	13,309
Fund Balance at Beginning of Year	130,445	130,445	130,445	0
Prior Year Encumbrances	8,586,270	8,586,270	8,586,270	0
Fund Balance at End of Year	\$ 6,800,455	\$ 775,885	\$ 789,194	\$ 13,309

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2022**

	Business-Type Activities			
	Enterprise Funds			
	Water	Sewer	Storm Water	Total
Assets:				
Current Assets:				
Pooled Cash and Investments	\$ 9,155,250	\$ 7,289,562	\$ 2,082,137	\$ 18,526,949
Cash and Cash Equivalents with Fiscal Agent	176,651	0	0	176,651
Receivables:				
Accounts	1,122,966	1,122,966	365,617	2,611,549
Interest	0	0	0	0
Inventory of Supplies at Cost	360,048	390,133	163,783	913,964
Prepaid Items	16,507	16,333	261	33,101
Total Current Assets	10,831,422	8,818,994	2,611,798	22,262,214
Noncurrent Assets:				
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	1,059,272	13,705	0	1,072,977
Total Restricted Assets	1,059,272	13,705	0	1,072,977
Net OPEB Asset	343,327	369,814	43,892	757,033
Non Depreciable Capital Assets	14,171,753	26,184,157	2,711,435	43,067,345
Depreciable Capital Assets, Net	15,197,695	64,360,285	14,049,718	93,607,698
Total Noncurrent Assets	30,772,047	90,927,961	16,805,045	138,505,053
Total Assets	41,603,469	99,746,955	19,416,843	160,767,267
Deferred Outflows of Resources:				
Deferred Charge on Debt Refunding	0	0	127,871	127,871
Pension	414,701	582,223	52,808	1,049,732
OPEB	13,756	13,418	1,617	28,791
Total Deferred Outflows of Resources	428,457	595,641	182,296	1,206,394
Liabilities:				
Current Liabilities:				
Accounts Payable	281,966	230,716	1,579	514,261
Accrued Wages and Benefits	184,955	83,297	11,568	279,820
Claims Payable	0	0	0	0
Compensated Absences Payable - Current	315,112	142,740	38,960	496,812
Accrued Interest Payable	122,176	336,612	60,027	518,815
General Obligation Notes Payable	2,835,000	550,000	3,015,000	6,400,000
General Obligation Bonds Payable - Current	105,750	58,750	315,500	480,000
Revenue Bonds Payable - Current	365,000	0	0	365,000
OWDA Loans Payable - Current	160,379	2,158,539	289,806	2,608,724
OPWC Loans Payable - Current	0	109,013	0	109,013
State Infrastructure Bank Loan - Current	49,889	49,889	62,462	162,240
Total Current Liabilities	4,420,227	3,719,556	3,794,902	11,934,685

Governmental
Activities -
Internal Service
Funds

\$ 939,706
0

0
2,181
0
0

941,887

18,060

18,060

0
0
0

18,060

959,947

0
0
0

0

0
0
360,437
0
0
0
0
0
0
0
0
0

360,437

(Continued)

CITY OF NEWARK, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2022**

	Business-Type Activities			
	Enterprise Funds			
	Water	Sewer	Storm Water	Total
Noncurrent Liabilities:				
Matured Bonds and Interest Payable	23	13,705	0	13,728
General Obligation Bonds Payable	1,080,750	633,750	4,263,429	5,977,929
Revenue Bonds Payable	16,839,152	0	0	16,839,152
OWDA Loans Payable	1,660,599	63,642,601	2,194,702	67,497,902
OPWC Loans Payable	0	619,341	0	619,341
State Infrastructure Bank Loans Payable	730,358	730,357	914,431	2,375,146
Compensated Absences Payable	151,027	110,866	21,445	283,338
Net Pension Liability	939,166	1,011,629	120,065	2,070,860
Total Noncurrent Liabilities	21,401,075	66,762,249	7,514,072	95,677,396
Total Liabilities	25,821,302	70,481,805	11,308,974	107,612,081
Deferred Inflows of Resources:				
Pension	1,275,296	1,225,484	145,447	2,646,227
OPEB	354,727	382,093	45,351	782,171
Total Deferred Inflows of Resources	1,630,023	1,607,577	190,798	3,428,398
Net Position:				
Net Investment in Capital Assets	12,185,251	21,900,983	5,877,322	39,963,556
Unrestricted	2,395,350	6,352,231	2,222,045	10,969,626
Total Net Position	\$ 14,580,601	\$ 28,253,214	\$ 8,099,367	\$ 50,933,182
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.				196,871
Net Position of Business-type Activities				\$ 51,130,053

See accompanying notes to the basic financial statements

Governmental
Activities -
Internal Service
Funds

0
0
0
0
0
0
0
0
0
0
0
360,437

0
0
0

0
599,510
\$ 599,510

CITY OF NEWARK, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2022**

	Business-Type Activities Enterprise Funds			
	Water	Sewer	Storm Water	Total
Operating Revenues:				
Charges for Services	\$ 7,201,105	\$ 9,568,799	\$ 3,328,877	\$ 20,098,781
Other Operating Revenues	253,975	575,189	46,288	875,452
Total Operating Revenues	7,455,080	10,143,988	3,375,165	20,974,233
Operating Expenses:				
Personal Services	1,386,329	2,867,839	267,122	4,521,290
Contractual Services	1,730,651	1,218,945	1,288,899	4,238,495
Materials and Supplies	1,168,781	464,308	40,204	1,673,293
Depreciation	816,537	1,883,195	332,685	3,032,417
Total Operating Expenses	5,102,298	6,434,287	1,928,910	13,465,495
Operating Income	2,352,782	3,709,701	1,446,255	7,508,738
Non-Operating Revenues (Expenses):				
Interest Income	3,547	3,460	0	7,007
Interest and Fiscal Charges	(794,510)	(1,106,589)	(264,096)	(2,165,195)
Other Nonoperating Expense	(22,862)	(18,144)	(728)	(41,734)
Total Non-Operating Revenues (Expenses)	(813,825)	(1,121,273)	(264,824)	(2,199,922)
Income Before Transfers and Contributions	1,538,957	2,588,428	1,181,431	5,308,816
Transfers and Contributions:				
Transfers In	0	619,026	0	619,026
Transfers Out	(20,053)	0	(598,973)	(619,026)
Capital Contributions	919,890	349,550	276,598	1,546,038
Total Transfers and Contributions	899,837	968,576	(322,375)	1,546,038
Change in Net Position	2,438,794	3,557,004	859,056	6,854,854
Net Position Beginning of Year	12,141,807	24,696,210	7,240,311	44,078,328
Net Position End of Year	\$ 14,580,601	\$ 28,253,214	\$ 8,099,367	\$ 50,933,182
Change in Net Position - Total Enterprise Funds				\$ 6,854,854
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.				8,971
Change in Net Position - Business-type Activities				\$ 6,863,825

See accompanying notes to the basic financial statements

Governmental
Activities -
Internal Service
Funds

\$ 6,752,277
4

6,752,281

6,702,145
0
0
0

6,702,145

50,136

8,260
0
0

8,260

58,396

0
0
0

0

58,396

541,114

\$ 599,510

CITY OF NEWARK, OHIO

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2022

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$7,313,044	\$10,001,952	\$3,328,920
Cash Received for Interfund Services	0	0	0
Cash Payments for Goods and Services	(2,938,915)	(1,523,204)	(1,457,872)
Cash Payments to Employees	(2,339,403)	(3,068,854)	(329,808)
Net Cash Provided by Operating Activities	2,034,726	5,409,894	1,541,240
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	0	619,026	0
Transfers Out to Other Funds	(20,053)	0	(598,973)
Net Cash Provided (Used) by Noncapital Financing Activities	(20,053)	619,026	(598,973)
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(2,069,820)	(12,366,126)	(419,106)
Capital Grants	565,215	0	0
General Obligation Notes Issued	2,835,000	550,000	3,015,000
General Obligation Note Retirement	(500,000)	(1,050,000)	(2,500,000)
Principal Paid on General Obligation Bonds	(103,500)	(57,500)	(304,000)
Principal Paid on Revenue Bonds	(360,000)	0	0
Ohio Water Development Authority Loans Issued	0	12,066,262	0
Principal Paid on State Infrastructure Bank Loans	(48,425)	(48,425)	(60,630)
Principal Paid on Ohio Water Development Authority Loans	(154,630)	(2,858,590)	(311,891)
Principal Paid on Ohio Public Works Commission Loans	0	(111,175)	0
Interest Paid on All Debt	(808,676)	(1,039,944)	(245,716)
Net Cash Used by			
Capital and Related Financing Activities	(644,836)	(4,915,498)	(826,343)
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	3,547	3,460	0
Net Cash Provided by Investing Activities	3,547	3,460	0
Net Increase in Cash and Cash Equivalents	1,373,384	1,116,882	115,924
Cash and Cash Equivalents at Beginning of Year	9,017,789	6,186,385	1,966,213
Cash and Cash Equivalents at End of Year	\$10,391,173	\$7,303,267	\$2,082,137
<u>Reconciliation of Cash and</u>			
<u>Cash Equivalents per the Statement of Net Position:</u>			
Cash and Cash Equivalents	\$9,155,250	\$7,289,562	\$2,082,137
Cash with Fiscal Agent	176,651	0	0
Restricted Cash with Fiscal Agent	1,059,272	13,705	0
Cash and Cash Equivalents at End of Year	\$10,391,173	\$7,303,267	\$2,082,137

CITY OF NEWARK, OHIO

	Governmental- Activities
Total	Internal Service
\$20,643,916	\$0
0	6,752,281
(5,919,991)	0
(5,738,065)	(6,714,542)
8,985,860	37,739
619,026	0
(619,026)	0
0	0
(14,855,052)	0
565,215	0
6,400,000	0
(4,050,000)	0
(465,000)	0
(360,000)	0
12,066,262	0
(157,480)	0
(3,325,111)	0
(111,175)	0
(2,094,336)	0
(6,386,677)	0
7,007	6,079
7,007	6,079
2,606,190	43,818
17,170,387	913,948
\$19,776,577	\$957,766
\$18,526,949	\$939,706
176,651	0
1,072,977	18,060
\$19,776,577	\$957,766

(Continued)

CITY OF NEWARK, OHIO

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2022

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
<u>Reconciliation of Operating Income to Net Cash</u>			
<u>Provided by Operating Activities:</u>			
Operating Income	\$2,352,782	\$3,709,701	\$1,446,255
Adjustments to Reconcile Operating Income to			
Net Cash Provided by Operating Activities:			
Depreciation Expense	816,537	1,883,195	332,685
Nonoperating Expense	(23,160)	(15,006)	(728)
Changes in Assets, Liabilities, and Deferred Outflows/Inflows:			
Increase in Accounts Receivable	(142,036)	(142,036)	(46,245)
Increase in Inventory	(29,248)	(206)	(108,024)
Increase in Prepaid Items	(2,570)	(2,543)	(41)
Increase in Net OPEB Asset	(141,967)	(173,392)	(20,211)
(Increase) Decrease in Deferred Outflows of Resources	(4,169)	226,895	(4,530)
Increase (Decrease) in Accounts Payable	15,495	177,804	(16,656)
Decrease in Intergovernmental Payable	0	0	(3,320)
Increase (Decrease) in Accrued Wages and Benefits	30,809	1,902	(290)
Decrease in Claims Payable	0	0	0
Increase in Compensated Absences	7,422	46,187	4,191
Decrease in Net Pension Liability	(714,928)	(601,921)	(74,459)
Increase (Decrease) in Deferred Inflows of Resources	(130,241)	299,314	32,613
Total Adjustments	(318,056)	1,700,193	94,985
Net Cash Provided by Operating Activities	<u>\$2,034,726</u>	<u>\$5,409,894</u>	<u>\$1,541,240</u>

Schedule of Noncash Investing, Capital and Financing Activities:

During 2022 the Water Fund, Sewer Fund, and Storm Water Fund received noncash capital contributions of \$354,675, \$349,550, and \$276,598, respectively.

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

	Governmental- Activities
<u>Total</u>	<u>Internal Service</u>
\$7,508,738	\$50,136
3,032,417	0
(38,894)	0
(330,317)	0
(137,478)	0
(5,154)	0
(335,570)	0
218,196	0
176,643	0
(3,320)	0
32,421	0
0	(12,397)
57,800	0
(1,391,308)	0
201,686	0
<u>1,477,122</u>	<u>(12,397)</u>
<u>\$8,985,860</u>	<u>\$37,739</u>

CITY OF NEWARK, OHIO

***Statement of Net Position
Fiduciary Funds
December 31, 2022***

	<u>Custodial</u>
Assets:	
Cash and Cash Equivalents	\$ 1,351,184
Receivables:	
Taxes	329,803
Accounts	<u>3,794</u>
Total Assets	<u>1,684,781</u>
Liabilities:	
Intergovernmental Payable	1,381,488
Due to Others	<u>21,154</u>
Total Liabilities	<u>1,402,642</u>
Net Position:	
Restricted For:	
Court Bonds	<u>282,139</u>
Total Net Position	<u>\$ 282,139</u>

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

***Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended December 31, 2022***

	<u>Custodial</u>
Additions:	
Fines and Forfeiture Collections for other Governments	\$ 2,732,721
Income Tax Collections for other Governments	<u>3,512,887</u>
Total Additions	<u>6,245,608</u>
Deductions:	
Distribution of Fines and Forfeitures to other Governments	2,450,582
Distribution of Income Taxes to other Governments	<u>3,512,887</u>
Total Deductions	<u>5,963,469</u>
Change in Net Position	282,139
Net Position at Beginning of Year	<u>0</u>
Net Position End of Year	<u>\$ 282,139</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

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, 2022 and for the year then ended and have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (the "GASB") Statement No. 14, *"The Financial Reporting Entity,"* as amended by GASB Statement No. 39, *"Determining Whether Certain Organizations Are Component Units"* and GASB Statement No. 61, *"The Financial Reporting Entity; Omnibus"* in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

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

B. Basis of Presentation - Fund Accounting

The accounting policies and financial reporting practices of the City conform to accounting principles generally accepted in the United States of America 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, 2022***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Governmental Funds

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

General Fund - This fund is used to account for all financial resources except those accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

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

Proprietary Funds

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

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

Water Fund – To account for the operation of the City's water service.

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

Fiduciary Funds

Fiduciary funds are used to account for assets the City holds in a trustee capacity or as an agent for individuals, private organizations, other governments and other funds. Fiduciary activities are accounted for on an "economic resources" measurement focus.

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

C. Basis of Presentation – Financial Statements

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

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

The 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, 2022***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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

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

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

D. Basis of Accounting

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

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, 2022 but are not intended to finance 2022 operations, and delinquent property taxes whose availability is indeterminate, are recorded as deferred inflows of resources. Property taxes are further described in Note 5.

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

E. Budgetary Process

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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

1. Tax Budget

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

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2022.

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, 2022***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

3. Appropriations (Continued)

The allocation of appropriations among departments and objects within a fund may be modified during the year only by an ordinance of City Council. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual for the General Fund and Major Special Revenue 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, 2022**

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

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

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

	Net Change in Fund Balance	
	General Fund	American Rescue Plan Act Fund
GAAP Basis (as reported)	\$1,281,518	\$0
Increase (Decrease):		
Accrued Revenues at December 31, 2022 received during 2023	(2,885,304)	0
Accrued Revenues at December 31, 2021 received during 2022	2,914,679	0
Accrued Expenditures at December 31, 2022 paid during 2023	2,243,024	12,536,372
Accrued Expenditures at December 31, 2021 paid during 2022	(1,593,570)	(8,716,715)
Change in Inventory	(862)	0
2021 Prepays for 2022	69,472	0
2022 Prepays for 2023	(72,259)	0
Outstanding Encumbrances	(1,596,139)	(11,747,178)
Budget Basis	<u>\$360,559</u>	<u>(\$7,927,521)</u>

F. Cash and Cash Equivalents

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. The City allocates interest among certain funds based upon the fund's cash balance at the date of investment. In accordance with GASB Statement No. 31, "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*" and GASB Statement No. 72, "*Fair Value Measurement and Application*," the City records all its investments at fair value except for nonparticipating investment contracts which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statements.

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

The City's investment in the State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. For fiscal year 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

H. Inventory

On the government-wide financial statements and in the proprietary funds, inventories are presented at cost on a first-in, first-out basis and are expensed when used. Inventories of governmental funds are stated at cost. The cost of inventory items is recorded as an expenditure in the governmental funds when purchased.

I. Prepaid Items

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation

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

1. Property, Plant and Equipment - Governmental Activities

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

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

2. Property, Plant and Equipment – Business Type Activities

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

3. Depreciation

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

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

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

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

L. Compensated Absences

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

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, 2022***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Pension/OPEB

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

P. Fund Balances

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

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

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

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

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

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

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted (committed, assigned and unassigned) resources as they are needed. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Restricted Assets

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

R. Operating Revenues and Expenses

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City and that are either unusual in nature or infrequent in occurrence. The City had no special or extraordinary items to report during 2022.

T. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows for the deferred charge on debt refunding and for deferred pension/OPEB amounts. The deferred charge on debt refunding is reported in the government-wide statement of net position and proprietary funds statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows of resources are reported for pension/OPEB amounts on the government-wide and proprietary funds statement of net position. See Notes 9 and 10.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. Deferred Outflows/Inflows of Resources (Continued)

In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, *unavailable amounts*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes, income taxes, special assessments, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension/OPEB are reported on the government-wide and proprietary funds statement of net position. See Notes 9 and 10.

U. Estimates

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

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE

For 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, “Leases,” Statement No. 91, “Conduit Debt Obligations,” Statement No. 92, “Omnibus 2020,” and Statement No. 93, “Replacement of Interbank Offered Rates.”

GASB Statement No. 87 establishes standards of accounting and financial reporting for leases.

GASB Statement No. 91 establishes a single method of reporting conduit debt obligations.

GASB Statement No. 92 establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments.

GASB Statement No. 93 establishes accounting and financial reporting requirements related to the replacement of interbank offered rates in hedging derivative instruments and leases.

The implementation of these Statements had no effect on beginning net position/fund balance.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022****NOTE 3 – FUND BALANCE CLASSIFICATION**

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

Fund Balances	General Fund	American Rescue Plan Act Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Supplies Inventory	\$200,335	\$0	\$0	\$367,936	\$568,271
Prepaid Items	72,259	0	0	0	72,259
Total Nonspendable	272,594	0	0	367,936	640,530
Restricted:					
Community Development	0	0	0	2,970,476	2,970,476
Capital Acquisition and Improvement	0	0	966,440	446,534	1,412,974
Cemetery Maintenance	0	0	0	1,316,845	1,316,845
Memorial Sidewalk Program	0	0	0	77,317	77,317
Street Maintenance	0	0	0	2,956,273	2,956,273
Addiction Treatment	0	0	0	15,364	15,364
Adult Probation Program	0	0	0	56,716	56,716
Covid Relief	0	0	0	16	16
Fire Damage Deposits	0	0	0	119,563	119,563
Court Improvements	0	0	0	1,981,400	1,981,400
Law Enforcement	0	0	0	724,164	724,164
Police and Fire Pension	0	0	0	53,163	53,163
Pollution Remediation	0	0	0	4,808	4,808
Debt Retirement	0	0	0	2,494,339	2,494,339
Total Restricted	0	0	966,440	13,216,978	14,183,418
Committed:					
Capital Acquisition and Improvement	0	0	1,427,649	0	1,427,649
Total Committed	0	0	1,427,649	0	1,427,649
Assigned:					
Budget Resource	6,493,058	0	0	0	6,493,058
Supplies and Services	704,003	0	0	0	704,003
Compensated Absences	32,671	0	0	0	32,671
Total Assigned	7,229,732	0	0	0	7,229,732
Unassigned (Deficits):	5,547,183	0	0	(4,693)	5,542,490
Total Fund Balances	\$13,049,509	\$0	\$2,394,089	\$13,580,221	\$29,023,819

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 4 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

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

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

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. The City has no deposit policy for custodial risk beyond the requirements of State statute.

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

A. Deposits

At year end the carrying amount of the City's deposits was \$26,978,905 and the bank balance was \$27,372,593. Federal depository insurance covered \$20,636,411 of the bank balance and \$6,736,182 was uninsured and collateralized with securities held in the Ohio Pooled Collateral System.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

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

B. Investments

The City's investments at December 31, 2022 are summarized below:

	Fair Value	Credit Rating	Fair Value Hierarchy	Concentration of Credit Risk	Investment Maturities (in Years)		
					less than 1	1-3	3-5
STAR Ohio ⁴	\$16,612,746	AAAm ¹	NA	45.28%	\$16,612,746	\$0	\$0
Government Agency MM ⁴	429,631	AA+ ¹	NA	1.17%	429,631	0	0
Corporate Equities*	286,274	N/A	Level 2	0.78%	286,274	0	0
Mutual Funds ⁴	325,715	Aaa-Baa ²	NA	0.89%	325,715	0	0
Negotiable CD's	6,188,988	AAA ³	Level 2	16.86%	1,656,474	3,869,666	662,848
US Treasuries	7,795,997	N/A	Level 1	21.25%	7,275,509	500,039	20,449
FHLMC	1,496,172	AA+ ¹	Level 2	4.08%	0	1,496,172	0
FFCB	742,546	AA+ ¹	Level 2	2.02%	382,766	0	359,780
FHLB	1,799,965	AA+ ¹	Level 2	4.91%	241,749	1,558,216	0
FNMA	1,012,283	AA+ ¹	Level 2	2.76%	294,995	0	717,288
Total Investments	<u>\$36,690,317</u>			<u>100.00%</u>	<u>\$27,505,859</u>	<u>\$7,424,093</u>	<u>\$1,760,365</u>

* Corporate Equities do not have a maturity

¹ Standard & Poor's

² Moody's Investor Service

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

⁴ Reported at amortized cost

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 5 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property located in the City. Real property taxes (other than public utility) collected during 2022 were levied after October 1, 2021 on assessed values as of January 1, 2021, the lien date. Assessed values are established by the county auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments are made in the third year following reappraisal. The last reappraisal was completed in 2017. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

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

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

The full tax rate for the City's operations for the year ended December 31, 2022 was \$3.70 per \$1,000 of assessed value. The assessed value upon which the 2022 collections was based was \$995,719,300. This amount constitutes \$952,616,370 in real property assessed value and \$43,102,930 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, 2022**

NOTE 6 - RECEIVABLES

Receivables at December 31, 2022 consisted of taxes, interest, accounts, loans, and intergovernmental receivables arising from shared revenues. All receivables are considered fully collectible.

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

Following is a summary of transfers in and out for all funds for 2022:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds:		
General Fund	\$0	\$4,428,751
Capital Improvement Fund	1,736,414	0
Other Governmental Funds	2,745,750	53,413
Total Governmental Funds	<u>4,482,164</u>	<u>4,482,164</u>
Proprietary Funds:		
Water Fund	0	20,053
Sewer Fund	619,026	0
Storm Water Fund	0	598,973
Total Enterprise Funds	<u>619,026</u>	<u>619,026</u>
Total Transfers	<u>\$5,101,190</u>	<u>\$5,101,190</u>

Transfers for the year ended December 31, 2022 included \$1,683,001 transferred from the General Fund to Capital Improvement Fund which were EMS receipts dedicated to capital improvements as well as the General Fund's share of capital projects. In addition, the General Fund transferred \$2,255,819 to the Debt Service Funds for debt payments, \$41,431 to the ODNR Grants Fund for the City's share of grant amounts, and \$448,500 to the Street Department Fund for street improvements. Transfers from Other Governmental funds of \$53,413 were the result of the reclass of debt retirement. Transfers out of the Water and Storm Water Funds to the Sewer Fund were for debt retirement reclassification. All transfers were made in accordance with Ohio Revised Code.

B. Interfund Balances

Individual interfund balances at December 31, 2022 are as follows:

<u>Fund</u>	<u>Interfund Loan Receivable</u>	<u>Interfund Loan Payable</u>
General Fund	\$7,712	\$0
Other Governmental Funds	0	7,712
Totals	<u>\$7,712</u>	<u>\$7,712</u>

Interfund balances at December 31, 2022, consisted of general fund advances to nonmajor special revenue funds due to deficit cash balances and the timing of reimbursement of expenditures.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

NOTE 8 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2022:

Historical Cost:

Class	December 31, 2021	Additions	Deletions	December 31, 2022
Capital assets not being depreciated:				
Land	\$20,262,578	\$802,603	\$0	\$21,065,181
Construction in Progress	614,805	5,897,829	0	6,512,634
Sub-Total	20,877,383	6,700,432	0	27,577,815
Capital assets being depreciated:				
Buildings	26,146,204	1,536,248	0	27,682,452
Improvements Other than Buildings	5,153,465	0	0	5,153,465
Infrastructure	91,268,550	1,984,921	(246,532)	93,006,939
Machinery and Equipment	15,393,516	870,670	0	16,264,186
Total Cost	<u>\$158,839,118</u>	<u>\$11,092,271</u>	<u>(\$246,532)</u>	<u>\$169,684,857</u>

Accumulated Depreciation:

Class	December 31, 2021	Additions	Deletions	December 31, 2022
Buildings	(\$10,129,936)	(\$550,024)	\$0	(\$10,679,960)
Improvements Other than Buildings	(4,132,335)	(101,371)	0	(4,233,706)
Infrastructure	(48,833,340)	(2,429,393)	228,977	(51,033,756)
Machinery and Equipment	(10,343,364)	(1,366,313)	0	(11,709,677)
Total Depreciation	<u>(\$73,438,975)</u>	<u>(\$4,447,101) *</u>	<u>\$228,977</u>	<u>(\$77,657,099)</u>
Net Value:	<u>\$85,400,143</u>			<u>\$92,027,758</u>

* Depreciation was charged to governmental functions as follows:

Security of Persons and Property	\$1,080,558
Leisure Time Activities	61,624
Community Environment	31,491
Transportation	2,578,412
General Government	695,016
Total Depreciation Expense	<u>\$4,447,101</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

NOTE 8 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2022:

Historical Cost:

Class	December 31, 2021	Additions	Deletions	December 31, 2022
Capital assets not being depreciated:				
Land	\$161,800	\$0	\$0	\$161,800
Construction in Progress	45,542,975	15,691,668	(18,329,098)	42,905,545
Sub-Total	45,704,775	15,691,668	(18,329,098)	43,067,345
Capital assets being depreciated:				
Buildings and Improvements	58,255,134	0	0	58,255,134
Infrastructure	44,045,483	18,329,098	0	62,374,581
Machinery and Equipment	42,426,279	206,247	0	42,632,526
Total Cost	<u>\$190,431,671</u>	<u>\$34,227,013</u>	<u>(\$18,329,098)</u>	<u>\$206,329,586</u>

Accumulated Depreciation:

Class	December 31, 2021	Additions	Deletions	December 31, 2022
Buildings and Improvements	(\$27,894,964)	(\$1,458,225)	\$0	(\$29,353,189)
Infrastructure	(7,759,967)	(706,887)	0	(8,466,854)
Machinery and Equipment	(30,967,195)	(867,305)	0	(31,834,500)
Total Depreciation	<u>(\$66,622,126)</u>	<u>(\$3,032,417)</u>	<u>\$0</u>	<u>(\$69,654,543)</u>
Net Value:	<u>\$123,809,545</u>			<u>\$136,675,043</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 9 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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

	<u>State and Local</u>
2022 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2022 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	<u>0.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,524,417 for 2022.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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

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

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3.00% or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to 3.00% of their base pension or disability benefit.

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

	<u>Police</u>	<u>Firefighters</u>
2022 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25
2022 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$2,501,298 for 2022.

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

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$6,249,496	\$28,040,115	\$34,289,611
Proportion of the Net Pension Liability-2022	0.071830%	0.448827%	
Proportion of the Net Pension Liability-2021	<u>0.070820%</u>	<u>0.431171%</u>	
Percentage Change	<u>0.001010%</u>	<u>0.017656%</u>	
Pension Expense	(\$731,713)	\$1,697,400	\$965,687

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022****NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Changes in assumptions	\$781,496	\$5,124,528	\$5,906,024
Differences between expected and actual experience	318,592	808,513	1,127,105
Change in proportionate share	349,805	1,186,563	1,536,368
City contributions subsequent to the measurement date	1,524,417	2,501,298	4,025,715
Total Deferred Outflows of Resources	<u>\$2,974,310</u>	<u>\$9,620,902</u>	<u>\$12,595,212</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$7,433,554	\$7,351,684	\$14,785,238
Differences between expected and actual experience	137,066	1,457,701	1,594,767
Change in proportionate share	137,590	649,255	786,845
Total Deferred Inflows of Resources	<u>\$7,708,210</u>	<u>\$9,458,640</u>	<u>\$17,166,850</u>

\$4,025,715 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2023	(\$794,929)	(\$195,143)	(\$990,072)
2024	(2,532,955)	(1,907,923)	(4,440,878)
2025	(1,747,931)	(576,873)	(2,324,804)
2026	(1,182,502)	(352,151)	(1,534,653)
2027	0	693,054	693,054
Total	<u>(\$6,258,317)</u>	<u>(\$2,339,036)</u>	<u>(\$8,597,353)</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, 2022**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2021 and December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	December 31, 2021
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2022. 2.05 percent simple, thereafter
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age
	December 31, 2020
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	0.5 percent simple through 2021. 2.15 percent simple, thereafter
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

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

The most recent experience study was completed for the five year period ended December 31, 2020.

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

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	24.00 %	1.03 %
Domestic Equities	21.00	3.78
Real Estate	11.00	3.66
Private Equity	12.00	7.43
International Equities	23.00	4.88
Risk Parity	5.00	2.92
Other Investments	4.00	2.85
Total	100.00 %	4.21 %

Discount Rate The discount rate used to measure the total pension liability was 6.9 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 6.9 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability	\$16,477,084	\$6,249,496	(\$2,261,208)

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**Actuarial Assumptions – OPF**

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

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2021, compared with January 1, 2020, are presented below.

	January 1, 2021	January 1, 2020
Valuation Date	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.5 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Cost of Living Adjustments	2.2 percent simple	2.2 percent simple

For the January 1, 2021 valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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

For the January 1, 2021 valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2021 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	3.60
Non-US Equity	14.00	4.40
Private Markets	8.00	6.80
Core Fixed Income *	23.00	1.10
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.80
Midstream Energy Infrastructure	5.00	5.00
Real Assets	8.00	5.90
Gold	5.00	2.40
Private Real Estate	12.00	4.80
Total	<u>125.00 %</u>	

* levered 2.5x

Note: Assumptions are geometric

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate For 2021, the total pension liability was calculated using the discount rate of 7.50 percent. The discount rate used for 2020 was 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 7.50 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$41,583,100	\$28,040,115	\$16,762,153

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 10 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability (Asset)

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. These changes are reflected in the December 31, 2020, measurement date health care valuation.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have 20 or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

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

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

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

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

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2022, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contractually required contribution to OP&F was \$58,304 for 2022.

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

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

	OPERS	OP&F	Total
Proportionate Share of the Net OPEB Liability (Asset)	(\$2,284,595)	\$4,919,531	\$2,634,936
Proportion of the Net OPEB Liability (Asset) -2022	0.072940%	0.448827%	
Proportion of the Net OPEB Liability (Asset) -2021	0.071656%	0.431171%	
Percentage Change	0.001284%	0.017656%	
OPEB Expense	(\$1,825,140)	\$224,104	(\$1,601,036)

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022****NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)**

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

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Changes in assumptions	\$0	\$2,177,536	\$2,177,536
Differences between expected and actual experience	0	223,794	223,794
Change in proportionate share	87,209	131,850	219,059
City contributions subsequent to the measurement date	0	58,304	58,304
Total Deferred Outflows of Resources	<u>\$87,209</u>	<u>\$2,591,484</u>	<u>\$2,678,693</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on OPEB plan investments	\$1,089,132	\$444,395	\$1,533,527
Changes in assumptions	924,778	571,374	1,496,152
Differences between expected and actual experience	346,539	650,188	996,727
Change in proportionate share	0	542,825	542,825
Total Deferred Inflows of Resources	<u>\$2,360,449</u>	<u>\$2,208,782</u>	<u>\$4,569,231</u>

\$58,304 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2023	(\$1,372,595)	\$25,081	(\$1,347,514)
2024	(506,256)	(40,893)	(547,149)
2025	(237,968)	8,367	(229,601)
2026	(156,421)	63,675	(92,746)
2027	0	127,787	127,787
2028	0	87,129	87,129
2029	0	53,252	53,252
Total	<u>(\$2,273,240)</u>	<u>\$324,398</u>	<u>(\$1,948,842)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions - OPERS

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

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

Wage Inflation	2.75 percent
Projected Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	6.00 percent
Prior measurement date	6.00 percent
Investment Rate of Return:	
Current measurement date	6.00 percent
Prior measurement date	6.00 percent
Municipal Bond Rate:	
Current measurement date	1.84 percent
Prior measurement date	2.00 percent
Health Care Cost Trend Rate:	
Current measurement date	5.5 percent initial, 3.5 percent ultimate in 2034
Prior measurement date	8.5 percent initial, 3.5 percent ultimate in 2035
Actuarial Cost Method	Individual Entry Age Normal

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

The most recent experience study was completed for the five year period ended December 31, 2020.

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. Best estimates of arithmetic rates of return were provided by OPERS investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	0.91 %
Domestic Equities	25.00	3.78
Real Estate Investment Trust	7.00	3.71
International Equities	25.00	4.88
Risk Parity	2.00	2.92
Other investments	7.00	1.93
Total	100.00 %	3.45 %

Discount Rate A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2021. A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 1.84 percent (Fidelity Index's "20-Year Municipal GO AA Index").

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2121. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

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

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
City's proportionate share of the net OPEB liability (asset)	(\$1,343,555)	(\$2,284,595)	(\$3,065,668)

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

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

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability (asset)	(\$2,309,280)	(\$2,284,595)	(\$2,255,305)

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

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

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

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

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

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

Valuation Date	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.5 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Single discount rate	2.84 percent	2.96 percent
Cost of Living Adjustments	2.2 percent simple	2.2 percent simple

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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

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

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

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

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	3.60
Non-US Equity	14.00	4.40
Private Markets	8.00	6.80
Core Fixed Income *	23.00	1.10
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.80
Midstream Energy Infrastructure	5.00	5.00
Real Assets	8.00	5.90
Gold	5.00	2.40
Private Real Estate	12.00	4.80
Total	<u>125.00 %</u>	

* levered 2.5x

Note: Assumptions are geometric

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

Discount Rate For 2021, the total OPEB liability was calculated using the discount rate of 2.84 percent. For 2020, the total OPEB liability was calculated using the discount rate of 2.96 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 7.50 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.05 percent at December 31, 2021 and 2.12 percent at December 31, 2020, was blended with the long-term rate of 7.50 percent, which resulted in a blended discount rate of 2.84 percent for 2021 and 2.96 percent for 2020. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2037. The long-term expected rate of return on health care investments was applied to projected costs through 2037, and the municipal bond rate was applied to all health care costs after that date.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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

	1% Decrease (1.84%)	Current Discount Rate (2.84%)	1% Increase (3.84%)
City's proportionate share of the net OPEB liability	\$6,183,959	\$4,919,531	\$3,880,167

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

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022****NOTE 11 - NOTES PAYABLE**

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

	Balance January 1, 2021	Issued	(Retired)	Balance December 31, 2022
Capital Projects Fund Notes Payable:				
1.100% Sharon Valley Road Fire Station	\$2,900,000	\$0	(\$2,900,000)	\$0
1.250% Various Purpose	3,500,000	0	(3,500,000)	0
4.000% Various Purpose	0	3,540,000	0	3,540,000
Total Capital Projects Fund Notes Payable	6,400,000	3,540,000	(6,400,000)	3,540,000
Enterprise Fund Notes Payable:				
1.500% Horns Hill Sanitary Sewer	550,000	0	(550,000)	0
2.000% Horns Hill Sanitary Sewer	0	550,000	0	550,000
1.500% Stream Bank Protection	500,000	0	(500,000)	0
2.000% Stream Bank Protection	0	500,000	0	500,000
1.100% Tamarack Waterline	500,000	0	(500,000)	0
4.000% Water System Improvements	0	2,835,000	0	2,835,000
1.100% Tamarack Stormwater	2,500,000	0	(2,500,000)	0
4.000% Tamarack 40 St Stormwater Impr	0	2,515,000	0	2,515,000
Total Enterprise Fund Notes Payable	4,050,000	6,400,000	(4,050,000)	6,400,000
Total Notes Payable	\$10,450,000	\$9,940,000	(\$10,450,000)	\$9,940,000

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2022

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

Long-term debt and other long-term obligations of the City at December 31, 2022 were as follows:

			Balance December 31, 2021	Additions	Deductions	Balance December 31, 2022	Amount Due Within One Year
Governmental Activities Debt:							
General Obligation Bonds:							
East Main Street							
Improvement Refunding (TIF)	1.5%-3.00%	2028	\$1,055,000	\$0	(\$140,000)	\$915,000	\$140,000
Police and Fire Facilities Refunding	2.0%-4.00%	2031	6,180,000	0	(535,000)	5,645,000	550,000
Downtown Fire Station	2.0%-4.00%	2036	4,185,000	0	(225,000)	3,960,000	230,000
Various Purpose Refunding	2.0%-4.00%	2031	575,000	0	(55,000)	520,000	55,000
Deo Drive Improvement (TIF)	3.75%-4.38%	2027	365,000	0	(75,000)	290,000	80,000
Landfill Reclamation Refunding	2.0%-4.00%	2031	720,000	0	(65,000)	655,000	65,000
Various Purpose	2.0%-3.25%	2037	1,315,000	0	(70,000)	1,245,000	70,000
Sidewalk and Parking Lot Improvement	2.0%-3.0%	2028	830,000	0	(110,000)	720,000	115,000
Sharon Valleu Road Fire Station No. 5	4.25%-5.0%	2047	0	2,940,000	0	2,940,000	40,000
Horns Hill Waterworks Road Improvement	4.25%-5.0%	2042	0	1,600,000	0	1,600,000	40,000
			15,225,000	4,540,000	(1,275,000)	18,490,000	1,385,000
Bond Premium			569,963	118,362	(50,394)	637,931	0
Total General Obligation Bonds			15,794,963	4,658,362	(1,325,394)	19,127,931	1,385,000
ODOT State Infrastructure Bank Loans:							
Newark-Mount Vernon Road	3.00%	2035	2,389,787	0	(139,652)	2,250,135	143,873
Ohio and Manning Street Bridges and Bike Trail	3.00%	2028	1,481,766	0	(209,720)	1,272,046	216,060
Total ODOT State Infrastructure Bank Loans			3,871,553	0	(349,372)	3,522,181	359,933
Ohio Public Works							
Commission Loans (OPWC):							
West Church Street Bridge	0.00%	2034	420,000	0	(30,000)	390,000	30,000
West Main Street Improvements	0.00%	2022	60,000	0	(40,000)	20,000	20,000
Sharon Valley Road/Evans Boulevard	0.00%	2028	129,500	0	(18,500)	111,000	18,500
Country Club Dr/Sharon Valley Road	0.00%	2032	0	164,819	(8,241)	156,578	16,482
Total OPWC Loans			609,500	164,819	(96,741)	677,578	84,982
Long Term Note Payable:							
Church Street Area Improvements	2.00%	2023	1,125,000	1,125,000	(1,125,000)	1,125,000	0
Installment Loans:							
2016 Pumper Fire Truck	3.06%	2023	143,158	0	(70,486)	72,672	72,672
2016 McCoy Miller Ambulance	3.40%	2022	58,956	0	(58,956)	0	0
6 2018 Ford Explorer Police Vehicles	3.44%	2022	78,993	0	(78,993)	0	0
LED Street Lights	3.89%	2025	222,648	0	(51,935)	170,713	54,347
2018 Pierce Ladder Fire Truck	4.06%	2025	384,560	0	(89,368)	295,192	93,743
4 Dump/Plow Trucks	3.99%	2022	106,905	0	(106,905)	0	0
Scoreboard and Equipment	3.83%	2026	172,691	0	(31,528)	141,163	32,967
EMS Vehicle	4.37%	2025	223,137	0	(52,676)	170,461	54,697
6 Police Cars	4.25%	2024	208,607	0	(67,066)	141,541	69,506
2 2020 Ford Explorers	2.95%	2024	90,543	0	(29,308)	61,235	30,174
2021 Pierce Fire Truck	4.17%	2031	1,381,560	0	(114,194)	1,267,366	118,954
Various 2021 Vehicles	3.12%	2025	334,920	0	(79,916)	255,004	82,408
Total Installment Loans			3,406,678	0	(831,331)	2,575,347	609,468
Governmental Activities Other Long-Term Obligations:							
Worker's Compensation Retrospective Liability			465,245	238,106	(465,245)	238,106	48,087
Accrued Pension Liability			1,270,912	0	(71,740)	1,199,172	74,822
Compensated Absences Payable			3,874,088	1,850,273	(1,842,475)	3,881,886	1,893,245
Total Governmental Activities			\$30,417,939	\$8,036,560	(\$6,107,298)	\$32,347,201	\$4,455,537

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2022

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

			Balance December 31, 2021	Additions	Deductions	Balance December 31, 2022	Amount Due Within One Year
Business-Type Activities Debt:							
General Obligation Bonds:							
Storm Water Improvement Refunding	2.00%-4.00%	2034	\$2,050,000	\$0	(\$160,000)	\$1,890,000	\$165,000
Storm Water Improvement	2.0%-4.0%	2039	1,850,000	0	(75,000)	1,775,000	80,000
Various Purpose	1.00%-3.00%	2032	2,850,000	0	(230,000)	2,620,000	235,000
			6,750,000	0	(465,000)	6,285,000	480,000
Bond Premium			187,070	0	(14,141)	172,929	0
Total General Obligation Bonds			6,937,070	0	(479,141)	6,457,929	480,000
Revenue Bonds:							
Water System Improvement	2.0%-5.0%	2049	16,515,000	0	(360,000)	16,155,000	365,000
Bond Premium			1,088,010	0	(38,858)	1,049,152	0
Total Revenue Bonds			17,603,010	0	(398,858)	17,204,152	365,000
Ohio Water Development							
Authority Loans (OWDA):							
Licking River Interceptor Construction	3.25%	2026	823,267	0	(154,212)	669,055	159,264
Stormwater Utility Planning	3.36%	2028	111,784	0	(68,156)	43,628	43,628
Wastewater Electrical Improvements	0.61%	2027	891,098	0	(146,264)	744,834	147,158
Wastewater High Rate Treatment System	4.67%	2031	8,526,399	0	(749,376)	7,777,023	780,721
CSO Sewer Separation	3.36%	2028	612,078	0	(25,208)	586,870	52,900
Water Plant Generator	3.53%	2030	573,621	0	(55,185)	518,436	57,150
CSO Sewer Separation	3.25%	2031	1,182,623	0	(101,855)	1,080,768	105,192
Automated Meter Reading	3.53%	2031	1,401,988	0	(99,446)	1,302,542	103,229
CSO Sewer Separation 1030	2.45%	2033	1,568,838	0	(119,661)	1,449,177	122,610
Raccoon Creek Interceptor	2.64%	2033	4,839,305	0	(347,675)	4,491,630	356,916
Aeration System Modifications	2.48%	2034	1,456,310	0	(100,714)	1,355,596	103,227
Downtown Sewer Separation	2.01%	2037	14,195,731	0	(768,270)	13,427,461	0
Alternative Storm Water	1.00%	2032	2,684,615	0	(243,735)	2,440,880	246,178
Anaerobic Digester Improvements	2.01%	2044	9,262,281	0	(218,474)	9,043,807	330,551
Wastewater UV Disinfection and SCADA Upgrade	0.00%	2042	35,375	3,780,060	0	3,815,435	0
Interceptor Siphon	0.00%	2046	2,398,533	0	(126,880)	2,271,653	0
Fourth Street Sewer Separation	0.00%	2053	10,801,629	7,850,053	0	18,651,682	0
South Second Street Interceptor	0.00%	2028	0	436,149	0	436,149	0
Total OWDA Loans			61,365,475	12,066,262	(3,325,111)	70,106,626	2,608,724
Ohio Public Works							
Commission Loans (OPWC):							
Licking River Interceptor Construction	0.00%	2027	170,595	0	(28,433)	142,162	28,433
Sewer Improvements	0.00%	2022	6,474	0	(4,318)	2,156	2,156
Idlewild Park Sewer Phase I	0.00%	2022	8,149	0	(3,259)	4,890	3,259
Idlewild Park Sewer Phase II	0.00%	2024	134,250	0	(33,561)	100,689	33,561
Channel Street/Postal Avenue Sewer	0.00%	2033	520,061	0	(41,604)	478,457	41,604
Total OPWC Loans			839,529	0	(111,175)	728,354	109,013
ODOT State Infrastructure Bank Loan:							
Newark-Mount Vernon Road	3.00%		2,694,866	0	(157,480)	2,537,386	162,240
Business-Type Activities Other Long-Term Obligations:							
Compensated Absences			722,350	491,513	(433,713)	780,150	496,812
Total Business-Type Activities			\$90,162,299	\$12,557,775	(\$4,905,478)	\$97,814,597	\$4,221,789

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

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

The City's liability for past service costs relating to the Police and Firemen's Pension Fund at December 31, 2022 was \$1,556,874 in principal and interest payments through the year 2035. Only the principal amount of \$1,199,172 is included in the Government-wide Statement of Net Position.

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

In 2022, the City issued a \$1,125,000 long-term note for improvements in the Church Street area. The note carries an interest rate of 2.0%. In March 2023 these notes were paid off with proceeds from a new \$1,125,000 note issuance; therefore, these notes payable are recorded as long-term obligations.

The Water System Improvement revenue bonds are payable from the net revenue derived from operations of the water utility and are secured by a pledge of and lien on such net revenues until the bond maturity date of 2049. In 2022 the Water Fund reported \$3,172,866 of net pledged revenues for coverage of a principal and interest debt service requirement of \$1,051,869.

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, 2022, the City had received \$16,415,074 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2022, the loan has not been finalized and there is no amortization schedule for the loan.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

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

Wastewater UV Disinfection and SCADA Upgrade - In 2021 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for a wastewater UV disinfection and SCADA upgrade project. The total amount is subject to change and has not been finalized. The interest rate on the loan is 0%, per annum. This loan is payable from wastewater collection and treatment charges and is received by the City in increments as the project is completed. As of December 31, 2022, the City had received \$3,815,435 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2022, the loan has not been finalized and there is no amortization schedule for the loan.

Fourth Street Sewer Separation - In 2019 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for a combined sewer overflow separation project at Fourth Street. The total amount is subject to change and has not been finalized. The interest rate on the loan is 0%, per annum. This loan is payable from wastewater collection and treatment charges and is received by the City in increments as the project is completed. As of December 31, 2022, the City had received \$18,651,682 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2022, the loan has not been finalized and there is no amortization schedule for the loan.

Interceptor Siphon - In 2020 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for an interceptor siphon project. The total amount is subject to change and has not been finalized. The interest rate on the loan is 0%, per annum. This loan is payable from wastewater collection and treatment charges and is received by the City in increments as the project is completed. As of December 31, 2022, the City had received \$2,398,533 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2022, the loan has not been finalized and there is no amortization schedule for the loan.

South Second Street Interceptor - In 2022 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 the South Second Street interceptor project. The total amount is subject to change and has not been finalized. The interest rate on the loan is 0%, per annum. This loan is payable from wastewater collection and treatment charges and is received by the City in increments as the project is completed. As of December 31, 2022, the City had received \$436,149 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2022, 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, 2022

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

A summary of the City's future long-term debt funding requirements including principal and interest payments as of December 31, 2022 follows:

Years	Governmental Activities			
	General Obligation Bonds		Accrued Pension Liability	
	Principal	Interest	Principal	Interest
2023	\$1,385,000	\$694,138	\$74,822	\$50,178
2024	1,475,000	617,613	78,036	46,964
2025	1,465,000	573,127	81,388	43,612
2026	1,515,000	523,314	84,882	40,118
2027	1,565,000	470,402	88,528	36,472
2028-2032	6,140,000	1,637,432	503,056	121,944
2033-2037	2,815,000	816,229	288,460	18,414
2038-2042	1,245,000	390,442	0	0
2043-2047	885,000	123,304	0	0
Totals	\$18,490,000	\$5,846,001	\$1,199,172	\$357,702

Years	Governmental Activities			
	ODOT SIB Loans		OPWC Loans	
	Principal	Interest	Principal	Interest
2023	\$359,933	\$102,986	\$84,982	\$0
2024	370,810	92,107	64,982	0
2025	382,020	80,900	64,982	0
2026	393,566	69,353	64,982	0
2027	405,462	57,457	64,982	0
2028-2032	1,011,309	166,528	242,668	0
2033-2037	599,081	31,841	90,000	0
Totals	\$3,522,181	\$601,172	\$677,578	\$0

Years	Installment Loans	
	Principal	Interest
2023	\$609,468	\$213,801
2024	558,284	135,708
2025	474,351	56,148
2026	172,144	39,056
2027	140,061	31,730
2028-2032	621,039	66,124
Totals	\$2,575,347	\$542,567

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

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

Business-Type Activities						
Years	General Obligation Bonds		Revenue Bonds			
	Principal	Interest	Principal	Interest		
2023	\$480,000	\$193,580	\$365,000	\$684,669		
2024	490,000	182,710	380,000	672,806		
2025	495,000	171,630	390,000	664,256		
2026	515,000	159,950	400,000	652,069		
2027	525,000	147,800	410,000	642,569		
2028-2032	2,680,000	471,325	2,295,000	2,954,245		
2033-2037	825,000	139,200	2,855,000	2,410,495		
2038-2042	275,000	16,600	3,310,000	1,641,345		
2043-2047	0	0	3,950,000	798,800		
2048-2049	0	0	1,800,000	98,419		
Totals	<u>\$6,285,000</u>	<u>\$1,482,795</u>	<u>\$16,155,000</u>	<u>\$11,219,673</u>		

Business-Type Activities						
Years	OWDA Loans		OPWC Loans		ODOT SIB Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$2,608,724	\$751,735	\$109,013	\$0	\$162,240	\$74,914
2024	2,684,406	686,367	105,228	0	167,143	70,010
2025	2,762,629	618,879	103,598	0	172,196	64,958
2026	2,843,483	549,200	70,037	0	177,401	59,753
2027	2,745,873	478,603	70,036	0	182,762	54,391
2028-2032	11,622,772	1,379,606	208,028	0	1,000,087	185,681
2033-2037	2,917,210	468,024	62,414	0	675,557	35,906
2038-2042	2,322,948	230,442	0	0	0	0
2043-2044	996,201	25,156	0	0	0	0
Totals	<u>\$31,504,246</u>	<u>\$5,188,012</u>	<u>\$728,354</u>	<u>\$0</u>	<u>\$2,537,386</u>	<u>\$545,613</u>

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

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

In October 2014, the City defeased \$7,780,000 of General Obligation Bonds for Police and Fire Facilities dated September 1, 2003 through the issuance of \$7,930,000 of Police and Fire Facilities Refunding Bonds. The net proceeds of the 2014 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$5,290,000 at December 31, 2022 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In October 2017 the City refunded \$1,305,000 of Storm Water Improvement Bonds dated 2009, \$1,005,000 of Storm Water Improvement Bonds dated 2011, \$985,000 of Various Purpose Street Bonds dated 2010, and \$885,000 of Landfill Reclamation Bonds dated 2011 through the issuance of \$4,365,000 of General Obligation Bonds. The net proceeds of the 2017 Bonds were used to currently refund the 2010 Various Purpose Bonds. The remaining net proceeds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$2,520,000 at December 31, 2022 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 13 - INSURANCE AND RISK MANAGEMENT

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

A. Shared Risk Pool

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

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

Members of the Pool may withdraw coverage upon 60 days written notice. Each participant makes an annual “contribution” to the Pool for the coverage they are provided based on their exposures and rates established by the Pool using anticipated and actual results of operation for the various coverage’s provided.

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

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

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

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 13 - INSURANCE AND RISK MANAGEMENT (Continued)

B. Self Insurance

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

A liability for unpaid claims cost of \$360,437 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 2021 and 2022 were as follows:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year End</u>
2021	\$512,669	6,489,969	(6,629,804)	\$372,834
2022	372,834	6,702,145	(6,714,542)	360,437

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

NOTE 14 - SIGNIFICANT COMMITMENTS**A. Contractual Commitments**

The City had the following significant contractual commitments at December 31, 2022:

<u>Project</u>	<u>Remaining Contractual Commitment</u>	<u>Expected Date of Completion</u>
Faye Drive Booster Station	\$3,950,097	2023
Water Plant Instrumentation and Controls	304,262	2023
40th Street/Tamarack Water Transmission Line	50,108	2023
River Road Sewer	3,000,000	2024
Eastside Water Transmission Line	3,500,000	2024
Raccoon Creek Erosion Control	1,426,000	2023
Lead Service Water Line Replacement	1,363,282	2023/2024
Fourth Street Sewer Separation	4,354,336	2023
Second Street Sewer Separation	989,694	2023
North Sewer Separation Project	5,902,303	2025
UV Upgrade Design	919,938	2023
Various Street Improvements	5,097,624	2023/2024
	<u>\$30,857,644</u>	

B. Encumbrance Commitments

At December 31, 2022 the City had encumbrance commitments in the Governmental Funds as follows:

<u>Fund</u>	<u>Encumbrances</u>
General Fund	\$1,596,139
American Rescue Plan Act Fund	11,747,177
Capital Improvement Fund	2,228,754
Other Governmental Funds	1,737,608
Total Governmental Funds	<u>\$17,309,678</u>

NOTE 15 - 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.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEWARK, OHIO***Schedule of City's Proportionate Share of the Net Pension Liability
Last Nine Years*****Ohio Public Employees Retirement System**

Year	2014	2015	2016	2017
City's proportion of the net pension liability (asset)	0.076378%	0.076378%	0.074871%	0.073004%
City's proportionate share of the net pension liability (asset)	\$9,003,971	\$9,212,040	\$12,968,643	\$16,578,043
City's covered payroll	\$9,499,900	\$9,381,292	\$9,344,933	\$9,126,483
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	94.78%	98.20%	138.78%	181.65%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%	77.25%

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

Ohio Police and Fire Pension Fund

Year	2014	2015	2016	2017
City's proportion of the net pension liability (asset)	0.478326%	0.478326%	0.467618%	0.467510%
City's proportionate share of the net pension liability (asset)	\$23,295,996	\$24,779,302	\$30,082,169	\$29,611,621
City's covered payroll	\$9,550,114	\$9,387,938	\$9,451,954	\$9,644,293
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	243.93%	263.95%	318.26%	307.04%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%	66.77%	68.36%

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

Notes: The City implemented GASB Statement 68 in 2015.

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

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

See notes to the required supplementary information

CITY OF NEWARK, OHIO

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
0.069175%	0.069409%	0.068045%	0.070820%	0.071830%
\$10,852,146	\$19,009,713	\$13,449,551	\$10,486,897	\$6,249,496
\$9,207,600	\$9,376,750	\$9,594,221	\$9,938,957	\$10,397,186
117.86%	202.73%	140.18%	105.51%	60.11%
84.66%	74.70%	82.17%	86.88%	92.62%
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
0.441969%	0.438010%	0.427888%	0.431171%	0.448827%
\$27,125,647	\$35,753,191	\$28,824,823	\$29,393,302	\$28,040,115
\$9,540,968	\$9,807,613	\$10,155,025	\$10,391,184	\$11,291,020
284.31%	364.55%	283.85%	282.87%	248.34%
70.91%	63.07%	69.89%	70.65%	75.03%

CITY OF NEWARK, OHIO

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

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 payroll	\$9,499,900	\$9,381,292	\$9,344,933	\$9,126,483
Contributions as a percentage of covered 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 payroll	\$9,550,114	\$9,387,938	\$9,451,954	\$9,644,293
Contributions as a percentage of covered 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.

See notes to the required supplementary information

CITY OF NEWARK, OHIO

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$1,196,988	\$1,312,745	\$1,343,191	\$1,391,454	\$1,455,606	\$1,524,417
<u>1,196,988</u>	<u>1,312,745</u>	<u>1,343,191</u>	<u>1,391,454</u>	<u>1,455,606</u>	<u>1,524,417</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$9,207,600	\$9,376,750	\$9,594,221	\$9,938,957	\$10,397,186	\$10,888,693
13.00%	14.00%	14.00%	14.00%	14.00%	14.00%

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$2,041,586	\$2,095,532	\$2,170,355	\$2,220,792	\$2,421,917	\$2,501,298
<u>2,041,586</u>	<u>2,095,532</u>	<u>2,170,355</u>	<u>2,220,792</u>	<u>2,421,917</u>	<u>2,501,298</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$9,540,968	\$9,807,613	\$10,155,025	\$10,391,184	\$11,291,020	\$11,660,725
21.40%	21.37%	21.37%	21.37%	21.45%	21.45%

CITY OF NEWARK, OHIO

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

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Pension Fund

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

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

Notes: The City implemented GASB Statement 75 in 2018.

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

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

See notes to the required supplementary information

CITY OF NEWARK, OHIO

<u>2020</u>	<u>2021</u>	<u>2022</u>
0.068992%	0.071656%	0.072940%
\$9,529,586	(\$1,276,613)	(\$2,284,595)
\$9,594,221	\$9,938,957	\$10,397,186
99.33%	(12.84%)	(21.97%)
47.80%	115.57%	128.23%

<u>2020</u>	<u>2021</u>	<u>2022</u>
0.427888%	0.431171%	0.448827%
\$4,226,564	\$4,568,326	\$4,919,531
\$10,155,025	\$10,391,184	\$11,291,020
41.62%	43.96%	43.57%
47.08%	45.42%	46.86%

CITY OF NEWARK, OHIO

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

Ohio Public Employees Retirement System

Year	2013	2014	2015	2016
Contractually required contribution	\$94,999	\$187,626	\$186,899	\$182,530
Contributions in relation to the contractually required contribution	94,999	187,626	186,899	182,530
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered payroll	\$9,499,900	\$9,381,292	\$9,344,933	\$9,126,483
Contributions as a percentage of covered payroll	1.00%	2.00%	2.00%	2.00%

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

Ohio Police and Fire Pension Fund

Year	2013	2014	2015	2016
Contractually required contribution	\$344,484	\$46,940	\$47,260	\$48,221
Contributions in relation to the contractually required contribution	344,484	46,940	47,260	48,221
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered payroll	\$9,550,114	\$9,387,938	\$9,451,954	\$9,644,293
Contributions as a percentage of covered payroll	3.61%	0.50%	0.50%	0.50%

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

Notes: The City implemented GASB Statement 75 in 2018.

See notes to the required supplementary information

CITY OF NEWARK, OHIO

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$92,076	\$0	\$0	\$0	\$0	\$0
<u>92,076</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$9,207,600	\$9,376,750	\$9,594,221	\$9,938,957	\$10,397,186	\$10,888,693
1.00%	0.00%	0.00%	0.00%	0.00%	0.00%

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$47,704	\$49,038	\$50,775	\$51,956	\$56,455	\$58,304
<u>47,704</u>	<u>49,038</u>	<u>50,775</u>	<u>51,956</u>	<u>56,455</u>	<u>58,304</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$9,540,968	\$9,807,613	\$10,155,025	\$10,391,184	\$11,291,020	\$11,660,725
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2022***

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2022.

Changes in assumptions:

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

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

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

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

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

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

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

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

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

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

2022: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 0.5% to 3.00% for post 1/7/13 retirees.
- Reduction in actuarial assumed rate of return from 7.20% to 6.90%.
- Pre-retirement mortality rates are based on Pub-2010 General Employee/Safety Employee mortality tables.
- Post-retirement mortality rates are based on PubG-2010 Retiree mortality tables.
- Post-retirement mortality rates for disabled retirees are based on PubNS-2010 Disabled Retiree mortality tables for all divisions.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2022***

NET PENSION LIABILITY (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2022.

Changes in assumptions:

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

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

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

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

2022: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%

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***Notes to the Required Supplementary Information
For the Year Ended December 31, 2022***

NET OPEB LIABILITY (ASSET)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

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

2022: Group plans for non-Medicare retirees and re-employed retirees replaced with individual medical plans. OPERS will provide a subsidy or allowance via an HRA.

Changes in assumptions:

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

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

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

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

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

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

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

2022: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- Change in health care cost trend rate from 8.5% to 5.5%
- The Municipal Bond Rate changed from 2.00% to 1.84%
- Pre-retirement mortality rates are based on Pub-2010 General Employee/Safety Employee mortality tables.
- Post-retirement mortality rates are based on PubG-2010 Retiree mortality tables.
- Post-retirement mortality rates for disabled retirees are based on PubNS-2010 Disabled Retiree mortality tables for all divisions.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2022***

NET OPEB LIABILITY (ASSET) (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms:

2018: There were no changes in benefit terms.

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

2020 - 2022: There were no changes in benefit terms.

Changes in assumptions:

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

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

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

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

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

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

- The single discount rate changed from 3.56% to 2.96%.
- The payroll growth rate changed from 2.75% to 3.25%.

2022: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 2.96% to 2.84%.



*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Street Department Fund

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

Cemetery Fund

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

Community Development Fund

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

Special Improvement District Fund

To account for assessments which are designated for community improvements. (The Balance Sheet is not presented because there are no assets or liabilities at year end).

Veterans Memorial Sidewalk Fund

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

Police/Fire Pension Fund

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

Safety Grants Fund

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

One Ohio Opioid Settlement Fund

To account for funds collected from drug manufacturers and distributors designated for resources to assist with community recovery, prevention and treatment.

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.

(Continued)

Special Revenue Funds

Landfill Reclamation Fund

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

Court Computerization Fund

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

Fire Damage Fund

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

Permissive License Tax Fund

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

Probation Grant Fund

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

Coronavirus Relief Fund

This fund is used to account for Coronavirus Relief funds received through passage of the CARES Act. These funds can be used for necessary expenditures incurred due to the Covid-19 public health emergency.

Ohio Department of Natural Resources (ODNR) Grants Fund

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

Judicial Fund

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

(Continued)

Debt Service Funds

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

Debt Service Fund

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

Tax Increment Financing Fund

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

Capital Projects Funds

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

Court Capital Improvement Fund

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

CITY OF NEWARK, OHIO
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Pooled Cash and Investments	\$ 6,260,830	\$ 2,494,339	\$ 445,076	\$ 9,200,245
Cash and Cash Equivalents in Segregated Accounts	28,510	0	1,458	29,968
Investments	75,023	0	0	75,023
Receivables:				
Taxes	552,794	751,000	0	1,303,794
Accounts	4,474	0	0	4,474
Intergovernmental	1,981,826	0	0	1,981,826
Interest	562	0	0	562
Loans	2,379,526	0	0	2,379,526
Inventory of Supplies, at Cost	367,936	0	0	367,936
Restricted Assets:				
Cash and Cash Equivalents	925,645	0	0	925,645
Investments	379,445	0	0	379,445
Investments with Fiscal Agent	636,903	0	0	636,903
Total Assets	\$ 13,593,474	\$ 3,245,339	\$ 446,534	\$ 17,285,347
Liabilities:				
Accounts Payable	\$ 245,117	\$ 0	\$ 0	\$ 245,117
Accrued Wages and Benefits Payable	132,901	0	0	132,901
Interfund Loans Payable	7,712	0	0	7,712
Total Liabilities	385,730	0	0	385,730
Deferred Inflows of Resources:				
Unavailable Amounts	2,027,850	0	0	2,027,850
Property Tax Levy for Next Fiscal Year	540,546	751,000	0	1,291,546
Total Deferred Inflows of Resources	2,568,396	751,000	0	3,319,396
Fund Balance:				
Nonspendable	367,936	0	0	367,936
Restricted	10,276,105	2,494,339	446,534	13,216,978
Unassigned	(4,693)	0	0	(4,693)
Total Fund Balance	10,639,348	2,494,339	446,534	13,580,221
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 13,593,474	\$ 3,245,339	\$ 446,534	\$ 17,285,347

CITY OF NEWARK, OHIO**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2022**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 520,494	\$ 745,238	\$ 0	\$ 1,265,732
Intergovernmental Revenues	5,069,367	0	0	5,069,367
Charges for Services	4,260	0	0	4,260
Investment Earnings	(107,850)	0	0	(107,850)
Special Assessments	112,470	0	0	112,470
Fines and Forfeitures	397,573	0	20,609	418,182
All Other Revenue	115,755	5,349	0	121,104
Total Revenues	6,112,069	750,587	20,609	6,883,265
Expenditures:				
Current:				
Security of Persons and Property	1,419,119	0	0	1,419,119
Public Health and Welfare Services	29,078	0	0	29,078
Community Environment	855,621	0	0	855,621
Transportation	3,175,348	0	0	3,175,348
General Government	679,846	420,451	0	1,100,297
Debt Service:				
Principal Retirement	96,741	1,624,372	0	1,721,113
Interest and Fiscal Charges	0	626,248	0	626,248
Total Expenditures	6,255,753	2,671,071	0	8,926,824
Excess (Deficiency) of Revenues Over (Under) Expenditures	(143,684)	(1,920,484)	20,609	(2,043,559)
Other Financing Sources (Uses):				
Premium on Bond Issuance	0	118,362	0	118,362
Transfers In	489,931	2,255,819	0	2,745,750
Transfers Out	0	(53,413)	0	(53,413)
Total Other Financing Sources (Uses)	489,931	2,320,768	0	2,810,699
Net Change in Fund Balance	346,247	400,284	20,609	767,140
Fund Balance at Beginning of Year	10,293,101	2,094,055	425,925	12,813,081
Fund Balance End of Year	\$ 10,639,348	\$ 2,494,339	\$ 446,534	\$ 13,580,221

CITY OF NEWARK, OHIO
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2022

	Street Department	Cemetery	Community Development	Veterans Memorial Sidewalk
Assets:				
Pooled Cash and Investments	\$ 1,654,091	\$ 137,016	\$ 623,714	\$ 2,106
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Investments	0	0	0	75,023
Receivables:				
Taxes	0	0	0	0
Accounts	4,474	0	0	0
Intergovernmental	1,306,123	0	0	0
Interest	0	374	0	188
Loans	0	0	2,379,526	0
Inventory of Supplies, at Cost	367,936	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	311,435	0	0
Investments	0	379,445	0	0
Investments with Fiscal Agent	0	488,575	0	0
Total Assets	\$ 3,332,624	\$ 1,316,845	\$ 3,003,240	\$ 77,317
Liabilities:				
Accounts Payable	\$ 10,030	\$ 0	\$ 15,212	\$ 0
Accrued Wages and Benefits Payable	88,440	0	17,552	0
Interfund Loans Payable	0	0	0	0
Total Liabilities	98,470	0	32,764	0
Deferred Inflows of Resources:				
Unavailable Amounts	870,749	0	0	0
Property Tax Levy for Next Fiscal Year	0	0	0	0
Total Deferred Inflows of Resources	870,749	0	0	0
Fund Balance:				
Nonspendable	367,936	0	0	0
Restricted	1,995,469	1,316,845	2,970,476	77,317
Unassigned	0	0	0	0
Total Fund Balance	2,363,405	1,316,845	2,970,476	77,317
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 3,332,624	\$ 1,316,845	\$ 3,003,240	\$ 77,317

(Continued)

CITY OF NEWARK, OHIO**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2022**

	Police/Fire Pension	Safety Grants	One Ohio Opioid Settlement	State Highway
Assets:				
Pooled Cash and Investments	\$ 53,163	\$ 2	\$ 15,364	\$ 3,825
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Investments	0	0	0	0
Receivables:				
Taxes	552,794	0	0	0
Accounts	0	0	0	0
Intergovernmental	32,119	5,065	0	105,902
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	0	0	0	0
Investments	0	0	0	0
Investments with Fiscal Agent	0	0	0	0
Total Assets	\$ 638,076	\$ 5,067	\$ 15,364	\$ 109,727
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Interfund Loans Payable	0	7,712	0	0
Total Liabilities	0	7,712	0	0
Deferred Inflows of Resources:				
Unavailable Amounts	44,367	2,048	0	70,601
Property Tax Levy for Next Fiscal Year	540,546	0	0	0
Total Deferred Inflows of Resources	584,913	2,048	0	70,601
Fund Balance:				
Nonspendable	0	0	0	0
Restricted	53,163	0	15,364	39,126
Unassigned	0	(4,693)	0	0
Total Fund Balance	53,163	(4,693)	15,364	39,126
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 638,076	\$ 5,067	\$ 15,364	\$ 109,727

CITY OF NEWARK, OHIO

Law Enforcement	Landfill Reclamation	Court Computerization	Fire Damage	Permissive License Tax	Probation Grant
\$ 570,040	\$ 4,808	\$ 601,905	\$ 119,563	\$ 1,034,561	\$ 70,177
5,796	0	12,558	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	320,227	212,390
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	614,210	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 575,836</u>	<u>\$ 4,808</u>	<u>\$ 614,463</u>	<u>\$ 119,563</u>	<u>\$ 1,968,998</u>	<u>\$ 282,567</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 219,625	\$ 0
0	0	4,240	0	0	13,461
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>4,240</u>	<u>0</u>	<u>219,625</u>	<u>13,461</u>
0	0	0	0	827,695	212,390
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>827,695</u>	<u>212,390</u>
0	0	0	0	0	0
575,836	4,808	610,223	119,563	921,678	56,716
0	0	0	0	0	0
<u>575,836</u>	<u>4,808</u>	<u>610,223</u>	<u>119,563</u>	<u>921,678</u>	<u>56,716</u>
<u>\$ 575,836</u>	<u>\$ 4,808</u>	<u>\$ 614,463</u>	<u>\$ 119,563</u>	<u>\$ 1,968,998</u>	<u>\$ 282,567</u>

(Continued)

CITY OF NEWARK, OHIO
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2022

	Coronavirus Relief	Mary E. Barnes Trust	Judicial	Total Nonmajor Special Revenue Funds
Assets:				
Pooled Cash and Investments	\$ 16	\$ 0	\$ 1,370,479	\$ 6,260,830
Cash and Cash Equivalents in Segregated Accounts	0	0	10,156	28,510
Investments	0	0	0	75,023
Receivables:				
Taxes	0	0	0	552,794
Accounts	0	0	0	4,474
Intergovernmental	0	0	0	1,981,826
Interest	0	0	0	562
Loans	0	0	0	2,379,526
Inventory of Supplies, at Cost	0	0	0	367,936
Restricted Assets:				
Cash and Cash Equivalents	0	0	0	925,645
Investments	0	0	0	379,445
Investments with Fiscal Agent	0	148,328	0	636,903
Total Assets	<u>\$ 16</u>	<u>\$ 148,328</u>	<u>\$ 1,380,635</u>	<u>\$ 13,593,474</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 250	\$ 245,117
Accrued Wages and Benefits Payable	0	0	9,208	132,901
Interfund Loans Payable	0	0	0	7,712
Total Liabilities	<u>0</u>	<u>0</u>	<u>9,458</u>	<u>385,730</u>
Deferred Inflows of Resources:				
Unavailable Amounts	0	0	0	2,027,850
Property Tax Levy for Next Fiscal Year	0	0	0	540,546
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,568,396</u>
Fund Balance:				
Nonspendable	0	0	0	367,936
Restricted	16	148,328	1,371,177	10,276,105
Unassigned	0	0	0	(4,693)
Total Fund Balance	<u>16</u>	<u>148,328</u>	<u>1,371,177</u>	<u>10,639,348</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 16</u>	<u>\$ 148,328</u>	<u>\$ 1,380,635</u>	<u>\$ 13,593,474</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, 2022***

	Street Department	Cemetery	Community Development	Special Improvement District
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	2,697,020	0	687,343	0
Charges for Services	0	4,260	0	0
Investment Earnings	0	(84,965)	4,719	0
Special Assessments	0	0	0	112,470
Fines and Forfeitures	0	0	0	0
All Other Revenue	83,315	0	0	0
Total Revenues	2,780,335	(80,705)	692,062	112,470
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Public Health and Welfare Services	0	14,898	0	0
Community Environment	0	0	674,871	112,470
Transportation	2,146,271	0	0	0
General Government	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Total Expenditures	2,146,271	14,898	674,871	112,470
Excess (Deficiency) of Revenues Over (Under) Expenditures	634,064	(95,603)	17,191	0
Other Financing Sources (Uses):				
Transfers In	448,500	0	0	0
Total Other Financing Sources (Uses)	448,500	0	0	0
Net Change in Fund Balance	1,082,564	(95,603)	17,191	0
Fund Balance at Beginning of Year	1,280,841	1,412,448	2,953,285	0
Fund Balance End of Year	\$ 2,363,405	\$ 1,316,845	\$ 2,970,476	\$ 0

(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, 2022**

	Veterans Memorial Sidewalk	Police/Fire Pension	Safety Grants	One Ohio Opioid Settlement
Revenues:				
Taxes	\$ 0	\$ 520,494	\$ 0	\$ 0
Intergovernmental Revenues	0	67,184	207,747	15,364
Charges for Services	0	0	0	0
Investment Earnings	211	0	0	0
Special Assessments	0	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	300	0	6,782	0
Total Revenues	<u>511</u>	<u>587,678</u>	<u>214,529</u>	<u>15,364</u>
Expenditures:				
Current:				
Security of Persons and Property	0	600,550	342,024	0
Public Health and Welfare Services	0	0	0	0
Community Environment	0	0	0	0
Transportation	0	0	0	0
General Government	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Total Expenditures	<u>0</u>	<u>600,550</u>	<u>342,024</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	511	(12,872)	(127,495)	15,364
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	511	(12,872)	(127,495)	15,364
Fund Balance at Beginning of Year	<u>76,806</u>	<u>66,035</u>	<u>122,802</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 77,317</u>	<u>\$ 53,163</u>	<u>\$ (4,693)</u>	<u>\$ 15,364</u>

CITY OF NEWARK, OHIO

State Highway	Law Enforcement	Landfill Reclamation	Court Computerization	Fire Damage	Permissive License Tax
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
218,677	23,965	0	0	0	695,392
0	0	0	0	0	0
0	0	84	0	0	0
0	0	0	0	0	0
0	73,379	0	180,613	0	0
0	0	0	196	10,301	11,000
218,677	97,344	84	180,809	10,301	706,392
0	55,540	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
214,034	0	0	0	0	815,043
0	0	434	290,580	91,206	0
0	0	0	0	0	96,741
214,034	55,540	434	290,580	91,206	911,784
4,643	41,804	(350)	(109,771)	(80,905)	(205,392)
0	0	0	0	0	0
0	0	0	0	0	0
4,643	41,804	(350)	(109,771)	(80,905)	(205,392)
34,483	534,032	5,158	719,994	200,468	1,127,070
\$ 39,126	\$ 575,836	\$ 4,808	\$ 610,223	\$ 119,563	\$ 921,678

(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, 2022***

	Probation Grant	Coronavirus Relief	ODNR Grants	Mary E. Barnes Trust
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	424,784	0	17,711	0
Charges for Services	0	0	0	0
Investment Earnings	0	0	0	(27,899)
Special Assessments	0	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	3,085	16	0	0
Total Revenues	427,869	16	17,711	(27,899)
Expenditures:				
Current:				
Security of Persons and Property	418,867	0	0	2,138
Public Health and Welfare Services	0	0	0	0
Community Environment	0	0	68,280	0
Transportation	0	0	0	0
General Government	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Total Expenditures	418,867	0	68,280	2,138
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,002	16	(50,569)	(30,037)
Other Financing Sources (Uses):				
Transfers In	0	0	41,431	0
Total Other Financing Sources (Uses)	0	0	41,431	0
Net Change in Fund Balance	9,002	16	(9,138)	(30,037)
Fund Balance at Beginning of Year	47,714	0	9,138	178,365
Fund Balance End of Year	\$ 56,716	\$ 16	\$ 0	\$ 148,328

CITY OF NEWARK, OHIO

Brownfield Cleanup	Judicial	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 520,494
14,180	0	5,069,367
0	0	4,260
0	0	(107,850)
0	0	112,470
0	143,581	397,573
0	760	115,755
<u>14,180</u>	<u>144,341</u>	<u>6,112,069</u>
0	0	1,419,119
14,180	0	29,078
0	0	855,621
0	0	3,175,348
0	297,626	679,846
0	0	96,741
<u>14,180</u>	<u>297,626</u>	<u>6,255,753</u>
0	(153,285)	(143,684)
<u>0</u>	<u>0</u>	<u>489,931</u>
<u>0</u>	<u>0</u>	<u>489,931</u>
0	(153,285)	346,247
0	1,524,462	10,293,101
<u>\$ 0</u>	<u>\$ 1,371,177</u>	<u>\$ 10,639,348</u>

CITY OF NEWARK, OHIO

**Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2022**

	Debt Service	Tax Increment Financing	Total Nonmajor Debt Service Funds
Assets:			
Pooled Cash and Investments	\$ 995,686	\$ 1,498,653	\$ 2,494,339
Receivables:			
Taxes	0	751,000	751,000
Total Assets	<u>\$ 995,686</u>	<u>\$ 2,249,653</u>	<u>\$ 3,245,339</u>
Liabilities:			
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Deferred Inflows of Resources:			
Property Tax Levy for Next Fiscal Year	0	751,000	751,000
Total Deferred Inflows of Resources	<u>0</u>	<u>751,000</u>	<u>751,000</u>
Fund Balance:			
Restricted	995,686	1,498,653	2,494,339
Total Fund Balance	<u>995,686</u>	<u>1,498,653</u>	<u>2,494,339</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 995,686</u>	<u>\$ 2,249,653</u>	<u>\$ 3,245,339</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, 2022***

	Debt Service	Tax Increment Financing	Total Nonmajor Debt Service Funds
Revenues:			
Taxes	\$ 0	\$ 745,238	\$ 745,238
All Other Revenue	5,349	0	5,349
Total Revenues	5,349	745,238	750,587
Expenditures:			
Current:			
General Government	1,650	418,801	420,451
Debt Service:			
Principal Retirement	1,409,372	215,000	1,624,372
Interest and Fiscal Charges	579,289	46,959	626,248
Total Expenditures	1,990,311	680,760	2,671,071
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,984,962)	64,478	(1,920,484)
Other Financing Sources (Uses):			
Premium on Bond Issuance	118,362	0	118,362
Transfers In	1,949,234	306,585	2,255,819
Transfers Out	(53,413)	0	(53,413)
Total Other Financing Sources (Uses)	2,014,183	306,585	2,320,768
Net Change in Fund Balance	29,221	371,063	400,284
Fund Balance at Beginning of Year	966,465	1,127,590	2,094,055
Fund Balance End of Year	\$ 995,686	\$ 1,498,653	\$ 2,494,339

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, 2022***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 25,942,196	\$ 25,942,196	\$ 30,949,464	\$ 5,007,268
Intergovernmental Revenues	2,007,710	2,007,710	2,278,737	271,027
Charges for Services	2,993,434	2,993,434	3,464,851	471,417
Licenses, Permits and Fees	100,430	100,430	150,832	50,402
Investment Earnings	170,180	170,180	377,214	207,034
Fines and Forfeitures	1,191,250	1,191,250	1,150,422	(40,828)
All Other Revenue	99,450	99,450	625,979	526,529
Total Revenues	32,504,650	32,504,650	38,997,499	6,492,849
Expenditures:				
Security of Persons and Property:				
Impound Lot:				
Personal Services	76,859	89,783	88,437	1,346
Materials and Supplies	603	644	545	99
Contractual Services	86,119	75,844	74,561	1,283
Total Impound Lot	163,581	166,271	163,543	2,728
Police:				
Personal Services	8,746,309	8,658,737	8,341,080	317,657
Materials and Supplies	264,845	319,978	281,636	38,342
Contractual Services	781,192	771,095	598,431	172,664
Other Expenditures	625	676	176	500
Capital Outlay	70,656	104,668	93,708	10,960
Total Police	9,863,627	9,855,154	9,315,031	540,123
Fire:				
Personal Services	9,336,007	9,094,080	8,968,544	125,536
Materials and Supplies	812,126	831,851	809,254	22,597
Contractual Services	672,542	677,590	656,483	21,107
Other Expenditures	1,000	1,000	0	1,000
Capital Outlay	128,500	128,228	128,210	18
Total Fire	10,950,175	10,732,749	10,562,491	170,258
Total Security of Persons and Property	20,977,383	20,754,174	20,041,065	713,109

(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, 2022***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Leisure Time Activities:				
Parks and Cemetery:				
Personal Services	639,788	645,534	616,425	29,109
Materials and Supplies	67,662	79,861	78,158	1,703
Contractual Services	275,300	312,474	296,440	16,034
Other Expenditures	2,875	1,375	783	592
Total Parks and Cemetery	985,625	1,039,244	991,806	47,438
Hollander Pool:				
Materials and Supplies	4,000	4,000	0	4,000
Contractual Services	49,679	49,679	34,299	15,380
Total Hollander Pool	53,679	53,679	34,299	19,380
Babe Ruth Baseball:				
Materials and Supplies	5,300	5,300	2,944	2,356
Contractual Services	64,640	64,640	64,348	292
Total Babe Ruth Baseball	69,940	69,940	67,292	2,648
Total Leisure Time Activities	1,109,244	1,162,863	1,093,397	69,466
Community Environment:				
Code Administration:				
Personal Services	351,040	360,106	359,107	999
Materials and Supplies	8,760	9,542	7,563	1,979
Contractual Services	308,956	221,101	135,933	85,168
Other Expenditures	500	500	22	478
Capital Outlay	14,770	24,375	24,375	0
Total Community Environment	684,026	615,624	527,000	88,624
Transportation:				
Street/Traffic:				
Personal Services	0	10,000	9,246	754
Total Transportation	0	10,000	9,246	754
General Government:				
City Council:				
Personal Services	119,952	119,415	119,385	30
Total City Council	119,952	119,415	119,385	30

(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, 2022***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Clerk of Council:				
Personal Services	64,856	64,614	64,416	198
Materials and Supplies	445	703	657	46
Contractual Services	24,087	18,540	18,540	0
Total Clerk of Council	89,388	83,857	83,613	244
Mayor:				
Personal Services	222,234	221,473	220,926	547
Materials and Supplies	1,000	750	100	650
Contractual Services	13,885	13,635	10,635	3,000
Capital Outlay	2,100	2,100	0	2,100
Total Mayor	239,219	237,958	231,661	6,297
Auditor:				
Personal Services	474,842	473,604	460,174	13,430
Materials and Supplies	6,493	4,331	4,331	0
Contractual Services	1,010,674	184,037	170,448	13,589
Other Expenditures	237,000	225,000	200,000	25,000
Capital Outlay	17,476	17,076	11,596	5,480
Total Auditor	1,746,485	904,048	846,549	57,499
Law Director:				
Personal Services	1,228,918	1,224,596	1,101,724	122,872
Materials and Supplies	9,562	8,912	8,912	0
Contractual Services	24,273	23,900	18,637	5,263
Total Law Director	1,262,753	1,257,408	1,129,273	128,135
Clerk of Courts:				
Personal Services	1,382,715	1,379,258	1,336,678	42,580
Materials and Supplies	27,480	26,416	25,616	800
Contractual Services	114,430	104,691	91,905	12,786
Other Expenditures	2,500	2,500	0	2,500
Total Clerk of Courts	1,527,125	1,512,865	1,454,199	58,666

(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, 2022***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Civil Service:				
Personal Services	2,901	2,900	1,486	1,414
Materials and Supplies	300	300	300	0
Contractual Services	55,612	55,462	42,414	13,048
Capital Outlay	3,000	3,000	3,000	0
Total Civil Service	61,813	61,662	47,200	14,462
Workers Compensation:				
Personal Services	168,004	70,000	70,000	0
Total Workers Compensation	168,004	70,000	70,000	0
Judiciary:				
Personal Services	868,714	865,957	859,519	6,438
Materials and Supplies	17,178	18,059	16,231	1,828
Contractual Services	104,017	97,510	93,395	4,115
Other Expenditures	1,000	1,000	177	823
Total Judiciary	990,909	982,526	969,322	13,204
Personnel:				
Personal Services	221,347	237,248	223,341	13,907
Materials and Supplies	861	600	600	0
Contractual Services	153,576	175,357	171,611	3,746
Capital Outlay	1,000	0	0	0
Total Personnel	376,784	413,205	395,552	17,653
Adult Probation:				
Personal Services	623,417	661,836	646,813	15,023
Materials and Supplies	16,252	20,481	17,575	2,906
Contractual Services	40,568	38,512	37,597	915
Capital Outlay	84	72	72	0
Total Adult Probation	680,321	720,901	702,057	18,844

(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, 2022***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Service Department:				
Personal Services	221,323	220,081	218,726	1,355
Materials and Supplies	26,678	69,396	69,396	0
Contractual Services	2,678,260	3,009,520	3,000,692	8,828
Other Expenditures	0	460	460	0
Capital Outlay	320,087	436,111	436,111	0
Total Service Department	3,246,348	3,735,568	3,725,385	10,183
Engineer:				
Personal Services	665,843	663,276	658,749	4,527
Materials and Supplies	7,017	9,094	8,643	451
Contractual Services	64,836	56,967	54,623	2,344
Capital Outlay	14,885	10,110	6,110	4,000
Total Engineer	752,581	739,447	728,125	11,322
Custodial:				
Personal Services	226,347	227,973	227,333	640
Materials and Supplies	2,613	1,617	1,088	529
Contractual Services	218,831	208,543	203,030	5,513
Other Expenditures	150	150	0	150
Total Custodial	447,941	438,283	431,451	6,832
Income Tax:				
Personal Services	1,058,141	900,274	840,858	59,416
Materials and Supplies	12,558	12,496	7,996	4,500
Contractual Services	131,421	133,372	93,612	39,760
Other Expenditures	600,000	593,100	509,535	83,565
Capital Outlay	50,000	42,360	32,645	9,715
Total Income Tax	1,852,120	1,681,602	1,484,646	196,956

(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, 2022***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Safety Director:				
Personal Services	182,960	182,245	182,059	186
Materials and Supplies	647	647	611	36
Contractual Services	478,444	594,099	592,635	1,464
Other Expenditures	6,637	5,000	4,469	531
Capital Outlay	2,000	2,000	453	1,547
Total Safety Director	670,688	783,991	780,227	3,764
Total General Government	14,232,431	13,742,736	13,198,645	544,091
Total Expenditures	37,003,084	36,285,397	34,869,353	1,416,044
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(4,498,434)	(3,780,747)	4,128,146	7,908,893
Other Financing Sources (Uses):				
Sale of Capital Assets	43,500	43,500	63,876	20,376
Transfers In	1,349,800	1,639,800	1,694,610	54,810
Transfers Out	(4,639,452)	(5,532,500)	(5,518,361)	14,139
Advances Out	0	(15,425)	(7,712)	7,713
Total Other Financing Sources (Uses)	(3,246,152)	(3,864,625)	(3,767,587)	97,038
Net Change in Fund Balance	(7,744,586)	(7,645,372)	360,559	8,005,931
Fund Balance at Beginning of Year	8,159,237	8,159,237	8,159,237	0
Prior Year Encumbrances	2,018,700	2,018,700	2,018,700	0
Fund Balance at End of Year	<u>\$ 2,433,351</u>	<u>\$ 2,532,565</u>	<u>\$ 10,538,496</u>	<u>\$ 8,005,931</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund – American Rescue Plan Act Fund
For the Year Ended December 31, 2022***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 9,070,010	\$ 9,070,010	\$ 9,070,010	\$ 0
Total Revenues	9,070,010	9,070,010	9,070,010	0
Expenditures:				
General Government:				
Materials and Supplies	320,000	866,011	866,011	0
Contractual Services	1,500,000	3,478,294	3,477,733	561
Capital Outlay	9,166,270	12,416,535	12,416,535	0
Total General Government	10,986,270	16,760,840	16,760,279	561
Security of Persons and Property:				
Personal Services	0	250,000	237,252	12,748
Total Security of Persons and Property	0	250,000	237,252	12,748
Total Expenditures	10,986,270	17,010,840	16,997,531	13,309
Net Change in Fund Balance	(1,916,260)	(7,940,830)	(7,927,521)	13,309
Fund Balance at Beginning of Year	130,445	130,445	130,445	0
Prior Year Encumbrances	8,586,270	8,586,270	8,586,270	0
Fund Balance at End of Year	\$ 6,800,455	\$ 775,885	\$ 789,194	\$ 13,309

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Projects Funds – Capital Improvement Fund
For the Year Ended December 31, 2022***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 85,181	\$ 0	\$ (85,181)
Investment Earnings	570	54,248	53,678
Total Revenues	85,751	54,248	(31,503)
Expenditures:			
Capital Outlay	7,322,818	6,769,304	553,514
Debt Service:			
Principal Retirement	4,625,000	4,625,000	0
Interest and Fiscal Charges	74,221	74,212	9
Total Expenditures	12,022,039	11,468,516	553,523
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,936,288)	(11,414,268)	522,020
Other Financing Sources (Uses):			
Note Issuance	4,625,000	4,665,000	40,000
Loan Issuance	605,568	0	(605,568)
Transfers In	1,124,824	1,683,001	558,177
Bond Issuance	0	1,600,000	1,600,000
Premium on Debt Issuance	0	32,604	32,604
Total Other Financing Sources (Uses)	6,355,392	7,980,605	1,625,213
Net Change in Fund Balance	(5,580,896)	(3,433,663)	2,147,233
Fund Balance at Beginning of Year	3,604,602	3,604,602	0
Prior Year Encumbrances	3,622,334	3,622,334	0
Fund Balance at End of Year	\$ 1,646,040	\$ 3,793,273	\$ 2,147,233

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, 2022***

STREET DEPARTMENT FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 2,579,256	\$ 2,686,933	\$ 107,677
All Other Revenue	76,925	78,841	1,916
Total Revenues	2,656,181	2,765,774	109,593
Expenditures:			
Transportation:			
Personal Services	2,255,965	1,887,855	368,110
Materials and Supplies	684,921	615,146	69,775
Contractual Services	1,115,760	1,110,740	5,020
Other Expenditures	7,700	5,200	2,500
Capital Outlay	46,000	46,000	0
Total Expenditures	4,110,346	3,664,941	445,405
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,454,165)	(899,167)	554,998
Other Financing Sources (Uses):			
Transfers In	1,062,534	1,062,534	0
Total Other Financing Sources (Uses)	1,062,534	1,062,534	0
Net Change in Fund Balance	(391,631)	163,367	554,998
Fund Balance at Beginning of Year	356,246	356,246	0
Prior Year Encumbrances	163,337	163,337	0
Fund Balance at End of Year	\$ 127,952	\$ 682,950	\$ 554,998

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, 2022***

	CEMETERY FUND		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 4,500	\$ 4,260	\$ (240)
Investment Earnings	135	10,307	10,172
Total Revenues	4,635	14,567	9,932
Expenditures:			
Public Health and Welfare Services:			
Materials and Supplies	4,500	0	4,500
Contractual Services	2,000	0	2,000
Total Expenditures	6,500	0	6,500
Net Change in Fund Balance	(1,865)	14,567	16,432
Fund Balance at Beginning of Year	813,329	813,329	0
Fund Balance at End of Year	\$ 811,464	\$ 827,896	\$ 16,432

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, 2022***

COMMUNITY DEVELOPMENT FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 1,270,000	\$ 728,864	\$ (541,136)
Investment Earnings	700	4,719	4,019
All Other Revenue	40,000	64,278	24,278
Total Revenues	1,310,700	797,861	(512,839)
Expenditures:			
Community Environment:			
Personal Services	419,564	351,168	68,396
Materials and Supplies	1,850	1,321	529
Contractual Services	1,362,365	569,242	793,123
Other Expenditures	934	434	500
Total Expenditures	1,784,713	922,165	862,548
Excess (Deficiency) of Revenues Over (Under) Expenditures	(474,013)	(124,304)	349,709
Other Financing Sources (Uses):			
Transfers In	0	6,092	6,092
Transfers Out	(6,092)	(6,092)	0
Total Other Financing Sources (Uses)	(6,092)	0	6,092
Net Change in Fund Balance	(480,105)	(124,304)	355,801
Fund Balance at Beginning of Year	556,765	556,765	0
Prior Year Encumbrances	109,633	109,633	0
Fund Balance at End of Year	\$ 186,293	\$ 542,094	\$ 355,801

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, 2022***

SPECIAL IMPROVEMENT DISTRICT FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments	\$ 120,000	\$ 112,470	\$ (7,530)
Total Revenues	120,000	112,470	(7,530)
Expenditures:			
Community Environment:			
Contractual Services	3,900	3,501	399
Other Expenditures	115,000	108,969	6,031
Total Expenditures	118,900	112,470	6,430
Net Change in Fund Balance	1,100	0	(1,100)
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$ 1,100	\$ 0	\$ (1,100)

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, 2022***

VETERANS MEMORIAL SIDEWALK FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 5	\$ 23	\$ 18
All Other Revenue	300	300	0
Total Revenues	305	323	18
Expenditures:			
General Government:			
Contractual Services	1,000	0	1,000
Total Expenditures	1,000	0	1,000
Net Change in Fund Balance	(695)	323	1,018
Fund Balance at Beginning of Year	76,126	76,126	0
Prior Year Encumbrances	680	680	0
Fund Balance at End of Year	<u>\$ 76,111</u>	<u>\$ 77,129</u>	<u>\$ 1,018</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

POLICE/FIRE PENSION FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 531,566	\$ 520,494	\$ (11,072)
Intergovernmental Revenues	69,490	67,184	(2,306)
Total Revenues	601,056	587,678	(13,378)
Expenditures:			
Security of Persons and Property:			
Personal Services	592,739	592,739	0
Contractual Services	8,317	7,811	506
Total Expenditures	601,056	600,550	506
Net Change in Fund Balance	0	(12,872)	(12,872)
Fund Balance at Beginning of Year	66,035	66,035	0
Fund Balance at End of Year	\$ 66,035	\$ 53,163	\$ (12,872)

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, 2022***

SAFETY GRANTS FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 368,525	\$ 209,562	\$ (158,963)
All Other Revenue	6,782	6,782	0
Total Revenues	375,307	216,344	(158,963)
Expenditures:			
Security of Persons and Property:			
Personal Services	358,333	239,406	118,927
Materials and Supplies	244,480	242,351	2,129
Contractual Services	12,511	11,373	1,138
Total Expenditures	615,324	493,130	122,194
Excess (Deficiency) of Revenues Over (Under) Expenditures	(240,017)	(276,786)	(36,769)
Other Financing Sources (Uses):			
Transfers In	177,733	0	(177,733)
Advances In	15,425	7,712	(7,713)
Total Other Financing Sources (Uses)	193,158	7,712	(185,446)
Net Change in Fund Balance	(46,859)	(269,074)	(222,215)
Fund Balance at Beginning of Year	129,522	129,522	0
Prior Year Encumbrances	3,442	3,442	0
Fund Balance at End of Year	\$ 86,105	\$ (136,110)	\$ (222,215)

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, 2022***

ONE OHIO OPIOID SETTLEMENT FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 0	\$ 15,364	\$ 15,364
Total Revenues	0	15,364	15,364
Expenditures:			
Total Expenditures	0	0	0
Net Change in Fund Balance	0	15,364	15,364
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$ 0	\$ 15,364	\$ 15,364

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, 2022***

STATE HIGHWAY FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 214,034	\$ 217,859	\$ 3,825
Total Revenues	<u>214,034</u>	<u>217,859</u>	<u>3,825</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	214,034	217,859	3,825
Other Financing Sources (Uses):			
Transfers Out	(214,034)	(214,034)	0
Total Other Financing Sources (Uses)	<u>(214,034)</u>	<u>(214,034)</u>	<u>0</u>
Net Change in Fund Balance	0	3,825	3,825
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 3,825</u>	<u>\$ 3,825</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

LAW ENFORCEMENT FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 25,000	\$ 23,965	\$ (1,035)
Fines and Forfeitures	72,254	71,737	(517)
Total Revenues	97,254	95,702	(1,552)
Expenditures:			
Security of Persons and Property:			
Contractual Services	104,032	69,033	34,999
Total Expenditures	104,032	69,033	34,999
Net Change in Fund Balance	(6,778)	26,669	33,447
Fund Balance at Beginning of Year	523,205	523,205	0
Prior Year Encumbrances	10,706	10,706	0
Fund Balance at End of Year	\$ 527,133	\$ 560,580	\$ 33,447

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, 2022***

LANDFILL RECLAMATION FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 0	\$ 84	\$ 84
Total Revenues	0	84	84
Expenditures:			
General Government:			
Contractual Services	0	434	(434)
Total Expenditures	0	434	(434)
Net Change in Fund Balance	0	(350)	(350)
Fund Balance at Beginning of Year	5,158	5,158	0
Fund Balance at End of Year	\$ 5,158	\$ 4,808	\$ (350)

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, 2022***

COURT COMPUTERIZATION FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 174,300	\$ 176,628	\$ 2,328
All Other Revenue	0	196	196
Total Revenues	<u>174,300</u>	<u>176,824</u>	<u>2,524</u>
Expenditures:			
General Government:			
Personal Services	100,624	96,411	4,213
Materials and Supplies	10,000	5,000	5,000
Contractual Services	312,500	114,155	198,345
Capital Outlay	247,102	137,700	109,402
Total Expenditures	<u>670,226</u>	<u>353,266</u>	<u>316,960</u>
Net Change in Fund Balance	(495,926)	(176,442)	319,484
Fund Balance at Beginning of Year	702,556	702,556	0
Prior Year Encumbrances	12,760	12,760	0
Fund Balance at End of Year	<u>\$ 219,390</u>	<u>\$ 538,874</u>	<u>\$ 319,484</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

FIRE DAMAGE FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenue	\$ 175,000	\$ 71,875	\$ (103,125)
Total Revenues	175,000	71,875	(103,125)
Expenditures:			
General Government:			
Other Expenditures	175,000	91,206	83,794
Total Expenditures	175,000	91,206	83,794
Net Change in Fund Balance	0	(19,331)	(19,331)
Fund Balance at Beginning of Year	138,894	138,894	0
Fund Balance at End of Year	\$ 138,894	\$ 119,563	\$ (19,331)

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, 2022***

PERMISSIVE LICENSE TAX FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 800,000	\$ 696,199	\$ (103,801)
All Other Revenue	0	11,000	11,000
Total Revenues	800,000	707,199	(92,801)
Expenditures:			
Transportation:			
Contractual Services	1,149,254	1,055,804	93,450
Debt Service:			
Principal Retirement	113,500	96,741	16,759
Total Expenditures	1,262,754	1,152,545	110,209
Net Change in Fund Balance	(462,754)	(445,346)	17,408
Fund Balance at Beginning of Year	530,157	530,157	0
Prior Year Encumbrances	500,890	500,890	0
Fund Balance at End of Year	\$ 568,293	\$ 585,701	\$ 17,408

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, 2022***

PROBATION GRANT FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 424,784	\$ 424,784	\$ 0
All Other Revenue	3,931	3,085	(846)
Total Revenues	428,715	427,869	(846)
Expenditures:			
Security of Persons and Property:			
Personal Services	321,258	296,691	24,567
Materials and Supplies	97,251	97,251	0
Contractual Services	40,080	40,080	0
Total Expenditures	458,589	434,022	24,567
Net Change in Fund Balance	(29,874)	(6,153)	23,721
Fund Balance at Beginning of Year	41,835	41,835	0
Prior Year Encumbrances	19,213	19,213	0
Fund Balance at End of Year	\$ 31,174	\$ 54,895	\$ 23,721

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, 2022***

CORONAVIRUS RELIEF FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenue	\$ 0	\$ 16	\$ 16
Total Revenues	0	16	16
Expenditures:			
Total Expenditures	0	0	0
Net Change in Fund Balance	0	16	16
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 16</u>	<u>\$ 16</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

ODNR GRANTS FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 17,711	\$ 17,711	\$ 0
Total Revenues	17,711	17,711	0
Expenditures:			
Community Environment:			
Materials and Supplies	1,000	1,000	0
Capital Outlay	72,281	67,280	5,001
Total Expenditures	73,281	68,280	5,001
Excess (Deficiency) of Revenues Over (Under) Expenditures	(55,570)	(50,569)	5,001
Other Financing Sources (Uses):			
Transfers In	55,570	41,431	(14,139)
Total Other Financing Sources (Uses)	55,570	41,431	(14,139)
Net Change in Fund Balance	0	(9,138)	(9,138)
Fund Balance at Beginning of Year	9,138	9,138	0
Fund Balance at End of Year	\$ 9,138	\$ 0	\$ (9,138)

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, 2022***

BROWNFIELD CLEANUP FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 88,618	\$ 14,180	\$ (74,438)
Total Revenues	88,618	14,180	(74,438)
Expenditures:			
Public Health and Welfare Services:			
Contractual Services	86,114	14,864	71,250
Total Expenditures	86,114	14,864	71,250
Net Change in Fund Balance	2,504	(684)	(3,188)
Fund Balance at Beginning of Year	(1,751)	(1,751)	0
Prior Year Encumbrances	1,751	1,751	0
Fund Balance at End of Year	\$ 2,504	\$ (684)	\$ (3,188)

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, 2022***

JUDICIAL FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 139,000	\$ 142,399	\$ 3,399
All Other Revenue	0	760	760
Total Revenues	139,000	143,159	4,159
Expenditures:			
General Government:			
Personal Services	270,717	269,770	947
Materials and Supplies	10,003	4,103	5,900
Contractual Services	86,721	35,670	51,051
Capital Outlay	4,000	500	3,500
Total Expenditures	371,441	310,043	61,398
Net Change in Fund Balance	(232,441)	(166,884)	65,557
Fund Balance at Beginning of Year	1,502,468	1,502,468	0
Prior Year Encumbrances	24,679	24,679	0
Fund Balance at End of Year	\$ 1,294,706	\$ 1,360,263	\$ 65,557

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2022***

DEBT SERVICE FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenue	\$ 0	\$ 5,349	\$ 5,349
Total Revenues	0	5,349	5,349
Expenditures:			
General Government:			
Contractual Services	2,851	2,851	0
Debt Service:			
Principal Retirement	4,306,801	4,306,799	2
Interest and Fiscal Charges	675,281	675,275	6
Total Expenditures	4,984,933	4,984,925	8
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,984,933)	(4,979,576)	5,357
Other Financing Sources (Uses):			
Note Issuance	2,900,000	0	(2,900,000)
Transfers In	1,829,940	1,949,234	119,294
Bond Issuance	0	2,940,000	2,940,000
Premium on Debt Issuance	0	118,362	118,362
Total Other Financing Sources (Uses)	4,729,940	5,007,596	277,656
Net Change in Fund Balance	(254,993)	28,020	283,013
Fund Balance at Beginning of Year	966,465	966,465	0
Fund Balance at End of Year	\$ 711,472	\$ 994,485	\$ 283,013

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2022***

TAX INCREMENT FINANCING FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 697,000	\$ 745,238	\$ 48,238
Total Revenues	697,000	745,238	48,238
Expenditures:			
General Government:			
Contractual Services	14,050	9,915	4,135
Other Expenditures	408,946	408,886	60
Debt Service:			
Principal Retirement	215,000	215,000	0
Interest and Fiscal Charges	46,959	46,959	0
Total Expenditures	684,955	680,760	4,195
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,045	64,478	52,433
Other Financing Sources (Uses):			
Transfers In	306,585	306,585	0
Total Other Financing Sources (Uses)	306,585	306,585	0
Net Change in Fund Balance	318,630	371,063	52,433
Fund Balance at Beginning of Year	1,127,590	1,127,590	0
Fund Balance at End of Year	\$ 1,446,220	\$ 1,498,653	\$ 52,433

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2022***

COURT CAPITAL IMPROVEMENT FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 18,700	\$ 20,435	\$ 1,735
Total Revenues	18,700	20,435	1,735
Expenditures:			
Capital Outlay	60,000	0	60,000
Total Expenditures	60,000	0	60,000
Net Change in Fund Balance	(41,300)	20,435	61,735
Fund Balance at Beginning of Year	424,641	424,641	0
Fund Balance at End of Year	\$ 383,341	\$ 445,076	\$ 61,735



Fiduciary Funds

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

Custodial Funds

Municipal Court Fund

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

Law Library Fund

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

Joint Economic Development District Fund (JEDD)

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

CITY OF NEWARK, OHIO

**Combining Statement of Net Position
Custodial Funds
December 31, 2022**

	Municipal Court	Law Library	JEDD	Total Custodial Funds
Assets:				
Cash and Cash Equivalents	\$ 282,139	\$ 17,360	\$ 1,051,685	\$ 1,351,184
Receivables:				
Taxes	0	0	329,803	329,803
Accounts	0	3,794	0	3,794
Total Assets	<u>282,139</u>	<u>21,154</u>	<u>1,381,488</u>	<u>1,684,781</u>
Liabilities:				
Intergovernmental Payable	0	0	1,381,488	1,381,488
Due to Others	0	21,154	0	21,154
Total Liabilities	<u>0</u>	<u>21,154</u>	<u>1,381,488</u>	<u>1,402,642</u>
Net Position:				
Restricted For:				
Court Bonds	282,139	0	0	282,139
Total Net Position	<u>\$ 282,139</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 282,139</u>

CITY OF NEWARK, OHIO

***Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended December 31, 2022***

	Municipal Court	Law Library	JEDD	Total Fiduciary Funds
Additions:				
Fines and Forfeiture Collections for other Governments	\$ 2,679,359	\$ 53,362	\$ 0	\$ 2,732,721
Income Tax Collections for other Governments	0	0	3,512,887	3,512,887
Total Additions	<u>2,679,359</u>	<u>53,362</u>	<u>3,512,887</u>	<u>6,245,608</u>
Deductions:				
Distribution of Fines and Forfeitures to other Governments	2,397,220	53,362	0	2,450,582
Distribution of Income Taxes to other Governments	0	0	3,512,887	3,512,887
Total Deductions	<u>2,397,220</u>	<u>53,362</u>	<u>3,512,887</u>	<u>5,963,469</u>
Change in Net Position	282,139	0	0	282,139
Net Position at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Position End of Year	<u>\$ 282,139</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 282,139</u>



STATISTICAL SECTION



S* *STATISTICAL* *T* *ABLES

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

Contents

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

City of Newark

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

	*			
	2013	2014	2015	2016
Governmental Activities:				
Net Investment in Capital Assets	\$46,111,207	\$44,958,995	\$45,289,248	\$45,753,020
Restricted	11,903,557	12,518,066	11,989,270	13,304,726
Unrestricted	1,671,736	(25,664,425)	(26,854,936)	(28,209,247)
Total Governmental Activities Net Position	<u>\$59,686,500</u>	<u>\$31,812,636</u>	<u>\$30,423,582</u>	<u>\$30,848,499</u>
Business-type Activities:				
Net Investment in Capital Assets	\$23,693,170	\$23,473,836	\$23,666,267	\$25,890,917
Unrestricted	5,003,115	3,827,754	5,201,729	6,246,617
Total Business-type Activities Net Position	<u>\$28,696,285</u>	<u>\$27,301,590</u>	<u>\$28,867,996</u>	<u>\$32,137,534</u>
Primary Government:				
Net Investment in Capital Assets	\$69,804,377	\$68,432,831	\$68,955,515	\$71,643,937
Restricted	11,903,557	12,518,066	11,989,270	13,304,726
Unrestricted	6,674,851	(21,836,671)	(21,653,207)	(21,962,630)
Total Primary Government Net Position	<u>\$88,382,785</u>	<u>\$59,114,226</u>	<u>\$59,291,578</u>	<u>\$62,986,033</u>

*Restated

Source: City Auditor's Office

City of Newark

*	*				
2017	2018	2019	2020	2021	2022
\$46,518,880	\$48,075,929	\$49,125,155	\$51,221,557	\$58,547,237	\$63,519,450
14,563,247	14,502,647	16,535,236	15,108,328	14,738,392	16,278,758
(55,772,637)	(59,022,702)	(41,692,001)	(39,973,254)	(29,413,085)	(24,176,424)
<u>\$5,309,490</u>	<u>\$3,555,874</u>	<u>\$23,968,390</u>	<u>\$26,356,631</u>	<u>\$43,872,544</u>	<u>\$55,621,784</u>
\$27,363,677	\$30,027,197	\$28,948,271	\$30,699,918	\$36,307,178	\$39,963,556
5,817,214	5,377,583	6,827,639	6,996,493	7,959,050	11,166,497
<u>\$33,180,891</u>	<u>\$35,404,780</u>	<u>\$35,775,910</u>	<u>\$37,696,411</u>	<u>\$44,266,228</u>	<u>\$51,130,053</u>
\$73,882,557	\$78,103,126	\$78,073,426	\$81,921,475	\$94,854,415	\$103,483,006
14,563,247	14,502,647	16,535,236	15,108,328	14,738,392	16,278,758
(49,955,423)	(53,645,119)	(34,864,362)	(32,976,761)	(21,454,035)	(13,009,927)
<u>\$38,490,381</u>	<u>\$38,960,654</u>	<u>\$59,744,300</u>	<u>\$64,053,042</u>	<u>\$88,138,772</u>	<u>\$106,751,837</u>

City of Newark

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

	2013	2014	2015
Expenses			
Governmental Activities:			
Security of Persons and Property	\$17,844,738	\$18,014,306	\$18,199,966
Leisure Time Activities	629,675	864,731	919,417
Community Environment	2,050,028	1,614,911	1,531,206
Public Health and Welfare Services	119,440	186,078	45,062
Transportation	4,761,118	3,852,334	4,351,212
General Government	10,207,273	10,588,687	10,609,273
Interest and Fiscal Charges	812,373	822,031	735,303
<i>Total Governmental Activities Expenses</i>	<u>36,424,645</u>	<u>35,943,078</u>	<u>36,391,439</u>
Business-type Activities:			
Water	5,729,159	6,019,772	6,402,011
Sewer	6,000,714	7,370,520	6,158,986
Storm Water	3,002,057	1,844,358	2,693,249
<i>Total Business-type Activities Expenses</i>	<u>14,731,930</u>	<u>15,234,650</u>	<u>15,254,246</u>
<i>Total Primary Government Expenses</i>	<u>\$51,156,575</u>	<u>\$51,177,728</u>	<u>\$51,645,685</u>
Program Revenues			
Governmental Activities:			
Charges for Services			
Security of Persons and Property	\$3,063,296	\$3,153,173	\$3,120,520
Community Environment	72,154	101,985	163,450
Public Health and Welfare Services	108,539	157,337	144,829
Transportation	11,657	1,709	0
General Government	650,115	718,048	711,005
Operating Grants and Contributions	6,169,429	4,471,047	4,307,895
Capital Grants and Contributions	1,081,549	54,406	414,045
<i>Total Governmental Activities Program Revenues</i>	<u>11,156,739</u>	<u>8,657,705</u>	<u>8,861,744</u>

City of Newark

2016	2017	2018	2019	2020	2021	2022
\$20,139,086	\$20,158,136	\$22,014,630	\$2,251,413	\$21,712,225	\$20,388,448	\$20,946,340
788,906	805,323	764,096	885,748	889,707	709,835	930,189
1,119,922	2,035,280	1,591,011	1,395,136	1,116,844	1,275,008	1,199,495
43,762	20,948	101,517	125,607	25,934	32,098	29,078
3,836,428	3,848,797	4,560,561	4,433,534	3,703,225	4,111,421	4,612,892
10,559,036	11,740,626	12,669,608	12,795,333	16,550,653	9,868,895	14,305,997
961,639	813,720	691,034	830,501	807,438	757,487	980,668
<u>37,448,779</u>	<u>39,422,830</u>	<u>42,392,457</u>	<u>22,717,272</u>	<u>44,806,026</u>	<u>37,143,192</u>	<u>43,004,659</u>
5,852,349	6,289,615	5,908,173	7,742,185	7,191,579	4,493,994	5,919,670
6,491,673	6,573,165	7,481,125	8,372,152	7,619,736	6,937,457	7,559,020
2,542,355	2,275,143	2,849,000	2,786,131	2,479,263	1,957,102	2,184,763
<u>14,886,377</u>	<u>15,137,923</u>	<u>16,238,298</u>	<u>18,900,468</u>	<u>17,290,578</u>	<u>13,388,553</u>	<u>15,663,453</u>
<u>\$52,335,156</u>	<u>\$54,560,753</u>	<u>\$58,630,755</u>	<u>\$41,617,740</u>	<u>\$62,096,604</u>	<u>\$50,531,745</u>	<u>\$58,668,112</u>
\$3,149,170	\$3,316,630	\$3,424,525	\$3,321,786	\$3,020,090	\$3,346,950	\$3,424,262
121,929	284,510	183,207	260,608	385,530	351,557	379,790
162,113	154,577	131,922	184,084	127,366	195,134	147,182
0	0	0	0	0	0	0
709,967	858,659	982,271	1,327,430	861,378	2,671,926	1,436,382
4,752,661	5,667,002	4,147,863	5,668,797	8,813,090	6,653,830	9,685,795
995,426	1,274,404	1,881,272	464,133	404,649	5,999,528	4,263,612
<u>9,891,266</u>	<u>11,555,782</u>	<u>10,751,060</u>	<u>11,226,838</u>	<u>13,612,103</u>	<u>19,218,925</u>	<u>19,337,023</u>

(Continued)

City of Newark

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

	2013	2014	2015
Business-type Activities:			
Charges for Services			
Water	6,570,928	6,212,924	6,294,557
Sewer	6,871,755	7,419,978	7,653,112
Storm Water	2,806,031	2,769,820	2,871,602
Capital Grants and Contributions	350,000	0	0
<i>Total Business-type Activities Program Revenues</i>	<u>16,598,714</u>	<u>16,402,722</u>	<u>16,819,271</u>
<i>Total Primary Government Program Revenues</i>	<u>27,755,453</u>	<u>25,060,427</u>	<u>25,681,015</u>
Net (Expense)/Revenue			
Governmental Activities	(25,267,906)	(27,285,373)	(27,529,695)
Business-type Activities	1,866,784	1,168,072	1,565,025
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$23,401,122)</u>	<u>(\$26,117,301)</u>	<u>(\$25,964,670)</u>
General Revenues and Other Changes in Net Position			
Governmental Activities:			
Property Taxes Levied for:			
General Purposes	\$2,079,535	\$2,100,858	\$2,040,628
Special Purposes	411,562	416,520	404,872
Capital Purposes	662,390	428,807	594,079
Income Taxes	19,435,197	20,092,754	20,454,357
Other Local Taxes	503,408	420,782	514,057
Intergovernmental, Unrestricted	2,075,599	1,542,244	1,566,000
Investment Earnings	132,177	149,711	67,376
Miscellaneous	715,301	867,854	499,272
Transfers	491,751	(5,376)	0
<i>Total Governmental Activities</i>	<u>26,506,920</u>	<u>26,014,154</u>	<u>26,140,641</u>
Business-type Activities:			
Investment Earnings	1,423	901	1,381
Transfers	(491,751)	5,376	0
<i>Total Business-type Activities</i>	<u>(490,328)</u>	<u>6,277</u>	<u>1,381</u>
<i>Total Primary Government</i>	<u>\$26,016,592</u>	<u>\$26,020,431</u>	<u>\$26,142,022</u>
Change in Net Position			
Governmental Activities	\$1,239,014	(\$1,271,219)	(\$1,389,054)
Business-type Activities	1,376,456	1,174,349	1,566,406
<i>Total Primary Government Change in Net Position</i>	<u>\$2,615,470</u>	<u>(\$96,870)</u>	<u>\$177,352</u>

Source: City Auditor's Office

City of Newark

2016	2017	2018	2019	2020	2021	2022
6,656,234	6,797,182	6,577,349	6,661,518	6,703,923	6,949,831	7,455,080
8,374,932	8,404,935	8,616,054	9,166,248	9,275,469	8,948,560	10,143,988
2,853,724	2,998,433	3,021,441	3,123,460	3,231,687	3,277,872	3,375,165
507,805	422,221	247,343	310,099	0	660,146	1,546,038
18,392,695	18,622,771	18,462,187	19,261,325	19,211,079	19,836,409	22,520,271
28,283,961	30,178,553	29,213,247	30,488,163	32,823,182	39,055,334	41,857,294
(27,557,513)	(27,867,048)	(31,641,397)	(11,490,434)	(31,193,923)	(17,924,267)	(23,667,636)
3,506,318	3,484,848	2,223,889	360,857	1,920,501	6,447,856	6,856,818
(\$24,051,195)	(\$24,382,200)	(\$29,417,508)	(\$11,129,577)	(\$29,273,422)	(\$11,476,411)	(\$16,810,818)
\$2,055,097	\$2,053,021	\$2,229,854	\$2,257,252	\$2,330,831	\$2,614,159	\$2,614,914
408,316	407,838	443,700	448,718	458,528	519,786	520,428
446,815	1,394,237	851,596	782,020	736,369	704,667	745,238
22,318,619	22,471,820	23,055,696	24,146,929	23,273,642	26,323,603	28,153,154
515,033	652,430	416,577	530,187	360,632	693,166	586,689
1,482,292	1,515,622	1,552,058	1,720,775	3,705,128	2,105,938	2,220,594
169,378	224,875	399,347	1,035,914	521,433	98,937	(123,713)
349,426	653,133	917,461	981,155	2,195,601	2,501,453	699,572
237,454	0	0	0	0	(121,529)	0
27,982,430	29,372,976	29,866,289	31,902,950	33,582,164	35,440,180	35,416,876
674	0	0	10,273	0	432	7,007
(237,454)	0	0	0	0	121,529	0
(236,780)	0	0	10,273	0	121,961	7,007
\$27,745,650	\$29,372,976	\$29,866,289	\$31,913,223	\$33,582,164	\$35,562,141	\$35,423,883
\$424,917	\$1,505,928	(\$1,775,108)	\$20,412,516	\$2,388,241	\$17,515,913	\$11,749,240
3,269,538	3,484,848	2,223,889	371,130	1,920,501	6,569,817	6,863,825
\$3,694,455	\$4,990,776	\$448,781	\$20,783,646	\$4,308,742	\$24,085,730	\$18,613,065

City of Newark

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund				
Nonspendable	\$122,904	\$121,858	\$132,563	\$266,770
Assigned	2,298,246	1,365,840	1,720,745	3,636,716
Unassigned	<u>1,095,173</u>	<u>1,230,500</u>	<u>1,840,280</u>	<u>998,691</u>
<i>Total General Fund</i>	<u>3,516,323</u>	<u>2,718,198</u>	<u>3,693,588</u>	<u>4,902,177</u>
 All Other Governmental Funds				
Nonspendable	\$187,475	\$257,886	\$346,364	\$388,325
Restricted	10,966,671	11,722,819	10,932,039	11,083,187
Committed	0	0	0	0
Unassigned	<u>(1,044,814)</u>	<u>(2,422,355)</u>	<u>(6,272,292)</u>	<u>(860,510)</u>
<i>Total All Other Governmental Funds</i>	<u>10,109,332</u>	<u>9,558,350</u>	<u>5,006,111</u>	<u>10,611,002</u>
 <i>Total Governmental Funds</i>	<u><u>\$13,625,655</u></u>	<u><u>\$12,276,548</u></u>	<u><u>\$8,699,699</u></u>	<u><u>\$15,513,179</u></u>

*Restated

Source: City Auditor's Office

City of Newark

*					
2017	2018	2019	2020	2021	2022
\$196,622	\$567,872	\$196,397	\$214,474	\$268,945	\$272,594
4,188,425	4,118,113	4,245,375	5,672,814	7,935,929	7,229,732
2,080,002	2,061,352	4,501,888	5,393,540	3,563,117	5,547,183
<u>6,465,049</u>	<u>6,747,337</u>	<u>8,943,660</u>	<u>11,280,828</u>	<u>11,767,991</u>	<u>13,049,509</u>
\$493,257	\$419,950	\$402,970	\$553,593	\$430,759	\$367,936
10,997,736	12,286,132	13,778,854	12,796,182	12,382,322	14,183,418
0	0	0	0	579,638	1,427,649
(239,683)	(88,785)	(9,737)	(1,893,740)	0	(4,693)
<u>11,251,310</u>	<u>12,617,297</u>	<u>14,172,087</u>	<u>11,456,035</u>	<u>13,392,719</u>	<u>15,974,310</u>
<u>\$17,716,359</u>	<u>\$19,364,634</u>	<u>\$23,115,747</u>	<u>\$22,736,863</u>	<u>\$25,160,710</u>	<u>\$29,023,819</u>

City of Newark

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

	2013	2014	2015	2016
Revenues:				
Taxes	\$23,209,071	\$23,321,413	\$24,195,781	\$25,361,800
Intergovernmental Revenues	9,742,262	6,188,662	6,167,868	6,940,541
Charges for Services	1,989,940	2,141,130	2,150,036	2,053,101
Licenses, Permits and Fees	75,781	83,409	76,249	100,507
Investment Earnings	124,176	146,950	74,259	154,274
Special Assessments	6,843	6,828	50	2
Fines and Forfeitures	1,829,655	1,884,913	1,898,252	1,828,543
All Other Revenue	715,301	867,854	499,272	349,426
Total Revenue	37,693,029	34,641,159	35,061,767	36,788,194
Expenditures:				
Current:				
Security of Persons and Property	17,586,636	17,441,213	16,720,295	17,259,586
Public Health and Welfare Services	119,440	186,078	45,062	43,762
Leisure Time Activities	687,552	746,428	698,450	697,623
Community Environment	2,140,823	1,569,877	1,322,320	1,165,793
Transportation	3,433,453	2,059,898	2,876,635	2,928,693
General Government	9,959,941	10,641,150	9,846,419	10,125,574
Capital Outlay	4,701,957	2,205,873	5,843,235	1,684,548
Debt Service:				
Principal Retirement	1,018,701	685,592	1,099,074	2,917,820
Interest and Fiscal Charges	725,068	732,569	623,997	789,126
Total Expenditures	40,373,571	36,268,678	39,075,487	37,612,525
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,680,542)	(1,627,519)	(4,013,720)	(824,331)

City of Newark

2017	2018	2019	2020	2021	2022
\$26,134,290	\$27,775,775	\$27,971,640	\$27,131,599	\$30,457,569	\$32,446,952
7,443,663	5,797,645	7,115,744	13,022,032	14,505,030	15,521,066
2,190,529	2,399,404	2,731,696	2,550,831	4,417,917	3,676,913
91,611	79,200	104,293	79,863	103,659	151,726
224,875	161,137	1,263,097	532,460	98,937	(131,973)
0	0	112,807	236,502	113,724	112,470
2,228,701	2,340,202	2,060,184	1,440,207	1,811,493	1,581,283
653,133	917,461	986,655	2,195,601	2,501,453	699,572
38,966,802	39,470,824	42,346,116	47,189,095	54,009,782	54,058,009
18,107,047	18,651,001	18,894,251	19,200,672	20,338,601	20,863,196
20,948	101,517	125,607	25,934	32,098	29,078
700,726	734,646	751,255	781,253	908,520	998,411
2,013,552	1,507,747	1,289,201	1,024,999	1,570,091	1,343,086
2,829,130	2,801,536	3,080,745	3,844,875	4,221,291	3,184,594
10,750,798	11,015,426	11,291,358	15,112,048	13,306,697	18,064,377
2,712,621	3,907,035	2,801,641	5,593,917	9,844,038	7,129,509
2,321,987	1,450,940	3,251,688	3,247,215	3,518,891	3,677,444
835,862	731,432	865,392	804,410	839,365	917,262
40,292,671	40,901,280	42,351,138	49,635,323	54,579,592	56,206,957
(1,325,869)	(1,430,456)	(5,022)	(2,446,228)	(569,810)	(2,148,948)

(Continued)

City of Newark

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

	2013	2014	2015	2016
Other Financing Sources (Uses):				
Sale of Capital Assets	8,372	48,375	46,971	46,350
Other Financing Sources - Capital Leases	73,900	0	291,575	465,000
State Infrastructure Bank Loan	52,516	0	0	0
Premium on Bond Issuance	0	182,694	0	554,488
General Obligation Bonds Issued	0	0	0	5,200,000
Refunding General Obligation Bonds Issued	0	7,930,000	0	1,710,000
Long Term Note Issuance	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	(7,945,049)	0	0
OPWC Loan Issuance	600,000	0	0	3,277
Transfers In	3,031,308	2,628,597	2,377,818	2,269,546
Transfers Out	(3,065,058)	(2,633,973)	(2,377,818)	(2,786,806)
Total Other Financing Sources (Uses)	701,038	210,644	338,546	7,461,855
Net Change in Fund Balance	(\$1,979,504)	(\$1,416,875)	(\$3,675,174)	\$6,637,524
 Debt Service as a Percentage of Noncapital Expenditures	 4.98%	 4.16%	 5.10%	 10.75%

Source: City Auditor's Office

City of Newark

2017	2018	2019	2020	2021	2022
54,650	54,766	72,573	46,704	85,986	63,876
453,494	1,292,500	903,695	389,596	1,716,480	0
0	1,084,411	821,527	335,770	269,983	0
97,015	0	16,544	0	0	118,362
1,550,000	0	1,040,000	0	0	4,540,000
1,895,000	0	0	0	0	0
0	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000
(936,200)	0	0	0	0	0
381,723	0	0	0	0	164,819
2,560,274	3,221,094	3,300,021	3,485,846	7,088,965	4,482,164
(2,560,274)	(3,601,788)	(3,547,543)	(3,485,846)	(7,210,494)	(4,482,164)
3,495,682	3,175,983	3,731,817	1,897,070	3,075,920	6,012,057
\$2,169,813	\$1,745,527	\$3,726,795	(\$549,158)	\$2,506,110	\$3,863,109
8.75%	5.87%	10.86%	9.43%	10.06%	10.01%

City of Newark

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	2013	2014	2015	2016	2017
Income Tax Rate	1.75%	1.75%	1.75%	1.75%	1.75%
Total Tax Collected	\$19,882,043	\$19,872,041	\$20,403,273	\$22,185,993	\$22,420,314
Income Tax Receipts					
Withholding	15,722,081	15,751,140	16,173,959	17,181,295	17,423,474
Percentage	79.08%	79.26%	79.28%	77.44%	77.71%
Corporate	1,564,374	1,494,229	1,484,316	1,827,124	2,084,361
Percentage	7.87%	7.52%	7.27%	8.24%	9.30%
Individuals	2,595,588	2,626,672	2,744,998	3,177,574	2,912,479
Percentage	13.05%	13.22%	13.45%	14.32%	12.99%

Source: City Income Tax Department

City of Newark

2018	2019	2020	2021	2022
1.75%	1.75%	1.75%	1.75%	1.75%
\$22,942,923	\$23,699,303	\$22,996,119	\$25,687,092	\$27,778,327
17,935,810	18,437,894	18,578,668	19,332,579	20,921,624
78.18%	77.80%	80.79%	75.26%	75.31%
2,106,287	2,026,222	1,442,647	3,282,028	3,505,112
9.18%	8.55%	6.27%	12.78%	12.62%
2,900,826	3,235,187	2,974,804	3,072,485	3,351,591
12.64%	13.65%	12.94%	11.96%	12.07%



City of Newark

Income Tax Statistics Current Year and Nine Years Ago

Calendar Year 2022						
Income Tax Filers	Number of Filers	Percent of Total	Taxable Income	Percent of Income	Income Tax Collections	Percent of Income
Top Ten	10	0.08%	\$13,941,382	2.02%	\$243,974	2.02%
All Others	12,875	99.92%	677,179,266	97.98%	11,850,637	97.98%
Total	12,885	100.00%	691,120,648	100.00%	\$12,094,611	100.00%

Calendar Year 2013						
Income Tax Filers	Number of Filers	Percent of Total	Taxable Income	Percent of Income	Income Tax Collections	Percent of Income
Top Ten	10	0.07%	\$20,521,501	3.12%	\$359,126	3.12%
All Others	15,301	99.93%	636,548,878	96.88%	11,139,605	96.88%
Total	15,311	100.00%	\$657,070,379	100.00%	\$11,498,731	100.00%

Source: City Income Tax Department

City of Newark

Ratios of Outstanding Debt By Type Last Ten Years

	2013	2014	2015	2016
Governmental Activities ⁽¹⁾				
General Obligation Bonds Payable	\$14,854,203	\$14,873,212	\$14,182,321	\$19,153,042
Ohio Public Works Commission Loan Payable	600,000	600,000	585,000	558,277
Installment Loans	1,397,398	905,528	802,766	835,963
ODOT State Infrastructure Bank Loans	1,651,980	1,371,388	1,082,314	784,505
Long Term Note Payable	0	0	0	0
Business-type Activities ⁽¹⁾				
General Obligation Bonds Payable	\$13,798,821	\$12,332,636	\$10,796,376	\$9,244,510
Revenue Bonds Payable	0	0	0	0
Ohio Water Development Authority Loans Payable	32,630,272	33,729,939	37,218,169	39,331,720
Ohio Public Works Commission Loans Payable	1,673,341	1,562,166	1,450,991	1,339,816
ODOT State Infrastructure Bank Loans	0	0	0	0
Special Assessment Bonds Payable	5,132	0	0	0
Total Primary Government	<u>\$66,611,147</u>	<u>\$65,374,869</u>	<u>\$66,117,937</u>	<u>\$71,247,833</u>
Population ⁽²⁾				
City of Newark	47,537	47,537	47,537	47,537
Outstanding Debt Per Capita	\$1,401	\$1,375	\$1,391	\$1,499
Income ⁽³⁾				
Personal (in thousands)	\$1,837,685	\$1,897,962	\$1,983,576	\$2,006,870
Percentage of Personal Income	3.62%	3.44%	3.33%	3.55%

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 2021, for the presentation of 2022 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

2017	2018	2019	2020	2021	2022
\$19,841,317	\$18,832,762	\$18,595,751	\$17,175,357	\$15,794,963	\$19,127,931
910,000	830,750	742,250	698,000	609,500	677,578
1,018,577	2,088,567	2,474,647	2,297,278	3,406,678	2,575,347
2,556,436	3,229,157	3,775,111	3,969,881	3,871,553	3,522,181
0	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000
\$7,902,115	\$6,194,630	\$7,820,352	\$7,406,211	\$6,937,070	\$6,457,929
0	0	18,045,726	17,991,868	17,603,010	17,204,152
47,169,828	49,099,957	54,911,784	57,337,035	61,365,474	70,106,626
1,228,641	1,117,466	1,006,291	950,704	839,529	728,354
2,344,115	2,776,277	2,716,778	2,922,466	2,694,866	2,537,386
0	0	0	0	0	0
<u>\$82,971,029</u>	<u>\$85,294,566</u>	<u>\$111,213,690</u>	<u>\$111,873,800</u>	<u>\$114,247,643</u>	<u>\$124,062,484</u>
47,537	47,537	47,537	50,943	51,257	50,943
\$1,745	\$1,794	\$2,340	\$2,196	\$2,229	\$2,435
\$2,006,870	\$2,006,870	\$2,006,870	\$2,006,870	\$1,549,757	\$1,418,508
4.13%	4.25%	5.54%	5.57%	7.37%	8.75%

City of Newark

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2013	2014	2015	2016
Population ⁽¹⁾	47,537	47,537	47,537	47,537
Personal Income ⁽²⁾	\$1,837,685,346	\$1,897,962,262	\$1,983,576,399	\$2,006,869,529
General Bonded Debt				
General Obligation Bonds	\$28,653,024	\$27,205,848	\$24,978,697	\$28,397,552
Resources Available to Pay Principal	\$699,446	\$1,585,501	\$1,368,476	\$1,207,458
Net General Bonded Debt	\$27,953,578	\$25,620,347	\$23,610,221	\$27,190,094
Ratio of Net Bonded Debt to Personal Income	1.52%	1.35%	1.19%	1.35%
Net Bonded Debt per Capita	\$588.04	\$538.96	\$496.67	\$571.98

Sources:

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

(2) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2021, for the presentation of 2022 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

2017	2018	2019	2020	2021	2022
47,537	47,537	47,537	50,943	51,257	50,943
\$2,006,869,529	\$2,006,869,529	\$2,006,869,529	\$2,006,870,000	\$1,549,755,395	\$1,418,507,835
\$27,743,432	\$25,027,392	\$26,416,103	\$24,581,568	\$22,732,033	\$25,585,860
\$1,118,394	\$1,017,064	\$1,073,881	\$1,350,793	\$966,465	\$995,686
\$26,625,038	\$24,010,328	\$25,342,222	\$23,230,775	\$21,765,568	\$24,590,174
1.33%	1.20%	1.26%	1.16%	1.40%	1.73%
\$560.09	\$505.09	\$533.11	\$456.02	\$424.64	\$482.70



City of Newark

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2022*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Newark (1)</u>	<u>Amount Applicable to the City of Newark</u>
Direct:			
City of Newark	\$27,028,037	100.00%	\$27,028,037
Overlapping:			
Career and Technology Education Center	4,760,000	17.14%	815,864
Granville School District	16,390,000	9.97%	1,634,083
Licking Valley School District	2,735,000	3.24%	88,614
North Fork School District	2,578,000	3.95%	101,831
Newark City Schools	33,878,503	92.42%	31,310,512
Licking County	28,549,880	17.82%	5,087,589
		Subtotal	39,038,493
		Total	\$66,066,530

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	2013	2014	2015	2016
Total Debt				
Net Assessed Valuation	\$811,606,160	\$799,885,660	\$770,883,080	\$776,258,520
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	85,218,647	83,987,994	80,942,723	81,507,145
City Debt Outstanding (2)	14,809,991	19,329,991	19,008,515	18,372,230
Less: Applicable Debt Service Fund Amounts	(699,446)	(1,585,501)	(1,368,476)	(1,207,458)
Net Indebtedness Subject to Limitation	14,110,545	17,744,490	17,640,039	17,164,772
Overall Legal Debt Margin	<u>\$71,108,102</u>	<u>\$66,243,504</u>	<u>\$63,302,684</u>	<u>\$64,342,373</u>
Debt Margin as a Percentage of Debt Limit	83.44%	78.87%	78.21%	78.94%
Unvoted Debt				
Net Assessed Valuation	\$811,606,160	\$799,885,660	\$770,883,080	\$776,258,520
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	44,638,339	43,993,711	42,398,569	42,694,219
City Debt Outstanding (2)	14,809,991	19,329,991	19,008,515	18,372,230
Less: Applicable Debt Service Fund Amounts	(699,446)	(1,585,501)	(1,368,476)	(1,207,458)
Net Indebtedness Subject to Limitation	14,110,545	17,744,490	17,640,039	17,164,772
Overall Legal Debt Margin	<u>\$30,527,794</u>	<u>\$26,249,221</u>	<u>\$24,758,530</u>	<u>\$25,529,447</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

2017	2018	2019	2020	2021	2022
\$843,197,460	\$845,262,340	\$854,318,216	\$984,634,740	\$995,719,300	\$1,007,972,690
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
88,535,733	88,752,546	89,703,413	103,386,648	104,550,527	105,837,132
18,086,000	18,350,000	20,120,000	18,950,000	21,330,000	21,950,000
(1,118,394)	(1,017,064)	(1,073,881)	(1,350,793)	(966,465)	(995,686)
16,967,606	17,332,936	19,046,119	17,599,207	20,363,535	20,954,314
<u>\$71,568,127</u>	<u>\$71,419,610</u>	<u>\$70,657,294</u>	<u>\$85,787,441</u>	<u>\$84,186,992</u>	<u>\$84,882,818</u>
80.84%	80.47%	78.77%	82.98%	80.52%	80.20%
\$843,197,460	\$845,262,340	\$854,318,216	\$984,634,740	\$995,719,300	\$1,007,972,690
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
46,375,860	46,489,429	46,987,502	54,154,911	54,764,562	55,438,498
18,086,000	18,350,000	20,120,000	18,950,000	21,330,000	21,950,000
(1,118,394)	(1,017,064)	(1,073,881)	(1,350,793)	(966,465)	(995,686)
16,967,606	17,332,936	19,046,119	17,599,207	20,363,535	20,954,314
<u>\$29,408,254</u>	<u>\$29,156,493</u>	<u>\$27,941,383</u>	<u>\$36,555,704</u>	<u>\$34,401,027</u>	<u>\$34,484,184</u>

City of Newark

Pledged Revenue Coverage Last Ten Years

	2013	2014	2015	2016	2017
Special Assessment Bonds (1)					
Special Assessment Collections	\$6,725	\$6,529	\$0	\$0	\$0
Debt Service					
Principal	5,128	5,132	0	0	0
Interest	488	244	0	0	0
Coverage	1.20	1.21	0.00	0.00	0.00
Tax Increment Financing (TIF) (2)					
Payment in Lieu of Taxes	\$166,819	\$25,587	\$69,405	\$0	\$0
Debt Service					
Principal	100,000	100,000	105,000	120,000	125,000
Interest	88,932	84,932	80,932	87,640	46,550
Coverage	0.88	0.14	0.37	0.00	0.00
Tax Increment Financing (TIF) (3)					
Payment in Lieu of Taxes	\$107,079	\$111,712	\$112,753	\$114,903	\$102,364
Debt Service					
Principal	55,000	55,000	55,000	60,000	65,000
Interest	37,492	35,428	33,366	31,304	29,054
Coverage	1.16	1.24	1.28	1.26	1.09
Water System Revenue Bonds (4)					
Gross Revenues	\$0	\$0	\$0	\$0	\$0
Direct Operating Expenses	0	0	0	0	0
Net Revenue Available for Debt Service	0	0	0	0	0
Annual Debt Service Requirement	0	0	0	0	0
Coverage	0.00	0.00	0.00	0.00	0.00

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

(2) East Main Street Improvement, Governmental Activities

(3) Deo Drive Improvement, Governmental Activities

(4) Water System Improvement Revenue Bonds

Source: City Auditor's Office

City of Newark

2018	2019	2020	2021	2022
\$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
\$808,083	\$0	\$17,738	\$5,826	\$5,845
125,000	130,000	130,000	135,000	140,000
44,050	41,550	39,600	35,700	31,650
4.78	0.00	0.10	0.03	0.03
\$157,075	\$0	\$0	\$0	\$0
65,000	65,000	70,000	75,000	75,000
26,454	23,854	21,254	18,384	15,309
1.72	0.00	0.00	0.00	0.00
\$0	\$0	\$0	\$6,950,142	\$7,458,627
0	0	0	2,857,950	4,285,761
0	0	0	4,092,192	3,172,866
0	0	0	1,053,244	1,051,869
0.00	0.00	0.00	3.89	3.02

City of Newark

Demographic and Economic Statistics Last Ten Years

Calendar Year	2013	2014	2015	2016	2017
Population ⁽¹⁾					
City of Newark	47,537	47,537	47,537	47,537	47,537
Licking County	166,492	166,492	166,492	166,492	166,492
Income ^{(2) (a)}					
Total Personal (in thousands)	\$1,837,685	\$1,897,962	\$1,983,576	\$2,006,870	\$2,006,870
Per Capita	\$38,658	\$39,926	\$41,727	\$42,217	\$42,217
Unemployment Rate ⁽³⁾					
Federal	7.4%	5.6%	5.3%	4.9%	4.1%
State	7.4%	5.1%	4.9%	4.9%	4.3%
Licking County	6.9%	4.1%	4.2%	4.3%	3.8%
Civilian Work Force Estimates ⁽³⁾					
State	5,704,000	5,726,000	5,731,000	5,788,000	5,778,000
Licking County	85,800	87,900	88,400	87,900	90,300

Sources:

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

(2) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2021, for the presentation of 2022 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

2018	2019	2020	2021	2022
47,537	47,537	50,943	51,257	50,943
166,492	166,492	176,862	180,401	181,359
\$2,006,870	\$2,006,870	\$2,006,870	\$1,549,757	\$1,418,508
\$42,217	\$42,217	\$39,394	\$30,235	\$27,845
3.8%	3.5%	4.7%	5.3%	3.4%
4.5%	4.1%	4.6%	5.1%	4.2%
3.9%	3.8%	5.9%	4.0%	3.0%
5,783,000	5,783,000	5,783,000	5,737,546	5,741,277
90,600	90,600	90,600	90,142	92,216



City of Newark

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2022	
		Number of Employees	Rank
Licking Memorial Hospital	Hospital	1,975	1
Licking County Government	Government	1,200	2
Newark City Schools	Education	800	3
OSUN/COTC	Education	550	4
Owens Corning	Fiberglass Insulation	500	5
Anomatic Corporation	Metal Finishers	400	6
City of Newark	Government	360	7
CTEC	Education	312	8
PNB	Banking	150	9
Tamarack Farms Dairy	Dairy Manufacturing	145	10
Total		6,392	
Total Employment within the City (1)		N/A	

Employer	Nature of Business	2013	
		Number of Employees	Rank
Licking Memorial Hospital	Hospital	1,700	1
State Farm Insurance	Insurance	1,496	2
Licking County Government	Government	1,112	3
Anomatic	Metal Finishers	1,087	4
OSUN/COTC	Education	1,080	5
Newark City Schools	Education	970	6
Walmart	Retail	960	7
Owens Corning Fiberglass	Fiberglass Insulation	550	8
City of Newark	Government	462	9
Longaberger Corporation	Decorative Baskets	300	10
Total		9,717	
Total Employment within the City (1)		N/A	

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

Source: City Auditor's Office

City of Newark

Full Time Equivalent Employees by Function Last Ten Years

	2013	2014	2015	2016	2017
Governmental Activities					
General Government					
Finance	19.00	19.00	18.00	18.00	16.00
Legal/Court	50.00	50.00	46.00	42.00	40.00
Administration	29.00	29.00	27.00	26.00	26.00
Maintenance	16.00	16.00	16.00	16.00	16.00
Security of Persons and Property					
Police	104.00	104.00	96.00	77.00	77.00
Fire	88.00	88.00	87.00	80.00	80.00
Transportation					
Street	28.00	28.00	25.00	25.00	24.00
Leisure Time Activities					
Recreation/Seniors	14.00	14.00	14.00	12.00	12.00
Community Environment	40.00	40.00	30.00	30.00	30.00
Community Development	5.00	5.00	4.00	4.00	3.00
Business-Type Activities					
Utilities					
Water	44.00	46.00	41.00	41.00	41.00
Sewer	25.00	29.00	26.00	26.00	26.00
Storm Water	3.00	3.00	3.00	3.00	3.00
<i>Total Employees</i>	<u>465.00</u>	<u>471.00</u>	<u>433.00</u>	<u>400.00</u>	<u>394.00</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

2018	2019	2020	2021	2022
16.00	16.00	15.00	17.00	20.00
40.00	40.00	40.00	56.00	47.00
26.00	26.00	26.00	20.00	22.00
16.00	16.00	16.00	3.00	3.00
77.00	79.00	79.00	79.00	82.00
79.00	79.00	79.00	80.00	80.00
23.00	23.00	23.00	25.00	24.00
12.00	12.00	12.00	7.00	7.00
30.00	30.00	30.00	11.00	11.00
3.00	3.00	3.00	4.00	4.00
41.00	41.00	41.00	40.00	41.00
26.00	26.00	26.00	20.00	21.00
3.00	3.00	3.00	2.00	2.00
392.00	394.00	393.00	364.00	364.00

City of Newark

Operating Indicators by Function Last Ten Years

	2013	2014	2015	2016	2017
Governmental Activities					
General Government					
Court					
Number of Traffic Cases	3,936	4,002	4,121	4,020	4,101
Licenses and Permits					
Number of Building Permits	450	452	370	401	486
Security of Persons and Property					
Police					
Number of Citations Issued	2,614	2,725	2,814	2,874	2,922
Number of Arrests	1,896	1,915	2,019	2,088	2,093
Fire					
Number of Fire Calls	5,921	5,411	5,466	5,461	5,516
Number of EMS Runs	7,412	7,501	7,618	7,701	7,814
Transportation					
Street					
Number of Streets Resurfaced	35	39	32	34	32
Business-Type Activities					
Water					
Number of Service Connections	20,897	20,902	20,911	20,901	20,920
Water Main Breaks	35	39	44	58	61
Daily Average Consumption (thousands of gallons)	9.2M	9.3M	9.4M	9.4M	9.4M
Sewer					
Number of Service Connections	18,925	18,999	19,122	19,119	19,206
Daily Average Sewage Treatment (thousands of gallons)	8.8M	8.9M	8.9M	8.9M	8.9M

Source: City Auditor's Office

City of Newark

2018	2019	2020	2021	2022
4,109	4,379	8,246	10,920	12,274
384	401	239	519	2,762
3,004	3,696	3,701	988	1,050
2,111	2,121	2,129	1,287	1,497
5,501	4,870	4,819	2,224	2,515
7,995	8,225	8,345	10,150	10,070
31	31	31	57	65
20,923	20,923	20,923	18,896	18,916
70	60	71	35	40
9.4M	9.4M	9.4M	6.5M	7.4M
19,214	19,214	19,214	17,193	17,411
8.9M	8.9M	8.9M	7.6M	7.5M

City of Newark

Capital Asset Statistics by Function Last Ten Years

	2013	2014	2015	2016	2017
Governmental Activities					
General Government					
Public Land and Buildings					
Land (acres)	459	459	459	459	459
Buildings	29	29	29	29	29
Security of Persons and Property					
Police					
Stations	1	1	1	1	1
Vehicles	24	24	24	24	25
Fire					
Stations	4	4	4	4	4
Vehicles	22	22	23	23	23
Transportation					
Street					
Streets (lane miles)	228	228	228	228	228
Traffic Signals	3,348	3,348	3,351	3,351	3,354
Vehicles	42	42	42	42	43
Leisure Time Activities					
Recreation/Seniors					
Buildings	16	16	16	16	16
Parks	39	39	39	39	39
Playgrounds	14	14	14	14	14
Swimming Pools	1	1	1	1	1
Baseball/Softball Diamonds	12	12	12	12	12
Business-Type Activities					
Utilities					
Water					
Waterlines (Miles)	204	204	205	205	205
Number of Hydrants	291	291	292	292	292
Sewer					
Sewer lines (Miles)	194	194	194	194	195
Lift Stations	10	10	10	10	10
Storm Water Drainage					
Storm Drains (Miles)	117	119	120	120	121
Number of Catch Basins	4,529	4,533	4,536	4,536	4,540

Source: City Auditor's Office

City of Newark

2018	2019	2020	2021	2022
459	459	459	903	903
29	29	29	35	35
1	1	1	1	1
26	26	26	36	54
4	4	5	5	4
23	23	23	23	15
228	228	228	502	502
3,355	3,355	3,355	1,802	69
43	43	43	48	43
16	16	16	42	42
39	39	39	23	23
14	14	14	14	14
1	1	1	1	1
12	12	12	12	12
205	205	205	265	265
292	292	292	2,083	2,149
195	195	195	224	209
10	10	10	23	19
121	121	121	141	146
4,549	4,549	4,549	9,348	6,180

