

City of Newark, Ohio

Licking County



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2023



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2023

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: Rbubb@newarkohio.net

June 20, 2024

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, 2023. 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.

Accounting principles generally accepted in the United States of America (GAAP) 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, 2023***

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, 2023

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, 2023***

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:

- 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 is currently undergoing a multimillion dollar renovation. This is 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, along with Newark's west side near Thornwood Drive.

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

***Letter of Transmittal
For the Year Ended December 31, 2023***

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 Universal Veneer standing out. Anomatic, a large manufacturer employer in Newark, produces anodized aluminum products. Owens Corning has retained employment and invested in a new 750,000 square foot. distribution center in nearby Heath. PCA acquired 75+ acres in Newark with plans to expand its 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 3.6%.

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 2023 through 2025.

MAJOR INITIATIVES

During 2023, 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.

Part of S. 2nd Street is 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 Granville Street and Locust Street. This has vastly improved traffic flow to the numerous businesses, schools, and churches.

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, 2023***

Parks and Recreation

Throughout 2023, Parks and Recreations throughout the City continued to evolve. 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 the Spring, Summer, and Fall. The Historic Licking County Jail brings many visitors to our City during the Fall.

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% for EMS vehicles, and 37% allocated to acquisition of real property and construction along with maintenance of facilities and stations. 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.

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***Letter of Transmittal
For the Year Ended December 31, 2023***

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 ensures 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, 2023***

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, 2022. 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-two consecutive years (1991 - 2022). 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, 2023***

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.

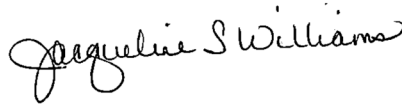
We also express our sincere appreciation to Donald J. Schonhardt and Associates, Inc. for their professional manner, expertise and countless hours of consultation in completing this annual financial report for the citizens of this community.

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



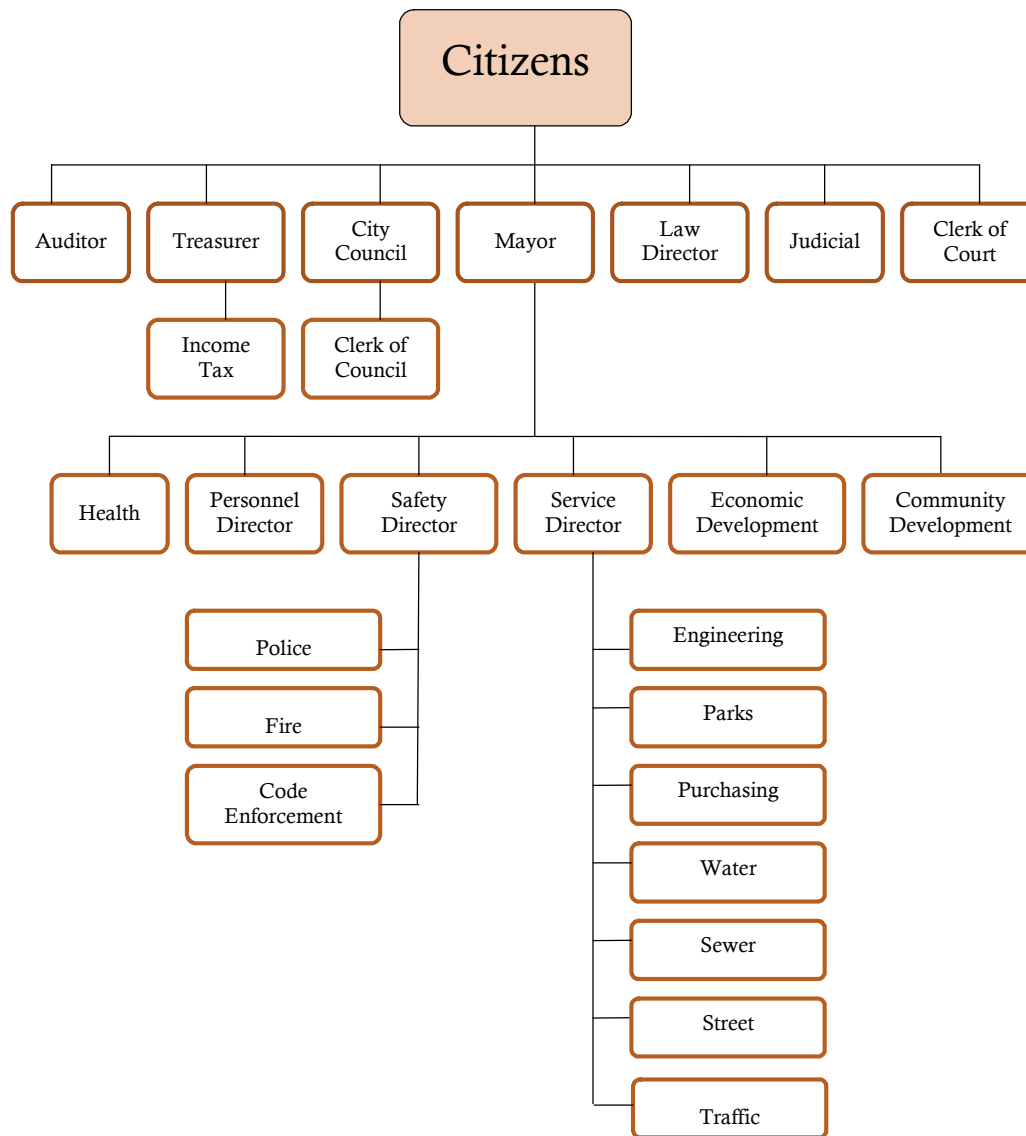
James A. Weisent
Deputy City Auditor

CITY OF NEWARK, OHIO

***List of Principal Officials
For the Year Ended December 31, 2023***

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 Bline	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, 2023***



***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, 2022

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, 2023, 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, 2023, 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.

Emphasis of Matter

As discussed in Note 2.B. to the financial statements, the 2022 financial statements have been restated to correct a misstatement. Our opinions are not modified with respect to this matter.

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

City of Newark
Licking County
Independent Auditor's Report

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 20, 2024, 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 20, 2024



***Management's Discussion and Analysis
For the Year Ended December 31, 2023***

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, 2023. 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 2023 are as follows:

- ❑ In total, net position increased \$12,532,102. Net position of governmental activities increased \$4,574,209, or 8% from 2022. Net position of business-type activities increased \$7,957,893 or 16% from 2022.
- ❑ General revenues accounted for \$40,030,109 in revenue or 46% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$47,362,689, or 54% of total revenues of \$87,392,798.
- ❑ The City had \$54,756,159 in expenses related to governmental activities; only \$19,342,788 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$39,987,580 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$43,430,226 in revenues and other financing sources and \$42,105,992 in expenditures and other financing uses. The general fund's fund balance increased from \$11,514,289 to \$12,838,523.

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.

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Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

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.

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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 2023 compared to 2022.

	Governmental Activities		Business-type Activities		Total	
	Restated				Restated	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$53,934,023	\$57,343,840	\$20,630,605	\$23,532,062	\$74,564,628	\$80,875,902
Net OPEB Asset	0	1,527,562	0	757,033	0	2,284,595
Capital Assets, Net	97,528,475	92,027,758	150,558,831	136,675,043	248,087,306	228,702,801
Total Assets	151,462,498	150,899,160	171,189,436	160,964,138	322,651,934	311,863,298
Deferred Outflows of Resources	23,073,438	14,315,720	3,287,040	1,206,394	26,360,478	15,522,114
Net Pension Liability	55,690,138	32,218,751	6,756,184	2,070,860	62,446,322	34,289,611
Net OPEB Liability	3,421,503	4,919,531	146,570	0	3,568,073	4,919,531
Other Long-term Liabilities	30,414,777	32,347,201	99,508,252	97,814,597	129,923,029	130,161,798
Other Liabilities	14,635,794	19,328,143	8,929,182	7,726,624	23,564,976	27,054,767
Total Liabilities	104,162,212	88,813,626	115,340,188	107,612,081	219,502,400	196,425,707
Deferred Inflows of Resources	11,712,951	22,314,690	48,342	3,428,398	11,761,293	25,743,088
Net Position						
Net Investment in Capital Assets	70,344,843	63,519,450	48,699,388	39,963,556	119,044,231	103,483,006
Restricted	14,477,202	16,278,758	0	0	14,477,202	16,278,758
Unrestricted	(26,161,272)	(25,711,644)	10,388,558	11,166,497	(15,772,714)	(14,545,147)
Total Net Position	\$58,660,773	\$54,086,564	\$59,087,946	\$51,130,053	\$117,748,719	\$105,216,617

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*.

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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, 2023****Unaudited**

Change in Net Position – The following table shows the change in net position for 2023 compared with 2022:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues:						
Charges for Services and Sales	\$5,688,403	\$5,387,616	\$21,947,541	\$20,974,233	\$27,635,944	\$26,361,849
Operating Grants and Contributions	10,953,213	9,685,795	37,500	0	10,990,713	9,685,795
Capital Grants and Contributions	2,701,172	4,263,612	6,034,860	1,546,038	8,736,032	5,809,650
Total Program Revenues	19,342,788	19,337,023	28,019,901	22,520,271	47,362,689	41,857,294
General Revenues:						
Property Taxes	3,964,695	3,880,580	0	0	3,964,695	3,880,580
Income Taxes	29,588,501	28,153,154	0	0	29,588,501	28,153,154
Other Local Taxes	626,148	586,689	0	0	626,148	586,689
Intergovernmental, Unrestricted	2,132,603	2,220,594	0	0	2,132,603	2,220,594
Investment Earnings	2,978,659	(123,713)	42,529	7,007	3,021,188	(116,706)
Miscellaneous	696,974	699,572	0	0	696,974	699,572
Total General Revenues	39,987,580	35,416,876	42,529	7,007	40,030,109	35,423,883
Total Revenues	59,330,368	54,753,899	28,062,430	22,527,278	87,392,798	77,281,177
Program Expenses						
Security of Persons and Property	26,817,842	20,946,340	0	0	26,817,842	20,946,340
Leisure Time Activities	1,220,988	930,189	0	0	1,220,988	930,189
Community Environment	1,898,035	1,199,495	0	0	1,898,035	1,199,495
Public Health and Welfare Services	217,016	29,078	0	0	217,016	29,078
Transportation	5,692,765	4,612,892	0	0	5,692,765	4,612,892
General Government	17,857,924	14,305,997	0	0	17,857,924	14,305,997
Interest and Fiscal Charges	1,051,589	980,668	0	0	1,051,589	980,668
Water	0	0	8,114,720	5,919,670	8,114,720	5,919,670
Sewer	0	0	8,936,187	7,559,020	8,936,187	7,559,020
Storm Water	0	0	3,053,630	2,184,763	3,053,630	2,184,763
Total Expenses	54,756,159	43,004,659	20,104,537	15,663,453	74,860,696	58,668,112
Total Change in Net Position	4,574,209	11,749,240	7,957,893	6,863,825	12,532,102	18,613,065
Beginning Net Position - Restated	54,086,564	42,337,324	51,130,053	44,266,228	105,216,617	86,603,552
Ending Net Position	\$58,660,773	\$54,086,564	\$59,087,946	\$51,130,053	\$117,748,719	\$105,216,617

Governmental Activities

Governmental activities net position increased \$4,574,209, or 8%. An increase in operating grants can mostly be attributed to State and Local Fiscal Recovery funding received as part of the American Rescue Plan Act. A substantial increase in investment earnings was the result of an increase in interest rates and the fair value of investments.

An overall increase in expenses can be attributed to changes in the Net Pension and Net OPEB liabilities/asset.

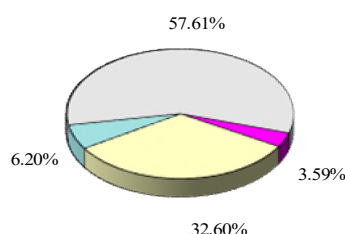
The City receives an income tax, which is based on 1.75% of all salaries, wages, commissions and other compensation and on net profits earned from residents living within the City.

**Management's Discussion and Analysis
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Unaudited

Income taxes and property taxes made up 50% and 7% respectively of revenues for governmental activities in 2023. The City's reliance upon tax revenues is demonstrated by the following graph indicating 58% of total revenues from general tax revenues:

Revenue Sources	2023	Percent of Total
General Tax Revenues	\$34,179,344	57.61%
Intergovernmental, Unrestricted	2,132,603	3.59%
Program Revenues	19,342,788	32.60%
General Other	3,675,633	6.20%
Total Revenue	<u>\$59,330,368</u>	<u>100.00%</u>



Business-Type Activities

Net position of business-type activities increased \$7,957,893. 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. Capital grants and contributions included water, sewer, and storm water infrastructure received from developers as well as State and Local Fiscal Recovery Funding used for water line improvements. An overall increase in expenses can be attributed to changes in the Net Pension and Net OPEB liabilities/asset.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$27,349,426, which is a decrease from last year's restated balance of \$27,488,599. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2023 and 2022:

	Fund Balance December 31, 2023	Restated Fund Balance December 31, 2022	Increase (Decrease)
General	\$12,838,523	\$11,514,289	\$1,324,234
American Rescue Plan Act	0	0	0
Capital Improvement	643,303	2,394,089	(1,750,786)
Other Governmental	13,867,600	13,580,221	287,379
Total	<u>\$27,349,426</u>	<u>\$27,488,599</u>	<u>(\$139,173)</u>

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

CITY OF NEWARK, OHIO**Management's Discussion and Analysis
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	2023	2022	Increase
	Revenues	Revenues	(Decrease)
Taxes	\$32,672,932	\$31,181,220	\$1,491,712
Intergovernmental Revenues	2,309,307	2,292,750	16,557
Charges for Services	3,931,784	3,672,653	259,131
Licenses, Permits and Fees	58,446	151,726	(93,280)
Investment Earnings	2,796,894	(79,506)	2,876,400
Fines and Forfeitures	1,191,637	1,163,101	28,536
All Other Revenue	393,233	578,468	(185,235)
Total	<u>\$43,354,233</u>	<u>\$38,960,412</u>	<u>\$4,393,821</u>

General Fund revenues increased \$4,393,821, or 11% 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 was the result of EMS service charges. An increase in investment earnings was the result of an increase in interest rates as well as changes in the fair value of investments.

	2023	2022	Increase
	Expenditures	Expenditures	(Decrease)
Security of Persons and Property	\$21,529,467	\$19,206,825	\$2,322,642
Leisure Time Activities	1,137,532	998,411	139,121
Community Environment	648,157	487,465	160,692
Transportation	5,269	9,246	(3,977)
General Government	13,436,544	12,489,846	946,698
Debt Service:			
Principal Retirement	77,118	111,632	(34,514)
Interest and Fiscal Charges	11,203	10,594	609
Total	<u>\$36,845,290</u>	<u>\$33,314,019</u>	<u>\$3,531,271</u>

General Fund expenditures increased \$3,531,271, or approximately 11%. Increases in both security of persons and property and general government can be attributed to higher salaries and benefits following new collective bargaining agreements as well as an overall increase in the cost of goods and services.

American Rescue Plant Act Fund – The City reported the expenditure of \$4,419,854 in State and Local Fiscal Recovery funds, as part of the American Rescue Plan Act for various capital improvements. The remaining \$6,918,347 of unspent funds are reflected on the balance sheet as unearned revenue.

Capital Improvement Fund – The City's Capital Improvement Fund balance decreased 73% during 2023, to a balance of \$643,303. This decrease can be attributed to outlays for various infrastructure improvements.

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 2023 the City amended its General Fund budget several times.

For the General Fund, original and final budgeted receipts were not materially different. Actual budget basis receipts were 23% higher than final estimates due mostly to an increase in income tax receipts and investment earnings.. The difference between original, final budgeted, and actual expenditures was insignificant.

Management's Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited**CAPITAL ASSETS AND DEBT ADMINISTRATION****Capital Assets**

At the end of 2023 the City had \$248,087,306 net of accumulated depreciation invested in land, construction in progress, buildings, improvements, infrastructure, equipment and vehicles. Of this total, \$97,528,475 was related to governmental activities and \$150,558,831 to the business-type activities. The following tables show 2023 and 2022 balances:

	Governmental Activities		Increase (Decrease)
	2023	2022	
Land	\$21,889,838	\$21,065,181	\$824,657
Construction In Progress	8,552,527	6,512,634	2,039,893
Buildings	28,246,490	27,682,452	564,038
Improvements Other than Buildings	5,450,934	5,153,465	297,469
Infrastructure	97,630,264	93,006,939	4,623,325
SBITA	71,730	0	71,730
Machinery and Equipment	17,357,247	16,264,186	1,093,061
Less: Accumulated Depreciation	(81,670,555)	(77,657,099)	(4,013,456)
Totals	<u>\$97,528,475</u>	<u>\$92,027,758</u>	<u>\$5,500,717</u>

Infrastructure additions included developer donated streets in the Overlook, Willow Bend, and Deer Valley developments, as well as routine street improvements. Construction in progress included Cherry Valley Road Bridge replacement, roundabout improvements at Fourth Street and West Main Street, and Thornwood Crossing bridge replacement. Machinery and equipment additions included police cruisers, street department vehicles, and other various public safety equipment purchases. Building additions included improvements to the Reese Ice Rink. Additions to land included various parcels purchased to allow for infrastructure related improvements.

	Business-Type Activities		Increase (Decrease)
	2023	2022	
Land	\$161,800	\$161,800	\$0
Construction in Progress	52,422,748	42,905,545	9,517,203
Buildings and Improvements	58,324,326	58,255,134	69,192
Infrastructure	69,671,273	62,374,581	7,296,692
SBITA	106,625	0	106,625
Machinery and Equipment	42,871,811	42,632,526	239,285
Less: Accumulated Depreciation	(72,999,752)	(69,654,543)	(3,345,209)
Totals	<u>\$150,558,831</u>	<u>\$136,675,043</u>	<u>\$13,883,788</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 in the Overlook, Willow Bend, and Deer Valley developments. Additional information on the City's capital assets can be found in Note 8.

CITY OF NEWARK, OHIO**Management's Discussion and Analysis
For the Year Ended December 31, 2023****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, 2023 and 2022:

	2023	2022
Governmental Activities:		
General Obligation Bonds	\$17,687,200	\$19,127,931
ODOT State Infrastructure Bank Loan	3,162,248	3,522,181
OPWC Loans	592,596	677,578
Long Term Note Payable	1,130,000	1,125,000
Installment Loans	2,602,558	2,575,347
Workers Compensation Retrospective Liability	0	238,106
SBITA	49,309	0
Accrued Pension Liability	1,124,350	1,199,172
Compensated Absences	4,066,516	3,881,886
Total Governmental Activities	30,414,777	32,347,201
Business-Type Activities:		
General Obligation Bonds	5,963,788	6,457,929
Revenue Bonds	16,800,294	17,204,152
OWDA Loans	72,882,698	70,106,626
OPWC Loans	619,341	728,354
ODOT State Infrastructure Bank Loan	2,375,146	2,537,386
SBITA	73,298	0
Compensated Absences	793,687	780,150
Total Business-Type Activities	99,508,252	97,814,597
Totals	\$129,923,029	\$130,161,798

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, 2023, 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. Over the past few years, the City has seen an increase in commercial and retail development that has provided a positive impact to the tax base.

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 former Chase building, now called the Trade Tower has been re-developed. A real estate firm, insurance company, an educational company, and an accounting company now call the Trade Tower home. This has brought around 70 employees to our downtown. A multi-million dollar renovation is occurring at the historic Arcade for business space and residential living. An estimated 75 new jobs are expected. The unemployment in the City remains near the national average.

Income tax collections showed a 5% increase in 2023. The City's 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, 2023**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Pooled Cash and Investments	\$ 33,228,822	\$ 16,107,194	\$ 49,336,016
Cash and Cash Equivalents in Segregated Accounts	125,895	0	125,895
Cash and Cash Equivalents with Fiscal Agent	0	120,256	120,256
Investments	286,489	0	286,489
Receivables:			
Taxes	10,740,842	0	10,740,842
Accounts	944,429	2,254,291	3,198,720
Intergovernmental	3,537,758	0	3,537,758
Interest	127,394	0	127,394
Loans	2,416,427	0	2,416,427
Internal Balance	(108,401)	108,401	0
Inventory of Supplies at Cost	606,039	935,328	1,541,367
Prepaid Items	77,744	35,688	113,432
Restricted Assets:			
Cash and Cash Equivalents	937,131	0	937,131
Cash and Cash Equivalents with Fiscal Agent	30,256	1,069,447	1,099,703
Investments	258,720	0	258,720
Investments with Fiscal Agent	724,478	0	724,478
Non-Depreciable Capital Assets	30,442,365	52,584,548	83,026,913
Depreciable Capital Assets, Net	67,086,110	97,974,283	165,060,393
Total Assets	151,462,498	171,189,436	322,651,934
Deferred Outflows of Resources:			
Deferred Charge on Debt Refunding	105,888	113,663	219,551
Pension	19,876,831	2,739,122	22,615,953
OPEB	3,090,719	434,255	3,524,974
Total Deferred Outflows of Resources	23,073,438	3,287,040	26,360,478
Liabilities:			
Accounts Payable	1,295,278	1,561,081	2,856,359
Accrued Wages and Benefits	1,628,449	290,343	1,918,792
Intergovernmental Payable	77,537	0	77,537
Claims Payable	562,075	0	562,075
Matured Bonds and Interest Payable	0	13,728	13,728
Unearned Revenue	6,918,347	0	6,918,347
Accrued Interest Payable	214,108	504,030	718,138
General Obligation Notes Payable	3,940,000	6,560,000	10,500,000
Noncurrent Liabilities:			
Due Within One Year	4,865,322	4,419,287	9,284,609
Due in More Than One Year:			
Net Pension Liability	55,690,138	6,756,184	62,446,322
Net OPEB Liability	3,421,503	146,570	3,568,073
Other Amounts Due in More Than One Year	25,549,455	95,088,965	120,638,420
Total Liabilities	104,162,212	115,340,188	219,502,400

(Continued)

	Governmental Activities	Business-Type Activities	Total
Deferred Inflows of Resources:			
Property Tax Levy for Next Fiscal Year	5,283,811	0	5,283,811
Pension	2,719,366	0	2,719,366
OPEB	3,709,774	48,342	3,758,116
Total Deferred Inflows of Resources	11,712,951	48,342	11,761,293
Net Position:			
Net Investment in Capital Assets	70,344,843	48,699,388	119,044,231
Restricted For:			
Capital Projects	448,451	0	448,451
Debt Service	1,860,075	0	1,860,075
Security of Persons	1,685,888	0	1,685,888
Street Improvement	4,369,091	0	4,369,091
Community Environment	2,889,037	0	2,889,037
Judiciary	1,753,911	0	1,753,911
Cemetery Maintenance	1,392,820	0	1,392,820
Other Purposes	77,929	0	77,929
Unrestricted (Deficit)	(26,161,272)	10,388,558	(15,772,714)
Total Net Position	\$ 58,660,773	\$ 59,087,946	\$ 117,748,719

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO**Statement of Activities
For the Year Ended December 31, 2023**

		Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 26,817,842	\$ 3,761,586	\$ 1,870,161	\$ 0
Leisure Time Activities	1,220,988	0	0	0
Community Environment	1,898,035	550,410	1,026,916	0
Public Health and Welfare Services	217,016	204,040	263,474	0
Transportation	5,692,765	0	3,892,808	2,701,172
General Government	17,857,924	1,172,367	3,899,854	0
Interest and Fiscal Charges	1,051,589	0	0	0
Total Governmental Activities	54,756,159	5,688,403	10,953,213	2,701,172
Business-Type Activities:				
Water	8,114,720	7,455,890	37,500	3,726,413
Sewer	8,936,187	11,125,276	0	1,490,364
Storm Water	3,053,630	3,366,375	0	818,083
Total Business-Type Activities	20,104,537	21,947,541	37,500	6,034,860
Totals	\$ 74,860,696	\$ 27,635,944	\$ 10,990,713	\$ 8,736,032

General Revenues

Property Taxes Levied for:

General Purposes

Special Purposes

Capital Purposes

Income Tax

Other Local Taxes

Intergovernmental, Unrestricted

Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Position

Net Position Beginning of Year - Restated

Net Position End of Year

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (21,186,095)	\$ 0	\$ (21,186,095)
(1,220,988)	0	(1,220,988)
(320,709)	0	(320,709)
250,498	0	250,498
901,215	0	901,215
(12,785,703)	0	(12,785,703)
(1,051,589)	0	(1,051,589)
<u>(35,413,371)</u>	<u>0</u>	<u>(35,413,371)</u>
0	3,105,083	3,105,083
0	3,679,453	3,679,453
0	1,130,828	1,130,828
<u>0</u>	<u>7,915,364</u>	<u>7,915,364</u>
<u>\$ (35,413,371)</u>	<u>\$ 7,915,364</u>	<u>\$ (27,498,007)</u>
2,701,792	0	2,701,792
537,970	0	537,970
724,933	0	724,933
29,588,501	0	29,588,501
626,148	0	626,148
2,132,603	0	2,132,603
2,978,659	42,529	3,021,188
696,974	0	696,974
<u>39,987,580</u>	<u>42,529</u>	<u>40,030,109</u>
4,574,209	7,957,893	12,532,102
54,086,564	51,130,053	105,216,617
<u>\$ 58,660,773</u>	<u>\$ 59,087,946</u>	<u>\$ 117,748,719</u>

CITY OF NEWARK, OHIO
Balance Sheet
Governmental Funds
December 31, 2023

	General	American Rescue Plan Act	Capital Improvement
Assets:			
Pooled Cash and Investments	\$ 11,560,919	\$ 7,088,399	\$ 4,455,316
Cash and Cash Equivalents in Segregated Accounts	86,015	0	0
Investments	0	0	211,466
Receivables:			
Taxes	9,239,228	0	0
Accounts	942,151	0	0
Intergovernmental	984,822	0	0
Interest	121,221	0	3,040
Loans	0	0	0
Interfund Loans Receivable	3,126	0	0
Inventory of Supplies, at Cost	183,734	0	0
Prepaid Items	77,744	0	0
Restricted Assets:			
Cash and Cash Equivalents	0	0	0
Investments	0	0	0
Investments with Fiscal Agent	0	0	0
Total Assets	\$ 23,198,960	\$ 7,088,399	\$ 4,669,822
Liabilities:			
Accounts Payable	\$ 527,549	\$ 170,052	\$ 36,407
Accrued Wages and Benefits Payable	1,476,334	0	0
Intergovernmental Payable	74,814	0	0
Claims Payable	71,065	0	0
Unearned Revenue	0	6,918,347	0
Interfund Loans Payable	0	0	0
Compensated Absences Payable	17,957	0	0
Accrued Interest Payable	0	0	50,112
General Obligation Notes Payable	0	0	3,940,000
Total Liabilities	2,167,719	7,088,399	4,026,519
Deferred Inflows of Resources:			
Unavailable Amounts	4,396,907	0	0
Property Tax Levy for Next Fiscal Year	3,795,811	0	0
Total Deferred Inflows of Resources	8,192,718	0	0
Fund Balance:			
Nonspendable	261,478	0	0
Restricted	0	0	0
Committed	0	0	1,122,305
Assigned	8,613,297	0	0
Unassigned	3,963,748	0	(479,002)
Total Fund Balance	12,838,523	0	643,303
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 23,198,960	\$ 7,088,399	\$ 4,669,822

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 9,521,870	\$ 32,626,504
39,880	125,895
75,023	286,489
1,501,614	10,740,842
2,278	944,429
2,552,936	3,537,758
497	124,758
2,416,427	2,416,427
0	3,126
422,305	606,039
0	77,744
937,131	937,131
258,720	258,720
724,478	724,478
<u>\$ 18,453,159</u>	<u>\$ 53,410,340</u>
\$ 561,270	\$ 1,295,278
152,115	1,628,449
2,723	77,537
0	71,065
0	6,918,347
3,126	3,126
0	17,957
0	50,112
0	3,940,000
<u>719,234</u>	<u>14,001,871</u>
2,378,325	6,775,232
<u>1,488,000</u>	<u>5,283,811</u>
<u>3,866,325</u>	<u>12,059,043</u>
422,305	683,783
11,979,439	11,979,439
0	1,122,305
1,466,942	10,080,239
(1,086)	3,483,660
<u>13,867,600</u>	<u>27,349,426</u>
<u>\$ 18,453,159</u>	<u>\$ 53,410,340</u>

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2023***

Total Governmental Fund Balances \$ 27,349,426

***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. 97,528,475

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. 6,775,232

The net pension and OPEB liabilities are not due and payable in the current period, therefore, the liabilities and related deferred inflows/outflows are not reported in the governmental funds.

Deferred Outflows - Pension	19,876,831	
Deferred Inflows - Pension	(2,719,366)	
Net Pension Liability	(55,690,138)	
Deferred Outflows - OPEB	3,090,719	
Deferred Inflows - OPEB	(3,709,774)	
Net OPEB Liability	(3,421,503)	(42,573,231)

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. 35,799

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

General Obligation Bonds Payable	(17,687,200)	
Deferred Charge on Debt Refunding	105,888	
ODOT State Infrastructure Bank Loan	(3,162,248)	
Long Term Note Payable	(1,130,000)	
Ohio Public Works Commission Loan	(592,596)	
Installment Loans Payable	(2,602,558)	
SBITA Payable	(49,309)	
Accrued Pension Liability	(1,124,350)	
Compensated Absences Payable	(4,048,559)	
Accrued Interest Payable	(163,996)	(30,454,928)

Net Position of Governmental Activities \$ 58,660,773

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, 2023

	General	American Rescue Plan Act	Capital Improvement
Revenues:			
Taxes	\$ 32,672,932	\$ 0	\$ 0
Intergovernmental Revenues	2,309,307	4,419,854	840,201
Charges for Services	3,931,784	0	0
Licenses, Permits and Fees	58,446	0	0
Investment Earnings	2,796,894	0	30,683
Special Assessments	0	0	0
Fines and Forfeitures	1,191,637	0	0
All Other Revenue	393,233	0	101,220
Total Revenues	43,354,233	4,419,854	972,104
Expenditures:			
Current:			
Security of Persons and Property	21,529,467	532,748	0
Public Health and Welfare Services	0	0	0
Leisure Time Activities	1,137,532	0	0
Community Environment	648,157	0	0
Transportation	5,269	0	0
General Government	13,436,544	3,887,106	0
Capital Outlay	0	0	4,304,209
Debt Service:			
Principal Retirement	77,118	0	1,828,302
Interest and Fiscal Charges	11,203	0	304,415
Total Expenditures	36,845,290	4,419,854	6,436,926
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,508,943	0	(5,464,822)
Other Financing Sources (Uses):			
Sale of Capital Assets	4,263	0	0
Other Financing Sources - SBITA	71,730	0	0
Loan Issuance	0	0	785,210
Long Term Note Issuance	0	0	1,130,000
Transfers In	0	0	2,017,088
Transfers Out	(5,260,702)	0	(218,262)
Total Other Financing Sources (Uses)	(5,184,709)	0	3,714,036
Net Change in Fund Balance	1,324,234	0	(1,750,786)
Fund Balance at Beginning of Year - Restated	11,514,289	0	2,394,089
Fund Balance End of Year	\$ 12,838,523	\$ 0	\$ 643,303

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 1,261,537	\$ 33,934,469
6,050,369	13,619,731
6,827	3,938,611
0	58,446
122,417	2,949,994
142,539	142,539
431,771	1,623,408
202,521	696,974
<u>8,217,981</u>	<u>56,964,172</u>
1,480,565	23,542,780
217,016	217,016
0	1,137,532
1,196,887	1,845,044
4,762,070	4,767,339
1,089,963	18,413,613
18,940	4,323,149
1,829,915	3,735,335
797,122	1,112,740
<u>11,392,478</u>	<u>59,094,548</u>
(3,174,497)	(2,130,376)
0	4,263
0	71,730
0	785,210
0	1,130,000
3,461,876	5,478,964
0	(5,478,964)
<u>3,461,876</u>	<u>1,991,203</u>
287,379	(139,173)
13,580,221	27,488,599
<u>\$ 13,867,600</u>	<u>\$ 27,349,426</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, 2023***

Net Change in Fund Balances - Total Governmental Funds \$ (139,173)

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	8,723,597	
Depreciation Expense	(5,072,001)	3,651,596

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.

1,860,971

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.

(11,850)

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

476,560

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

Pension	3,866,374	
OPEB	64,735	3,931,109

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	(7,205,153)	
OPEB	423,834	(6,781,319)

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

Long Term Note Issuance	(1,130,000)	
Installment Loan Issuance	(785,210)	
SBITA Issuance	(71,730)	(1,986,940)

(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	55,731	
General Obligation Bond Principal Payment	1,385,000	
OPWC Loan Principal Payment	84,982	
ODOT State Infrastructure Bank Loan Retirement	359,933	
Long Term Note Retirement	1,125,000	
Installment Loan Principal Retirement	757,999	
SBITA Retirement	22,421	
Pension Liability Principal Payment	74,822	3,851,438

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

19,870

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	(169,319)	
Worker's Compensation Retrospective Liability	238,106	68,787

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.

(366,840)

Change in Net Position of Governmental Activities

\$ 4,574,209

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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 28,236,669	\$ 28,236,669	\$ 32,794,528	\$ 4,557,859
Intergovernmental Revenue	2,261,453	2,261,453	2,334,455	73,002
Charges for Services	3,230,675	3,230,675	3,919,911	689,236
Licenses, Permits and Fees	139,400	139,400	58,746	(80,654)
Investment Earnings	360,240	360,240	2,754,503	2,394,263
Fines and Forfeitures	1,142,510	1,142,510	1,191,635	49,125
All Other Revenue	92,950	92,950	394,358	301,408
Total Revenues	35,463,897	35,463,897	43,448,136	7,984,239
Expenditures:				
Current:				
Security of Persons and Property	21,923,993	22,720,454	22,086,773	633,681
Leisure Time Activities	1,441,295	1,550,455	1,215,038	335,417
Community Environment	999,299	687,888	642,655	45,233
General Government	14,598,943	15,781,715	14,987,669	794,046
Total Expenditures	38,963,530	40,740,512	38,932,135	1,808,377
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,499,633)	(5,276,615)	4,516,001	9,792,616
Other Financing Sources (Uses):				
Sale of Capital Assets	53,000	53,000	4,263	(48,737)
Transfers In	1,421,050	1,421,050	1,970,981	549,931
Transfers Out	(5,638,152)	(6,658,766)	(6,658,766)	0
Advances In	0	0	7,712	7,712
Advances Out	0	(3,126)	(3,126)	0
Total Other Financing Sources (Uses):	(4,164,102)	(5,187,842)	(4,678,936)	508,906
Net Change in Fund Balance	(7,663,735)	(10,464,457)	(162,935)	10,301,522
Fund Balance at Beginning of Year - Restated	9,003,276	9,003,276	9,003,276	0
Prior Year Encumbrances	1,596,139	1,596,139	1,596,139	0
Fund Balance at End of Year	\$ 2,935,680	\$ 134,958	\$ 10,436,480	\$ 10,301,522

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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 520,000	\$ 619,640	\$ 99,640
Total Revenues	0	520,000	619,640	99,640
Expenditures:				
Current:				
General Government	11,747,178	12,349,714	12,300,410	49,304
Security of Persons and Property	0	532,748	532,748	0
Total Expenditures	11,747,178	12,882,462	12,833,158	49,304
Net Change in Fund Balance	(11,747,178)	(12,362,462)	(12,213,518)	148,944
Fund Balance at Beginning of Year	789,194	789,194	789,194	0
Prior Year Encumbrances	11,747,178	11,747,178	11,747,178	0
Fund Balance at End of Year	\$ 789,194	\$ 173,910	\$ 322,854	\$ 148,944

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2023**

	Business-Type Activities Enterprise Funds			
	Water	Sewer	Storm Water	Total
Assets:				
Current Assets:				
Pooled Cash and Investments	\$ 6,324,097	\$ 7,608,894	\$ 2,174,203	\$ 16,107,194
Cash and Cash Equivalents with Fiscal Agent	120,256	0	0	120,256
Receivables:				
Accounts	969,345	969,345	315,601	2,254,291
Interest	0	0	0	0
Inventory of Supplies at Cost	400,891	394,106	140,331	935,328
Prepaid Items	17,797	17,610	281	35,688
Total Current Assets	7,832,386	8,989,955	2,630,416	19,452,757
Noncurrent Assets:				
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	1,055,742	13,705	0	1,069,447
Total Restricted Assets	1,055,742	13,705	0	1,069,447
Non Depreciable Capital Assets	17,190,828	33,754,008	1,639,712	52,584,548
Depreciable Capital Assets, Net	19,494,478	62,635,930	15,843,875	97,974,283
Total Noncurrent Assets	37,741,048	96,403,643	17,483,587	151,628,278
Total Assets	45,573,434	105,393,598	20,114,003	171,081,035
Deferred Outflows of Resources:				
Deferred Charge on Debt Refunding	0	0	113,663	113,663
Pension	1,287,388	1,287,388	164,346	2,739,122
OPEB	204,100	204,100	26,055	434,255
Total Deferred Outflows of Resources	1,491,488	1,491,488	304,064	3,287,040
Liabilities:				
Current Liabilities:				
Accounts Payable	1,171,251	312,355	77,475	1,561,081
Accrued Wages and Benefits	177,309	99,126	13,908	290,343
Claims Payable	0	0	0	0
Compensated Absences Payable - Current	357,491	154,492	45,030	557,013
Accrued Interest Payable	127,780	310,973	65,277	504,030
General Obligation Notes Payable	3,085,000	560,000	2,915,000	6,560,000
General Obligation Bonds Payable - Current	108,000	60,000	322,000	490,000
Revenue Bonds Payable - Current	380,000	0	0	380,000
OWDA Loans Payable - Current	166,343	2,269,417	248,646	2,684,406
OPWC Loans Payable - Current	0	105,229	0	105,229
SBITA Payable - Current	11,358	17,748	6,389	35,495
State Infrastructure Bank Loan - Current	51,397	51,397	64,350	167,144
Total Current Liabilities	5,635,929	3,940,737	3,758,075	13,334,741

Governmental
Activities -
Internal Service
Funds

\$ 602,318
0

0
2,636
0
0

604,954

30,256

30,256

0
0

30,256

635,210

0
0
0

0

0
0
491,010
0
0
0
0
0
0
0
0
0
0

491,010

(Continued)

CITY OF NEWARK, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2023**

	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	972,750	573,750	3,927,288	5,473,788
Revenue Bonds Payable	16,420,294	0	0	16,420,294
OWDA Loans Payable	2,239,988	66,012,248	1,946,056	70,198,292
OPWC Loans Payable	0	514,112	0	514,112
SBITA Payable	12,097	18,901	6,805	37,803
State Infrastructure Bank Loans Payable	678,961	678,960	850,081	2,208,002
Compensated Absences Payable	140,925	75,659	20,090	236,674
Net Pension Liability	3,175,406	3,175,408	405,370	6,756,184
Net OPEB Liability	68,886	68,890	8,794	146,570
Total Noncurrent Liabilities	23,709,330	71,131,633	7,164,484	102,005,447
Total Liabilities	29,345,259	75,072,370	10,922,559	115,340,188
Deferred Inflows of Resources:				
OPEB	22,722	22,718	2,902	48,342
Total Deferred Inflows of Resources	22,722	22,718	2,902	48,342
Net Position:				
Net Investment in Capital Assets	15,860,577	25,528,176	7,310,635	48,699,388
Unrestricted	1,836,364	6,261,822	2,181,971	10,280,157
Total Net Position	\$ 17,696,941	\$ 31,789,998	\$ 9,492,606	\$ 58,979,545
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.				108,401
Net Position of Business-type Activities				\$ 59,087,946

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2023**

	Business-Type Activities Enterprise Funds			
	Water	Sewer	Storm Water	Total
Operating Revenues:				
Charges for Services	\$ 7,253,218	\$ 10,174,511	\$ 3,307,837	\$ 20,735,566
Other Operating Revenues	202,672	950,765	58,538	1,211,975
Total Operating Revenues	7,455,890	11,125,276	3,366,375	21,947,541
Operating Expenses:				
Personal Services	2,595,862	3,249,908	337,955	6,183,725
Contractual Services	2,138,461	1,630,414	1,562,874	5,331,749
Materials and Supplies	1,652,968	801,603	430,884	2,885,455
Depreciation	829,136	2,205,356	310,717	3,345,209
Total Operating Expenses	7,216,427	7,887,281	2,642,430	17,746,138
Operating Income (Loss)	239,463	3,237,995	723,945	4,201,403
Non-Operating Revenues (Expenses):				
Interest Income	20,258	22,271	0	42,529
Interest and Fiscal Charges	(883,186)	(1,042,615)	(322,730)	(2,248,531)
Other Nonoperating Expense	(15,107)	(6,291)	0	(21,398)
Total Non-Operating Revenues (Expenses)	(878,035)	(1,026,635)	(322,730)	(2,227,400)
Income (Loss) Before Transfers and Contributions	(638,572)	2,211,360	401,215	1,974,003
Transfers and Contributions:				
Transfers In	11,079	146,139	300,000	457,218
Transfers Out	(20,080)	(311,079)	(126,059)	(457,218)
Capital Contributions	3,763,913	1,490,364	818,083	6,072,360
Total Transfers and Contributions	3,754,912	1,325,424	992,024	6,072,360
Change in Net Position	3,116,340	3,536,784	1,393,239	8,046,363
Net Position Beginning of Year	14,580,601	28,253,214	8,099,367	50,933,182
Net Position End of Year	\$ 17,696,941	\$ 31,789,998	\$ 9,492,606	\$ 58,979,545
Change in Net Position - Total Enterprise Funds				\$ 8,046,363
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.				(88,470)
Change in Net Position - Business-type Activities				\$ 7,957,893

See accompanying notes to the basic financial statements

Governmental
Activities -
Internal Service
Funds

\$ 6,503,598
0

6,503,598

6,987,573
0
0
0

6,987,573

(483,975)

28,665
0
0

28,665

(455,310)

0
0
0

0

(455,310)

599,510

\$ 144,200

CITY OF NEWARK, OHIO

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2023

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$7,609,511	\$11,278,897	\$3,416,391
Cash Received for Interfund Services	0	0	0
Cash Payments for Goods and Services	(3,595,217)	(2,361,919)	(1,915,093)
Cash Payments to Employees	(2,593,110)	(3,135,757)	(316,781)
Net Cash Provided (Used) by Operating Activities	1,421,184	5,781,221	1,184,517
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	11,079	146,139	300,000
Transfers Out to Other Funds	(20,080)	(311,079)	(126,059)
Net Cash Provided (Used) by Noncapital Financing Activities	(9,001)	(164,940)	173,941
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(6,340,298)	(7,007,175)	(175,212)
Capital Grants	2,629,170	500,000	0
Premium on Debt Issued	17,029	5,078	13,883
General Obligation Notes Issued	3,085,000	560,000	2,915,000
General Obligation Note Retirement	(2,835,000)	(550,000)	(3,015,000)
Principal Paid on General Obligation Bonds	(105,750)	(58,750)	(315,500)
Principal Paid on Revenue Bonds	(365,000)	0	0
Ohio Water Development Authority Loans Issued	745,732	6,185,594	0
Principal Paid on State Infrastructure Bank Loans	(49,889)	(49,889)	(62,462)
Principal Paid on Ohio Water Development Authority Loans	(160,379)	(3,705,069)	(289,806)
Principal Paid on Ohio Public Works Commission Loans	0	(109,013)	0
SBITA Principal Retirement	(10,665)	(16,664)	(5,999)
Interest Paid on All Debt	(933,469)	(1,073,332)	(331,296)
Net Cash Used by			
Capital and Related Financing Activities	(4,323,519)	(5,319,220)	(1,266,392)
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	20,258	22,271	0
Net Cash Provided by Investing Activities	20,258	22,271	0
Net Increase (Decrease) in Cash and Cash Equivalents	(2,891,078)	319,332	92,066
Cash and Cash Equivalents at Beginning of Year	10,391,173	7,303,267	2,082,137
Cash and Cash Equivalents at End of Year	\$7,500,095	\$7,622,599	\$2,174,203
<u>Reconciliation of Cash and</u>			
<u>Cash Equivalents per the Statement of Net Position:</u>			
Cash and Cash Equivalents	\$6,324,097	\$7,608,894	\$2,174,203
Cash with Fiscal Agent	120,256	0	0
Restricted Cash with Fiscal Agent	1,055,742	13,705	0
Cash and Cash Equivalents at End of Year	\$7,500,095	\$7,622,599	\$2,174,203

CITY OF NEWARK, OHIO

	Governmental- Activities
Total	Internal Service
\$22,304,799	\$0
0	6,503,598
(7,872,229)	0
(6,045,648)	(6,857,000)
8,386,922	(353,402)
457,218	0
(457,218)	0
0	0
(13,522,685)	0
3,129,170	0
35,990	0
6,560,000	0
(6,400,000)	0
(480,000)	0
(365,000)	0
6,931,326	0
(162,240)	0
(4,155,254)	0
(109,013)	0
(33,328)	0
(2,338,097)	0
(10,909,131)	0
42,529	28,210
42,529	28,210
(2,479,680)	(325,192)
19,776,577	957,766
\$17,296,897	\$632,574
\$16,107,194	\$602,318
120,256	0
1,069,447	30,256
\$17,296,897	\$632,574

(Continued)

CITY OF NEWARK, OHIO

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2023

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	\$239,463	\$3,237,995	\$723,945
Adjustments to Reconcile Operating Income (Loss) to			
Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	829,136	2,205,356	310,717
Nonoperating Expense	(16,709)	(9,429)	0
Changes in Assets, Liabilities, and Deferred Outflows/Inflows:			
Decrease in Accounts Receivable	153,621	153,621	50,016
(Increase) Decrease in Inventory	(40,843)	(3,973)	23,452
Increase in Prepaid Items	(1,290)	(1,277)	(20)
Decrease in Net OPEB Asset	343,327	369,814	43,892
Increase in Deferred Outflows of Resources	(1,063,031)	(895,847)	(135,976)
Increase in Accounts Payable	255,054	84,777	55,233
Increase (Decrease) in Accrued Wages and Benefits	(7,646)	15,829	2,340
Increase in Claims Payable	0	0	0
Increase (Decrease) in Compensated Absences	32,277	(23,455)	4,715
Increase in Net Pension Liability	2,236,240	2,163,779	285,305
Increase in Net OPEB Liability	68,886	68,890	8,794
Decrease in Deferred Inflows of Resources	(1,607,301)	(1,584,859)	(187,896)
Total Adjustments	1,181,721	2,543,226	460,572
Net Cash Provided (Used) by Operating Activities	<u>\$1,421,184</u>	<u>\$5,781,221</u>	<u>\$1,184,517</u>

Schedule of Noncash Investing, Capital and Financing Activities:

During 2023 the Water Fund, Sewer Fund, and Storm Water Fund received noncash capital contributions of \$1,134,743, \$990,364, and \$818,083, respectively.

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

	Governmental- Activities
<u>Total</u>	<u>Internal Service</u>
\$4,201,403	(\$483,975)
3,345,209	0
(26,138)	0
357,258	0
(21,364)	0
(2,587)	0
757,033	0
(2,094,854)	0
395,064	0
10,523	0
0	130,573
13,537	0
4,685,324	0
146,570	0
(3,380,056)	0
<u>4,185,519</u>	<u>130,573</u>
<u>\$8,386,922</u>	<u>(\$353,402)</u>

CITY OF NEWARK, OHIO

***Statement of Net Position
Fiduciary Funds
December 31, 2023***

	<u>Custodial</u>
Assets:	
Cash and Cash Equivalents	\$ 1,406,864
Receivables:	
Taxes	2,455,392
Accounts	3,901
Total Assets	<u>3,866,157</u>
Liabilities:	
Intergovernmental Payable	3,539,059
Due to Others	3,901
Total Liabilities	<u>3,542,960</u>
Net Position:	
Restricted For:	
Court Bonds	323,197
Total Net Position	<u>\$ 323,197</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, 2023***

	Custodial
Additions:	
Fines and Forfeiture Collections for other Governments	\$ 2,868,847
Income Tax Collections for other Governments	3,261,850
Total Additions	<u>6,130,697</u>
Deductions:	
Distribution of Fines and Forfeitures to other Governments	2,827,789
Distribution of Income Taxes to other Governments	3,261,850
Total Deductions	<u>6,089,639</u>
Change in Net Position	41,058
Net Position at Beginning of Year	282,139
Net Position End of Year	<u><u>\$ 323,197</u></u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

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, 2023 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, 2023***

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, 2023***

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, 2023***

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, 2023***

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, 2023 but are not intended to finance 2023 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, 2023***

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 2023.

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, 2023***

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, 2023**

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)	\$1,324,234	\$0
Increase (Decrease):		
Accrued Revenues at December 31, 2023		
received during 2024	(2,786,815)	0
Accrued Revenues at December 31, 2022		
received during 2023	2,885,304	0
Accrued Expenditures at December 31, 2023		
paid during 2024	2,167,719	170,052
Accrued Expenditures at December 31, 2022		
paid during 2023	(2,243,024)	(49,116)
Change in Unearned Revenue	0	(5,568,909)
Change in Inventory	16,601	0
2022 Prepays for 2023	72,259	0
2023 Prepays for 2024	(77,744)	0
Outstanding Encumbrances	(1,521,469)	(6,765,545)
Budget Basis	<u>(\$162,935)</u>	<u>(\$12,213,518)</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, 2023***

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 2023, 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, 2023, 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, 2023***

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, 2023**

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
Installment Loans	General Fund, Capital Improvement Fund
SBITA	General Fund, Water Fund, Sewer Fund, Storm Water 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, 2023***

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, 2023***

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, 2023***

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 2023.

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, 2023**

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 AND RESTATEMENT OF FUND BALANCE/NET POSITION**A. Change in Accounting Principle**

For 2023 the City implemented Governmental Accounting Standards Board (GASB) Statement No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements,” and Statement No. 96, “Subscription-Based Information Technology Arrangements.”

GASB Statement No. 94 clarifies accounting and financial reporting requirements for public-private and public-public partnership arrangements and availability payment arrangements. GASB Statement No. 96 provides guidance on accounting and financial reporting for subscription-based information technology arrangements for government end users.

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

B. Restatement of Fund Balance/Net Position

Certain adjustments were necessary to beginning of year fund balance/net position to account for the correction of errors in accounting for various receipts in the general fund.

These corrections had the following effect on fund balance/net position as reported December 31, 2022:

	Governmental Activities	Total Governmental Funds	General Fund	General Fund Budget Basis Cash Balance
Fund Balance/Net Position December 31, 2022	\$55,621,784	\$29,023,819	\$13,049,509	\$10,538,496
Adjustments:				
Correction of Receipts	(1,535,220)	(1,535,220)	(1,535,220)	(1,535,220)
Restated Fund Balance/Net Position December 31, 2022	<u>\$54,086,564</u>	<u>\$27,488,599</u>	<u>\$11,514,289</u>	<u>\$9,003,276</u>

Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
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	\$183,734	\$0	\$0	\$422,305	\$606,039
Prepaid Items	77,744	0	0	0	77,744
Total Nonspendable	261,478	0	0	422,305	683,783
Restricted:					
Community Development	0	0	0	2,940,618	2,940,618
Capital Acquisition and Improvement	0	0	0	448,451	448,451
Cemetery Maintenance	0	0	0	1,392,820	1,392,820
Memorial Sidewalk Program	0	0	0	77,929	77,929
Street Maintenance	0	0	0	2,502,494	2,502,494
Addiction Treatment	0	0	0	84,285	84,285
Fire Damage Deposits	0	0	0	136,657	136,657
Court Improvements	0	0	0	1,776,883	1,776,883
Law Enforcement	0	0	0	754,419	754,419
Pollution Remediation	0	0	0	4,808	4,808
Debt Retirement	0	0	0	1,860,075	1,860,075
Total Restricted	0	0	0	11,979,439	11,979,439
Committed:					
Capital Acquisition and Improvement	0	0	1,122,305	0	1,122,305
Total Committed	0	0	1,122,305	0	1,122,305
Assigned:					
Budget Resource	7,603,655	0	0	0	7,603,655
Supplies and Services	919,105	0	0	0	919,105
Debt Retirement	0	0	0	1,466,942	1,466,942
Compensated Absences	90,537	0	0	0	90,537
Total Assigned	8,613,297	0	0	1,466,942	10,080,239
Unassigned (Deficits):	3,963,748	0	(479,002)	(1,086)	3,483,660
Total Fund Balances	\$12,838,523	\$0	\$643,303	\$13,867,600	\$27,349,426

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

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, 2023***

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 \$19,094,728 and the bank balance was \$20,487,266. Federal depository insurance covered \$16,261,186 of the bank balance and \$4,226,080 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, 2023**

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

B. Investments

The City's investments at December 31, 2023 are summarized below:

	Fair Value	Credit	Fair Value Hierarchy	Concentration of Credit Risk	Investment Maturities (in Years)		
		Rating			less than 1	1-3	3-5
STAR Ohio ⁴	\$15,102,330	AAAm ¹	NA	42.90%	\$15,102,330	\$0	\$0
Government Agency MM ⁴	380,414	AA+ ¹	NA	1.08%	380,414	0	0
Corporate Equities*	317,298	N/A	Level 2	0.90%	317,298	0	0
Mutual Funds ⁴	378,452	Aaa-Baa ²	NA	1.08%	378,452	0	0
Negotiable CD's	10,311,996	AAA ³	Level 2	29.29%	2,570,148	6,992,654	749,194
US Treasuries	1,864,868	N/A	Level 1	5.30%	1,344,325	520,543	0
FHLMC	2,551,964	AA+ ¹	Level 2	7.25%	395,277	1,639,251	517,436
FFCB	1,954,267	AA+ ¹	Level 2	5.55%	0	1,198,683	755,584
FHLB	1,597,040	AA+ ¹	Level 2	4.54%	855,690	741,350	0
FAMC	742,195	AA+ ¹	Level 2	2.11%	0	742,195	0
Total Investments	<u>\$35,200,824</u>			<u>100.00%</u>	<u>\$21,343,934</u>	<u>\$11,834,676</u>	<u>\$2,022,214</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, 2023***

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 2023 were levied after October 1, 2022 on assessed values as of January 1, 2022, 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 2023. 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, 2023 was \$3.70 per \$1,000 of assessed value. The assessed value upon which the 2023 collections was based was \$1,007,972,690. This amount constitutes \$961,198,480 in real property assessed value and \$46,774,210 in public utility assessed value.

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

B. Income Tax

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 6 - RECEIVABLES

Receivables at December 31, 2023 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 2023:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds:		
General Fund	\$0	\$5,260,702
Capital Improvement Fund	2,017,088	218,262
Other Governmental Funds	3,461,876	0
Total Governmental Funds	<u>5,478,964</u>	<u>5,478,964</u>
Proprietary Funds:		
Water Fund	11,079	20,080
Sewer Fund	146,139	311,079
Storm Water Fund	300,000	126,059
Total Enterprise Funds	<u>457,218</u>	<u>457,218</u>
Total Transfers	<u>\$5,936,182</u>	<u>\$5,936,182</u>

Transfers for the year ended December 31, 2023 included \$2,017,088 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 \$2,843,614 to the Debt Service Funds for debt payments and \$400,000 to the Street Department Fund for street improvements. Transfers between the Water, Sewer, and Storm Water Funds were for debt retirement reclassification. All transfers were made in accordance with Ohio Revised Code.

B. Interfund Balances

Individual interfund balances at December 31, 2023 are as follows:

<u>Fund</u>	<u>Interfund Loan Receivable</u>	<u>Interfund Loan Payable</u>
General Fund	\$3,126	\$0
Other Governmental Funds	0	3,126
Totals	<u>\$3,126</u>	<u>\$3,126</u>

Interfund balances at December 31, 2023, 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, 2023**

NOTE 8 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2023:

Historical Cost:

Class	December 31, 2022	Additions	Deletions	December 31, 2023
Capital assets not being depreciated:				
Land	\$21,065,181	\$824,657	\$0	\$21,889,838
Construction in Progress	6,512,634	2,648,477	(608,584)	8,552,527
Sub-Total	27,577,815	3,473,134	(608,584)	30,442,365
Capital assets being depreciated:				
Buildings	27,682,452	564,038	0	28,246,490
Improvements Other than Buildings	5,153,465	297,469	0	5,450,934
Infrastructure	93,006,939	5,693,720	(1,070,395)	97,630,264
SBITA	0	71,730	0	71,730
Machinery and Equipment	16,264,186	1,093,061	0	17,357,247
Total Cost	\$169,684,857	\$11,193,152	(\$1,678,979)	\$179,199,030

Accumulated Depreciation:

Class	December 31, 2022	Additions	Deletions	December 31, 2023
Buildings	(\$10,679,960)	(\$530,299)	\$0	(\$11,210,259)
Improvements Other than Buildings	(4,233,706)	(96,581)	0	(4,330,287)
Infrastructure	(51,033,756)	(3,065,490)	1,058,545	(53,040,701)
SBITA	0	(23,910)	0	(23,910)
Machinery and Equipment	(11,709,677)	(1,355,721)	0	(13,065,398)
Total Depreciation	(\$77,657,099)	(\$5,072,001) *	\$1,058,545	(\$81,670,555)
Net Value:	\$92,027,758			\$97,528,475

* Depreciation was charged to governmental functions as follows:

Security of Persons and Property	\$958,757
Leisure Time Activities	57,024
Community Environment	44,418
Transportation	3,198,572
General Government	813,230
Total Depreciation Expense	<u>\$5,072,001</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 8 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2023:

Historical Cost:

Class	December 31, 2022	Additions	Deletions	December 31, 2023
Capital assets not being depreciated:				
Land	\$161,800	\$0	\$0	\$161,800
Construction in Progress	42,905,545	16,813,894	(7,296,691)	52,422,748
Sub-Total	43,067,345	16,813,894	(7,296,691)	52,584,548
Capital assets being depreciated:				
Buildings and Improvements	58,255,134	69,192	0	58,324,326
Infrastructure	62,374,581	7,296,692	0	69,671,273
SBITA	0	106,625	0	106,625
Machinery and Equipment	42,632,526	239,285	0	42,871,811
Total Cost	<u>\$206,329,586</u>	<u>\$24,525,688</u>	<u>(\$7,296,691)</u>	<u>\$223,558,583</u>

Accumulated Depreciation:

Class	December 31, 2022	Additions	Deletions	December 31, 2023
Buildings and Improvements	(\$29,353,189)	(\$1,452,237)	\$0	(\$30,805,426)
Infrastructure	(8,466,854)	(1,009,852)	0	(9,476,706)
SBITA	0	(35,542)	0	(35,542)
Machinery and Equipment	(31,834,500)	(847,578)	0	(32,682,078)
Total Depreciation	<u>(\$69,654,543)</u>	<u>(\$3,345,209)</u>	<u>\$0</u>	<u>(\$72,999,752)</u>
Net Value:	<u>\$136,675,043</u>			<u>\$150,558,831</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

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. Effective January 1, 2022, the Combined Plan is no longer available for member selection. 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, 2023**

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, 2023***

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>
2023 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2023 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 \$1,600,212 for 2023.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

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, 2023

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>
2023 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25
2023 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$2,783,768 for 2023.

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, 2022, 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, 2022, and was determined by rolling forward the total pension liability as of January 1, 2022, to December 31, 2022. 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	\$20,887,170	\$41,559,152	\$62,446,322
Proportion of the Net Pension Liability-2023	0.070708%	0.437509%	
Proportion of the Net Pension Liability-2022	0.071830%	0.448827%	
Percentage Change	<u>(0.001122%)</u>	<u>(0.011318%)</u>	
Pension Expense	\$3,092,005	\$4,980,461	\$8,072,466

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023****NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

At December 31, 2023, 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	\$220,661	\$3,748,493	\$3,969,154
Differences between expected and actual experience	693,787	623,368	1,317,155
Net difference between projected and actual earnings on pension plan investments	5,953,501	6,050,502	12,004,003
Change in proportionate share	23,969	917,692	941,661
City contributions subsequent to the measurement date	1,600,212	2,783,768	4,383,980
Total Deferred Outflows of Resources	<u>\$8,492,130</u>	<u>\$14,123,823</u>	<u>\$22,615,953</u>
Deferred Inflows of Resources			
Changes in assumptions	\$0	\$810,390	\$810,390
Differences between expected and actual experience	0	946,839	946,839
Change in proportionate share	80,149	881,988	962,137
Total Deferred Inflows of Resources	<u>\$80,149</u>	<u>\$2,639,217</u>	<u>\$2,719,366</u>

\$4,383,980 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, 2024. 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
2024	\$778,004	\$884,536	\$1,662,540
2025	1,364,911	2,185,609	3,550,520
2026	1,752,406	2,405,261	4,157,667
2027	2,916,448	3,421,320	6,337,768
2028	0	(195,888)	(195,888)
Total	<u>\$6,811,769</u>	<u>\$8,700,838</u>	<u>\$15,512,607</u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

The total pension liability in the December 31, 2022 and December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	December 31, 2022
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 2023. 2.05 percent simple, thereafter
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age
	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

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.

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 12.1 percent for 2022.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real estate 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. Best estimates of geometric rates of return were provided by the Board's investment consultant.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	22.00 %	2.62 %
Domestic Equities	22.00	4.60
Real Estate	13.00	3.27
Private Equity	15.00	7.53
International Equities	21.00	5.51
Risk Parity	2.00	4.37
Other Investments	5.00	3.27
Total	100.00 %	

Discount Rate The discount rate used to measure the total pension liability was 6.9 percent. The discount rate for the prior year 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	\$31,288,290	\$20,887,170	\$12,235,312

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

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

OPF's total pension liability as of December 31, 2022 is based on the results of an actuarial valuation date of January 1, 2022, 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, 2022, compared with January 1, 2021, are presented below.

	January 1, 2022	January 1, 2021
Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.5 percent	7.5 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, 2022 valuation, mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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 method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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, 2022 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	18.60	4.80
Non-US Equity	12.40	5.50
Private Markets	10.00	7.90
Core Fixed Income *	25.00	2.50
High Yield Fixed Income	7.00	4.40
Private Credit	5.00	5.90
U.S. Inflation Linked Bonds*	15.00	2.00
Midstream Energy Infrastructure	5.00	5.90
Real Assets	8.00	5.90
Gold	5.00	3.60
Private Real Estate	12.00	5.30
Commodities	2.00	3.60
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, 2023***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate For 2022, the total pension liability was calculated using the discount rate of 7.50 percent. The discount rate used for 2021 was 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment 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	\$54,824,540	\$41,559,152	\$30,531,634

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 10 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

The net OPEB liability 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 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 calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

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

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

The proportionate share of each plan's unfunded benefits is presented as a long-term *net OPEB liability* 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.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. 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, 2023***

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 2023, 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 2023. 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 2023 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 2023.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75. OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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

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

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

Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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 2023, 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 \$64,735 for 2023.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, 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, 2022, and was determined by rolling forward the total OPEB liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net OPEB liability 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	\$453,132	\$3,114,941	\$3,568,073
Proportion of the Net OPEB Liability - 2023	0.071867%	0.437509%	
Proportion of the Net OPEB Liability - 2022	0.072940%	0.448827%	
Percentage Change	(0.001073%)	(0.011318%)	
OPEB Expense	(\$728,593)	\$69,069	(\$659,524)

Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

At December 31, 2023, 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	\$442,587	\$1,552,313	\$1,994,900
Differences between expected and actual experience	0	185,883	185,883
Net difference between projected and actual earnings on OPEB plan investments	899,941	267,169	1,167,110
Change in proportionate share	0	112,346	112,346
City contributions subsequent to the measurement date	0	64,735	64,735
Total Deferred Outflows of Resources	<u>\$1,342,528</u>	<u>\$2,182,446</u>	<u>\$3,524,974</u>
Deferred Inflows of Resources			
Changes in assumptions	\$36,418	\$2,547,765	\$2,584,183
Differences between expected and actual experience	113,030	614,204	727,234
Change in proportionate share	0	446,699	446,699
Total Deferred Inflows of Resources	<u>\$149,448</u>	<u>\$3,608,668</u>	<u>\$3,758,116</u>

\$64,735 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 2024. 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
2024	\$148,586	(\$231,735)	(\$83,149)
2025	329,121	(183,101)	146,020
2026	280,630	(125,108)	155,522
2027	434,743	(62,556)	372,187
2028	0	(252,142)	(252,142)
2029	0	(285,272)	(285,272)
2030	0	(337,562)	(337,562)
2031	0	(13,481)	(13,481)
Total	<u>\$1,193,080</u>	<u>(\$1,490,957)</u>	<u>(\$297,877)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

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, 2021, rolled forward to the measurement date of December 31, 2022. 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	5.22 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	4.05 percent
Prior measurement date	1.84 percent
Health Care Cost Trend Rate:	
Current measurement date	5.5 percent initial, 3.5 percent ultimate in 2036
Prior measurement date	5.5 percent initial, 3.5 percent ultimate in 2034
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, 2023

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 15.6 percent for 2022.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The 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 rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. 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, 2022, 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 %	2.56 %
Domestic Equities	26.00	4.60
Real Estate Investment Trust	7.00	4.70
International Equities	25.00	5.51
Risk Parity	2.00	4.37
Other investments	6.00	1.84
Total	100.00 %	

Discount Rate A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022. A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2021. 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 4.05 percent (Fidelity Index's "20-Year Municipal GO AA Index").

Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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 2054. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2054, 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 to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 5.22 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (4.22 percent) or one-percentage-point higher (6.22 percent) than the current rate:

	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
City's proportionate share of the net OPEB liability (asset)	\$1,542,266	\$453,132	(\$445,575)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability 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. The following table presents the net OPEB liability calculated using the assumed trend rates and the expected net OPEB liability 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 2023 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	\$424,734	\$453,132	\$485,102

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, 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, 2022, with actuarial liabilities rolled forward to December 31, 2022	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.5 percent	7.5 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 percent	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate	4.27 percent	2.84 percent
Cost of Living Adjustments	2.2 percent simple	2.2 percent simple

For the January 1, 2022 valuation, mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

For the January 1, 2022 valuation, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

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 OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as a 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 average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2022 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	18.60	4.80
Non-US Equity	12.40	5.50
Private Markets	10.00	7.90
Core Fixed Income *	25.00	2.50
High Yield Fixed Income	7.00	4.40
Private Credit	5.00	5.90
U.S. Inflation Linked Bonds*	15.00	2.00
Midstream Energy Infrastructure	5.00	5.90
Real Assets	8.00	5.90
Gold	5.00	3.60
Private Real Estate	12.00	5.30
Commodities	2.00	3.60
Total	125.00 %	

* levered 2.5x

Note: Assumptions are geometric

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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 2022, the total OPEB liability was calculated using the discount rate of 4.27 percent. For 2021, the total OPEB liability was calculated using the discount rate of 2.84 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 for 2022, and 7.50 percent for 2021. 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 3.65 percent at December 31, 2022 and 2.05 percent at December 31, 2021, was blended with the long-term rate of 7.50 percent, which resulted in a blended discount rate of 4.27 percent for 2022 and 2.84 percent for 2021. 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 2035. The long-term expected rate of return on health care investments was applied to projected costs through 2035, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate 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 4.27 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 (3.27 percent), or one percentage point higher (5.27 percent) than the current rate.

	1% Decrease (3.27%)	Current Discount Rate (4.27%)	1% Increase (5.27%)
City's proportionate share of the net OPEB liability	\$3,835,756	\$3,114,941	\$2,506,386

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.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023****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, 2023	Issued	(Retired)	Balance December 31, 2023
Capital Projects Fund Notes Payable:				
4.000% Various Purpose	\$3,540,000	\$0	(\$3,540,000)	\$0
4.625% Various Purpose	0	3,940,000	0	3,940,000
Total Capital Projects Fund Notes Payable	3,540,000	3,940,000	(3,540,000)	3,940,000
Enterprise Fund Notes Payable:				
4.500% Horns Hill Sanitary Sewer	0	455,000	0	455,000
2.000% Horns Hill Sanitary Sewer	550,000	0	(550,000)	0
4.500% Stream Bank Protection	0	505,000	0	505,000
2.000% Stream Bank Protection	500,000	0	(500,000)	0
4.625% Water System Improvements	0	3,085,000	0	3,085,000
4.000% Water System Improvements	2,835,000	0	(2,835,000)	0
4.625% Tamarack 40 St. Stormwater	0	2,515,000	0	2,515,000
4.000% Tamarack 40 St. Stormwater	2,515,000	0	(2,515,000)	0
Total Enterprise Fund Notes Payable	6,400,000	6,560,000	(6,400,000)	6,560,000
Total Notes Payable	\$9,940,000	\$10,500,000	(\$9,940,000)	\$10,500,000

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2023

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

Long-term debt and other long-term obligations of the City at December 31, 2023 were as follows:

			Balance December 31, 2022	Additions	Deductions	Balance December 31, 2023	Amount Due Within One Year
Governmental Activities Debt:							
General Obligation Bonds:							
East Main Street							
Improvement Refunding (TIF)	1.5%-3.00%	2028	\$915,000	\$0	(\$140,000)	\$775,000	\$145,000
Police and Fire Facilities Refunding	2.0%-4.00%	2031	5,645,000	0	(550,000)	5,095,000	565,000
Downtown Fire Station	2.0%-4.00%	2036	3,960,000	0	(230,000)	3,730,000	235,000
Various Purpose Refunding	2.0%-4.00%	2031	520,000	0	(55,000)	465,000	65,000
Deo Drive Improvement (TIF)	3.75%-4.38%	2027	290,000	0	(80,000)	210,000	85,000
Landfill Reclamation Refunding	2.0%-4.00%	2031	655,000	0	(65,000)	590,000	70,000
Various Purpose	2.0%-3.25%	2037	1,245,000	0	(70,000)	1,175,000	70,000
Sidewalk and Parking Lot Improvement	2.0%-3.0%	2028	720,000	0	(115,000)	605,000	115,000
Sharon Valleu Road Fire Station No. 5	4.25%-5.0%	2047	2,940,000	0	(40,000)	2,900,000	70,000
Horns Hill Waterworks Road Improvement	4.25%-5.0%	2042	1,600,000	0	(40,000)	1,560,000	55,000
			18,490,000	0	(1,385,000)	17,105,000	1,475,000
Bond Premium			637,931	0	(55,731)	582,200	0
Total General Obligation Bonds			19,127,931	0	(1,440,731)	17,687,200	1,475,000
ODOT State Infrastructure Bank Loans:							
Newark-Mount Vernon Road	3.00%	2035	2,250,135	0	(143,873)	2,106,262	148,222
Ohio and Manning Street Bridges and Bike Trail	3.00%	2028	1,272,046	0	(216,060)	1,055,986	222,590
Total ODOT State Infrastructure Bank Loans			3,522,181	0	(359,933)	3,162,248	370,812
Ohio Public Works							
Commission Loans (OPWC):							
West Church Street Bridge	0.00%	2034	390,000	0	(30,000)	360,000	30,000
West Main Street Improvements	0.00%	2022	20,000	0	(20,000)	0	0
Sharon Valley Road/Evans Boulevard	0.00%	2028	111,000	0	(18,500)	92,500	18,500
Country Club Dr/Sharon Valley Road	0.00%	2032	156,578	0	(16,482)	140,096	16,482
Total OPWC Loans			677,578	0	(84,982)	592,596	64,982
Long Term Note Payable:							
Church Street Area Improvements	2.00%	2023	1,125,000	0	(1,125,000)	0	0
Church Street Area Improvements	4.50%	2024	0	1,130,000	0	1,130,000	0
Total Long Term Notes Payable			1,125,000	1,130,000	(1,125,000)	1,130,000	0
Installment Loans:							
2016 Pumper Fire Truck	3.06%	2023	72,672	0	(72,672)	0	0
LED Street Lights	3.89%	2025	170,713	0	(54,347)	116,366	56,855
2018 Pierce Ladder Fire Truck	4.06%	2025	295,192	0	(93,743)	201,449	98,305
Scoreboard and Equipment	3.83%	2026	141,163	0	(32,967)	108,196	34,472
EMS Vehicle	4.37%	2025	170,461	0	(54,697)	115,764	56,796
6 Police Cars	4.25%	2024	141,541	0	(69,506)	72,035	72,035
2 2020 Ford Explorers	2.95%	2024	61,235	0	(30,174)	31,061	31,061
2021 Pierce Fire Truck	4.17%	2031	1,267,366	0	(118,954)	1,148,412	123,782
Various 2021 Vehicles	3.12%	2025	255,004	0	(82,408)	172,596	84,977
2023 Parks Equipment	4.29-5.81%	2025	0	227,285	(75,758)	151,527	79,628
2023 Street Equipment	5.21-6.31%	2026	0	379,250	(60,005)	319,245	100,396
2023 City Hall Vehicle	6.40%	2025	0	40,800	(12,768)	28,032	13,579
2023 Police Vehicles	5.82%	2026	0	137,875	0	137,875	43,370
Total Installment Loans			2,575,347	785,210	(757,999)	2,602,558	795,256
Governmental Activities Other Long-Term Obligations:							
Worker's Compensation Retrospective Liability			238,106	0	(238,106)	0	0
Subscription Based Information Technology Arrangements (SBITA)			0	71,730	(22,421)	49,309	23,878
Accrued Pension Liability			1,199,172	0	(74,822)	1,124,350	78,036
Compensated Absences Payable			3,881,886	2,077,875	(1,893,245)	4,066,516	2,057,358
Total Governmental Activities			\$32,347,201	\$4,064,815	(\$5,997,239)	\$30,414,777	\$4,865,322

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2023

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

			Balance December 31, 2022	Additions	Deductions	Balance December 31, 2023	Amount Due Within One Year
Business-Type Activities Debt:							
General Obligation Bonds:							
Storm Water Improvement Refunding	2.00%-4.00%	2034	\$1,890,000	\$0	(\$165,000)	\$1,725,000	\$170,000
Storm Water Improvement	2.0%-4.0%	2039	1,775,000	0	(80,000)	1,695,000	80,000
Various Purpose	1.00%-3.00%	2032	2,620,000	0	(235,000)	2,385,000	240,000
			6,285,000	0	(480,000)	5,805,000	490,000
Bond Premium			172,929	0	(14,141)	158,788	0
Total General Obligation Bonds			6,457,929	0	(494,141)	5,963,788	490,000
Revenue Bonds:							
Water System Improvement	2.0%-5.0%	2049	16,155,000	0	(365,000)	15,790,000	380,000
Bond Premium			1,049,152	0	(38,858)	1,010,294	0
Total Revenue Bonds			17,204,152	0	(403,858)	16,800,294	380,000
Ohio Water Development							
Authority Loans (OWDA):							
Licking River Interceptor Construction	3.25%	2026	669,055	0	(159,264)	509,791	164,482
Stormwater Utility Planning	3.36%	2028	43,628	0	(43,628)	0	0
Wastewater Electrical Improvements	0.61%	2027	744,834	0	(147,158)	597,676	148,057
Wastewater High Rate Treatment System	4.67%	2031	7,777,023	0	(780,721)	6,996,302	813,378
CSO Sewer Separation	3.36%	2028	586,870	0	(52,901)	533,969	99,798
Water Plant Generator	3.53%	2030	518,436	0	(57,150)	461,286	59,186
CSO Sewer Separation	3.25%	2031	1,080,768	0	(105,192)	975,576	108,638
Automated Meter Reading	3.53%	2031	1,302,542	0	(103,229)	1,199,313	107,157
CSO Sewer Separation 1030	2.45%	2033	1,449,177	0	(122,610)	1,326,567	125,633
Raccoon Creek Interceptor	2.64%	2033	4,491,630	0	(356,916)	4,134,714	366,401
Aeration System Modifications	2.48%	2034	1,355,596	0	(103,227)	1,252,369	105,802
Downtown Sewer Separation	2.01%	2037	13,427,461	0	(782,979)	12,644,482	0
Alternative Storm Water	1.00%	2032	2,440,880	0	(246,178)	2,194,702	248,646
Anaerobic Digester Improvements	2.01%	2044	9,043,807	0	(330,551)	8,713,256	337,228
Wastewater UV Disinfection and SCADA Upgrade	0.00%	2042	3,815,435	839,006	(243,486)	4,410,955	0
Interceptor Siphon	0.00%	2046	2,271,653	15,098	(126,880)	2,159,871	0
Fourth Street Sewer Separation	0.00%	2053	18,651,682	4,487,455	(393,184)	22,745,953	0
Lead Service Line Replacement	0.00%	2043	0	745,732	0	745,732	0
South Second Street Interceptor	0.00%	2047	436,149	844,035	0	1,280,184	0
Total OWDA Loans			70,106,626	6,931,326	(4,155,254)	72,882,698	2,684,406
Ohio Public Works							
Commission Loans (OPWC):							
Licking River Interceptor Construction	0.00%	2027	142,162	0	(28,433)	113,729	28,433
Sewer Improvements	0.00%	2022	2,156	0	(2,156)	0	0
Idlewilde Park Sewer Phase I	0.00%	2022	4,890	0	(3,259)	1,631	1,631
Idlewilde Park Sewer Phase II	0.00%	2024	100,689	0	(33,561)	67,128	33,561
Channel Street/Postal Avenue Sewer	0.00%	2033	478,457	0	(41,604)	436,853	41,604
Total OPWC Loans			728,354	0	(109,013)	619,341	105,229
ODOT State Infrastructure Bank Loan:							
Newark-Mount Vernon Road	3.00%		2,537,386	0	(162,240)	2,375,146	167,144
Business-Type Activities Other Long-Term Obligations:							
Subscription Based Information Technology Arrangements (SBITA)			0	106,626	(33,328)	73,298	35,495
Compensated Absences			780,150	510,349	(496,812)	793,687	557,013
Total Business-Type Activities			\$97,814,597	\$7,548,301	(\$5,854,646)	\$99,508,252	\$4,419,287

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

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, 2023 was \$1,431,874 in principal and interest payments through the year 2035. Only the principal amount of \$1,124,350 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 2023 the City issued a \$1,130,000 long-term note for improvements in the Church Street area. The note carries an interest rate of 4.5%. In March 2024 these notes were paid off with proceeds from a new 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 2023 the Water Fund reported \$1,088,857 of net pledged revenues for coverage of a principal and interest debt service requirement of \$1,049,669.

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, 2023, the City had received \$16,415,074 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2023, 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, 2023***

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, 2023, the City had received \$4,410,955 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2023, 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, 2023, the City had received \$22,745,953 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2023, 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, 2023, the City had received \$2,413,631 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2023, 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, 2023, the City had received \$1,280,184 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2023, the loan has not been finalized and there is no amortization schedule for the loan.

Lead Service Line Replacement - In 2023 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 water line replacement 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 water distribution charges and is received by the City in increments as the project is completed. As of December 31, 2023, the City had received \$745,732 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2023, 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, 2023

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, 2023 follows:

Years	Governmental Activities			
	General Obligation Bonds		Accrued Pension Liability	
	Principal	Interest	Principal	Interest
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	1,560,000	420,306	92,332	32,668
2029-2033	5,170,000	1,429,014	524,662	100,338
2034-2038	2,450,000	704,729	174,522	7,352
2039-2043	1,180,000	329,880	0	0
2044-2047	725,000	83,478	0	0
Totals	\$17,105,000	\$5,151,863	\$1,124,350	\$307,524

Years	Governmental Activities			
	ODOT SIB Loans		OPWC Loans	
	Principal	Interest	Principal	Interest
2024	\$370,812	\$92,107	\$64,982	\$0
2025	382,018	80,900	64,982	0
2026	393,566	69,353	64,982	0
2027	405,462	57,457	64,982	0
2028	291,411	45,202	64,982	0
2029-2033	913,674	137,855	207,686	0
2034-2037	405,305	15,312	60,000	0
Totals	\$3,162,248	\$498,186	\$592,596	\$0

Years	Installment Loans	
	Principal	Interest
2024	\$795,256	\$172,189
2025	712,937	79,171
2026	333,265	48,466
2027	140,061	31,730
2028	145,829	25,962
2029-2031	475,210	40,162
Totals	\$2,602,558	\$397,680

Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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

Business-Type Activities						
Years	General Obligation Bonds		Revenue Bonds			
	Principal	Interest	Principal	Interest		
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	540,000	131,525	425,000	626,169		
2029-2033	2,360,000	381,550	2,390,000	2,862,445		
2034-2038	740,000	108,450	2,990,000	2,270,345		
2039-2043	140,000	5,600	3,375,000	1,475,845		
2044-2048	0	0	4,115,000	635,331		
2049	0	0	915,000	33,169		
Totals	\$5,805,000	\$1,289,215	\$15,790,000	\$10,535,004		

Business-Type Activities						
Years	OWDA Loans		OPWC Loans		ODOT SIB Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$2,684,406	\$686,367	\$105,229	\$0	\$167,144	\$70,010
2025	2,762,628	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	2,674,626	410,013	41,604	0	188,286	48,868
2029-2033	10,099,928	1,092,224	208,028	0	1,030,315	155,453
2034-2038	2,211,623	409,876	20,809	0	457,042	17,266
2039-2043	2,369,872	183,518	0	0	0	0
2044	503,082	7,597	0	0	0	0
Totals	\$28,895,521	\$4,436,277	\$619,341	\$0	\$2,375,146	\$470,699

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

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 \$4,805,000 at December 31, 2023 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 \$2,315,000 at December 31, 2023 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

NOTE 13 – SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The City has entered into multiple Subscription Based Information Technology Arrangements (SBITAs) for the right to use various software platforms. Cost and accumulated depreciation reported in Governmental Activities for SBITA assets is \$71,730 and \$23,910, respectively. Cost and accumulated depreciation reported in Business-Type Activities for SBITA assets is \$106,625 and \$35,542, respectively.

The related liability is included in the Governmental Activities and Business-Type Activities Long-Term Liabilities.

The following is a schedule of future SBITA payments as of December 31, 2023:

Years	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	SBITA		SBITA	
	Principal	Interest	Principal	Interest
2024	\$23,878	\$3,205	\$35,495	\$4,764
2025	25,431	1,653	37,803	2,457
Totals	<u>\$49,309</u>	<u>\$4,858</u>	<u>\$73,298</u>	<u>\$7,221</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 14 - INSURANCE AND RISK MANAGEMENT

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

A. Shared Risk Pool

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

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.

B. Self Insurance

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

Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 14 - INSURANCE AND RISK MANAGEMENT (Continued)**B. Self Insurance** (Continued)

A liability for unpaid claims cost of \$491,010 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. Claim payments are reported as a component of personal services.

Changes in the fund's claims liability in 2022 and 2023 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>
2022	\$372,834	\$6,702,145	(\$6,714,542)	\$360,437
2023	360,437	6,987,573	(6,857,000)	491,010

C. BWC Individual Retrospective Rating Program

In prior years the City was enrolled in the Ohio BWC's Individual Retrospective Rating program. Each retrospective rated policy year carries a 10 year liability period. The Individual Retrospective Rating provided the City with an up-front premium discount in exchange for assuming dollar-for-dollar claims liability for any claim filed during the Retrospective Rating policy year.

The claims liability of \$71,065 reported in the General Fund at December 31, 2023 is based on the requirements of GASB Statement No. 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. Claim payments are reported as a component of personal services. Changes in the claims liability amount are as follows:

<u>Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2022	\$5,191	\$48,087	(\$5,191)	\$48,087
2023	48,087	71,065	(48,087)	71,065

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

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

The City had the following significant contractual commitments at December 31, 2023:

<u>Project</u>	<u>Remaining Contractual Commitment</u>	<u>Expected Date of Completion</u>
Street Maintenance	\$831,817	2024
River Road - Reddington Road Sanitary Sewer - Design	64,150	2024
Professional Services - Levee and Flood Gate - Design	60,420	2024
Multi-use Path - Granville Road - Design	78,525	2025
Horns Hill Road Improvements	1,614,354	2025
Granville Road Improvements	101,730	2024
East Church Street Improvements	104,794	2024
Downtown Electric Utility Relocation - Burial	405,000	2024
Baker Boulevard Improvements	350,000	2025
	<u>\$3,610,790</u>	

B. Encumbrance Commitments

At December 31, 2023 the City had encumbrance commitments in the Governmental Funds as follows:

<u>Fund</u>	<u>Encumbrances</u>
General Fund	\$1,521,469
American Rescue Plan Act Fund	6,765,545
Capital Improvement Fund	22,474,686
Other Governmental Funds	1,214,098
Total Governmental Funds	<u>\$31,975,798</u>

NOTE 16 - CONTINGENCIES

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

NOTE 17 – DEFICIT FUND BALANCE

The fund deficit of \$1,086 in the Safety Grants nonmajor governmental fund resulted from accrued liabilities reported in the fund. A deficit does not exist on a cash basis. The General Fund provides transfers when cash is required, not when accruals occur.

NOTE 18 – SUBSEQUENT EVENT

In March 2024 the City issued \$1,135,000 of various purpose bond anticipation notes. The notes have an interest rate of 4.5% and mature March 20, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEWARK, OHIO***Schedule of City's Proportionate Share of the Net Pension Liability
Last Ten 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 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>	<u>2023</u>
0.069175%	0.069409%	0.068045%	0.070820%	0.071830%	0.070708%
\$10,852,146	\$19,009,713	\$13,449,551	\$10,486,897	\$6,249,496	\$20,887,170
\$9,207,600	\$9,376,750	\$9,594,221	\$9,938,957	\$10,397,186	\$10,888,693
117.86%	202.73%	140.18%	105.51%	60.11%	191.82%
84.66%	74.70%	82.17%	86.88%	92.62%	75.74%
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
0.441969%	0.438010%	0.427888%	0.431171%	0.448827%	0.437509%
\$27,125,647	\$35,753,191	\$28,824,823	\$29,393,302	\$28,040,115	\$41,559,152
\$9,540,968	\$9,807,613	\$10,155,025	\$10,391,184	\$11,291,020	\$11,660,725
284.31%	364.55%	283.85%	282.87%	248.34%	356.40%
70.91%	63.07%	69.89%	70.65%	75.03%	62.90%

CITY OF NEWARK, OHIO

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

Ohio Public Employees Retirement System

Year	2014	2015	2016	2017
Contractually required contribution	\$1,125,755	\$1,121,392	\$1,095,178	\$1,196,988
Contributions in relation to the contractually required contribution	1,125,755	1,121,392	1,095,178	1,196,988
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered payroll	\$9,381,292	\$9,344,933	\$9,126,483	\$9,207,600
Contributions as a percentage of covered payroll	12.00%	12.00%	12.00%	13.00%

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

Ohio Police and Fire Pension Fund

Year	2014	2015	2016	2017
Contractually required contribution	\$2,002,523	\$2,012,953	\$2,058,255	\$2,041,586
Contributions in relation to the contractually required contribution	2,002,523	2,012,953	2,058,255	2,041,586
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered payroll	\$9,387,938	\$9,451,954	\$9,644,293	\$9,540,968
Contributions as a percentage of covered payroll	21.33%	21.30%	21.34%	21.40%

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>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$1,312,745	\$1,343,191	\$1,391,454	\$1,455,606	\$1,524,417	\$1,600,212
<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>1,600,212</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$9,376,750	\$9,594,221	\$9,938,957	\$10,397,186	\$10,888,693	\$11,430,086
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$2,095,532	\$2,170,355	\$2,220,792	\$2,421,917	\$2,501,298	\$2,783,768
<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>2,783,768</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$9,807,613	\$10,155,025	\$10,391,184	\$11,291,020	\$11,660,725	\$12,946,966
21.37%	21.37%	21.37%	21.45%	21.45%	21.50%

***Schedule of City's Proportionate Share of the Net Other Postemployment Benefits (OPEB)
Liability (Asset)
Last Seven 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>	<u>2023</u>
0.068992%	0.071656%	0.072940%	0.071867%
\$9,529,586	(\$1,276,613)	(\$2,284,595)	\$453,132
\$9,594,221	\$9,938,957	\$10,397,186	\$10,888,693
99.33%	(12.84%)	(21.97%)	4.16%
47.80%	115.57%	128.23%	94.79%

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
0.427888%	0.431171%	0.448827%	0.437509%
\$4,226,564	\$4,568,326	\$4,919,531	\$3,114,941
\$10,155,025	\$10,391,184	\$11,291,020	\$11,660,725
41.62%	43.96%	43.57%	26.71%
47.08%	45.42%	46.86%	52.59%

CITY OF NEWARK, OHIO***Schedule of City's Other Postemployment Benefit (OPEB) Contributions
Last Ten Years*****Ohio Public Employees Retirement System**

Year	2014	2015	2016	2017
Contractually required contribution	\$187,626	\$186,899	\$182,530	\$92,076
Contributions in relation to the contractually required contribution	187,626	186,899	182,530	92,076
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered payroll	\$9,381,292	\$9,344,933	\$9,126,483	\$9,207,600
Contributions as a percentage of covered payroll	2.00%	2.00%	2.00%	1.00%

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

Ohio Police and Fire Pension Fund

Year	2014	2015	2016	2017
Contractually required contribution	\$46,940	\$47,260	\$48,221	\$47,704
Contributions in relation to the contractually required contribution	46,940	47,260	48,221	47,704
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered payroll	\$9,387,938	\$9,451,954	\$9,644,293	\$9,540,968
Contributions as a percentage of covered payroll	0.50%	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>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$0	\$0	\$0	\$0	\$0	\$0
<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>	<u>\$0</u>
\$9,376,750	\$9,594,221	\$9,938,957	\$10,397,186	\$10,888,693	\$11,430,086
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$49,038	\$50,775	\$51,956	\$56,455	\$58,304	\$64,735
<u>49,038</u>	<u>50,775</u>	<u>51,956</u>	<u>56,455</u>	<u>58,304</u>	<u>64,735</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$9,807,613	\$10,155,025	\$10,391,184	\$11,291,020	\$11,660,725	\$12,946,966
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2023***

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2023.

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.

2023: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2023***

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 2014-2023.

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%

2023: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table
- Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table
- Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table
- Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2023***

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, and 2023.

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, 2023***

NET OPEB LIABILITY (ASSET) (Continued)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (Continued)

2023: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The Municipal Bond Rate changed from 1.84% to 4.05%
- The single discount rate changed from 6.00% to 5.22%.

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 - 2023: 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%.
- The investment rate of return changed from 8.0% to 7.5%.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2023***

NET OPEB LIABILITY (ASSET) (Continued)

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

2023: 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 2.84% to 4.27%.
- Mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table
- Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table
- Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table
- Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table

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*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Street Department Fund

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

Cemetery Fund

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

Community Development Fund

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

Special Improvement District Fund

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

Veterans Memorial Sidewalk Fund

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

Police/Fire Pension Fund

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

Safety Grants Fund

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

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)

Nonmajor Governmental Funds (continued)

Special Revenue Funds (continued)

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. (The Balance Sheet is not presented because there are no assets or liabilities at year end).

Ohio Department of Natural Resources (ODNR) Grants Fund

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

Judicial Fund

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

(Continued)

Nonmajor Governmental Funds (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, 2023

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:				
Pooled Cash and Investments	\$ 5,747,837	\$ 3,327,017	\$ 447,016	\$ 9,521,870
Cash and Cash Equivalents in Segregated Accounts	38,445	0	1,435	39,880
Investments	75,023	0	0	75,023
Receivables:				
Taxes	769,614	732,000	0	1,501,614
Accounts	2,278	0	0	2,278
Intergovernmental	2,552,936	0	0	2,552,936
Interest	497	0	0	497
Loans	2,416,427	0	0	2,416,427
Inventory of Supplies, at Cost	422,305	0	0	422,305
Restricted Assets:				
Cash and Cash Equivalents	937,131	0	0	937,131
Investments	258,720	0	0	258,720
Investments with Fiscal Agent	724,478	0	0	724,478
Total Assets	\$ 13,945,691	\$ 4,059,017	\$ 448,451	\$ 18,453,159
Liabilities:				
Accounts Payable	\$ 561,270	\$ 0	\$ 0	\$ 561,270
Accrued Wages and Benefits Payable	152,115	0	0	152,115
Intergovernmental Payable	2,723	0	0	2,723
Interfund Loans Payable	3,126	0	0	3,126
Total Liabilities	719,234	0	0	719,234
Deferred Inflows of Resources:				
Unavailable Amounts	2,378,325	0	0	2,378,325
Property Tax Levy for Next Fiscal Year	756,000	732,000	0	1,488,000
Total Deferred Inflows of Resources	3,134,325	732,000	0	3,866,325
Fund Balance:				
Nonspendable	422,305	0	0	422,305
Restricted	9,670,913	1,860,075	448,451	11,979,439
Assigned	0	1,466,942	0	1,466,942
Unassigned	(1,086)	0	0	(1,086)
Total Fund Balance	10,092,132	3,327,017	448,451	13,867,600
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 13,945,691	\$ 4,059,017	\$ 448,451	\$ 18,453,159

CITY OF NEWARK, OHIO**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2023**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 536,604	\$ 724,933	\$ 0	\$ 1,261,537
Intergovernmental Revenues	6,050,369	0	0	6,050,369
Charges for Services	6,827	0	0	6,827
Investment Earnings	122,417	0	0	122,417
Special Assessments	137,241	5,298	0	142,539
Fines and Forfeitures	410,914	0	20,857	431,771
All Other Revenue	202,521	0	0	202,521
Total Revenues	7,466,893	730,231	20,857	8,217,981
Expenditures:				
Current:				
Security of Persons and Property	1,480,565	0	0	1,480,565
Public Health and Welfare Services	217,016	0	0	217,016
Community Environment	1,196,887	0	0	1,196,887
Transportation	4,762,070	0	0	4,762,070
General Government	672,589	417,374	0	1,089,963
Capital Outlay	0	0	18,940	18,940
Debt Service:				
Principal Retirement	84,982	1,744,933	0	1,829,915
Interest and Fiscal Charges	0	797,122	0	797,122
Total Expenditures	8,414,109	2,959,429	18,940	11,392,478
Excess (Deficiency) of Revenues Over (Under) Expenditures	(947,216)	(2,229,198)	1,917	(3,174,497)
Other Financing Sources (Uses):				
Transfers In	400,000	3,061,876	0	3,461,876
Total Other Financing Sources (Uses)	400,000	3,061,876	0	3,461,876
Net Change in Fund Balance	(547,216)	832,678	1,917	287,379
Fund Balance at Beginning of Year	10,639,348	2,494,339	446,534	13,580,221
Fund Balance End of Year	\$ 10,092,132	\$ 3,327,017	\$ 448,451	\$ 13,867,600

CITY OF NEWARK, OHIO**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2023**

	Street Department	Cemetery	Community Development	Veterans Memorial Sidewalk
Assets:				
Pooled Cash and Investments	\$ 1,184,587	\$ 143,584	\$ 629,439	\$ 2,906
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Investments	0	0	0	75,023
Receivables:				
Taxes	0	0	0	0
Accounts	2,278	0	0	0
Intergovernmental	1,316,247	0	0	0
Interest	0	497	0	0
Loans	0	0	2,416,427	0
Inventory of Supplies, at Cost	422,305	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	438,987	0	0
Investments	0	258,720	0	0
Investments with Fiscal Agent	0	551,032	0	0
Total Assets	\$ 2,925,417	\$ 1,392,820	\$ 3,045,866	\$ 77,929
Liabilities:				
Accounts Payable	\$ 275,051	\$ 0	\$ 85,351	\$ 0
Accrued Wages and Benefits Payable	101,295	0	19,897	0
Intergovernmental Payable	0	0	0	0
Interfund Loans Payable	0	0	0	0
Total Liabilities	376,346	0	105,248	0
Deferred Inflows of Resources:				
Unavailable Amounts	877,498	0	0	0
Property Tax Levy for Next Fiscal Year	0	0	0	0
Total Deferred Inflows of Resources	877,498	0	0	0
Fund Balance:				
Nonspendable	422,305	0	0	0
Restricted	1,249,268	1,392,820	2,940,618	77,929
Unassigned	0	0	0	0
Total Fund Balance	1,671,573	1,392,820	2,940,618	77,929
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 2,925,417	\$ 1,392,820	\$ 3,045,866	\$ 77,929

(Continued)

CITY OF NEWARK, OHIO**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2023**

	Police/Fire Pension	Safety Grants	One Ohio Opioid Settlement	State Highway
Assets:				
Pooled Cash and Investments	\$ 0	\$ 1	\$ 84,285	\$ 11,442
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Investments	0	0	0	0
Receivables:				
Taxes	769,614	0	0	0
Accounts	0	0	0	0
Intergovernmental	33,620	8,139	0	106,719
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	\$ 803,234	\$ 8,140	\$ 84,285	\$ 118,161
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
Interfund Loans Payable	0	3,126	0	0
Total Liabilities	0	3,126	0	0
Deferred Inflows of Resources:				
Unavailable Amounts	47,234	6,100	0	71,146
Property Tax Levy for Next Fiscal Year	756,000	0	0	0
Total Deferred Inflows of Resources	803,234	6,100	0	71,146
Fund Balance:				
Nonspendable	0	0	0	0
Restricted	0	0	84,285	47,015
Unassigned	0	(1,086)	0	0
Total Fund Balance	0	(1,086)	84,285	47,015
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 803,234	\$ 8,140	\$ 84,285	\$ 118,161

CITY OF NEWARK, OHIO

Law Enforcement	Landfill Reclamation	Court Computerization	Fire Damage	Permissive License Tax	Probation Grant
\$ 584,184	\$ 4,808	\$ 489,921	\$ 136,657	\$ 1,204,386	\$ 3,285
3,960	0	12,403	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	329,898	672,575
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	498,144	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 588,144</u>	<u>\$ 4,808</u>	<u>\$ 502,324</u>	<u>\$ 136,657</u>	<u>\$ 2,032,428</u>	<u>\$ 675,860</u>
\$ 7,171	\$ 0	\$ 0	\$ 0	\$ 105,727	\$ 2,232
0	0	4,473	0	0	15,048
0	0	0	0	2,414	309
0	0	0	0	0	0
<u>7,171</u>	<u>0</u>	<u>4,473</u>	<u>0</u>	<u>108,141</u>	<u>17,589</u>
0	0	0	0	718,076	658,271
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>718,076</u>	<u>658,271</u>
0	0	0	0	0	0
580,973	4,808	497,851	136,657	1,206,211	0
0	0	0	0	0	0
<u>580,973</u>	<u>4,808</u>	<u>497,851</u>	<u>136,657</u>	<u>1,206,211</u>	<u>0</u>
<u>\$ 588,144</u>	<u>\$ 4,808</u>	<u>\$ 502,324</u>	<u>\$ 136,657</u>	<u>\$ 2,032,428</u>	<u>\$ 675,860</u>

(Continued)

CITY OF NEWARK, OHIO
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2023

	Mary E. Barnes Trust	Brownfield Cleanup	Judicial	Total Nonmajor Special Revenue Funds
Assets:				
Pooled Cash and Investments	\$ 0	\$ 0	\$ 1,268,352	\$ 5,747,837
Cash and Cash Equivalents in Segregated Accounts	0	0	22,082	38,445
Investments	0	0	0	75,023
Receivables:				
Taxes	0	0	0	769,614
Accounts	0	0	0	2,278
Intergovernmental	0	85,738	0	2,552,936
Interest	0	0	0	497
Loans	0	0	0	2,416,427
Inventory of Supplies, at Cost	0	0	0	422,305
Restricted Assets:				
Cash and Cash Equivalents	0	0	0	937,131
Investments	0	0	0	258,720
Investments with Fiscal Agent	173,446	0	0	724,478
Total Assets	\$ 173,446	\$ 85,738	\$ 1,290,434	\$ 13,945,691
Liabilities:				
Accounts Payable	\$ 0	\$ 85,738	\$ 0	\$ 561,270
Accrued Wages and Benefits Payable	0	0	11,402	152,115
Intergovernmental Payable	0	0	0	2,723
Interfund Loans Payable	0	0	0	3,126
Total Liabilities	0	85,738	11,402	719,234
Deferred Inflows of Resources:				
Unavailable Amounts	0	0	0	2,378,325
Property Tax Levy for Next Fiscal Year	0	0	0	756,000
Total Deferred Inflows of Resources	0	0	0	3,134,325
Fund Balance:				
Nonspendable	0	0	0	422,305
Restricted	173,446	0	1,279,032	9,670,913
Unassigned	0	0	0	(1,086)
Total Fund Balance	173,446	0	1,279,032	10,092,132
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 173,446	\$ 85,738	\$ 1,290,434	\$ 13,945,691

CITY OF NEWARK, OHIO**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023**

	Street Department	Cemetery	Community Development	Special Improvement District
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	2,727,930	0	1,025,916	0
Charges for Services	0	6,827	0	0
Investment Earnings	0	91,611	2,872	0
Special Assessments	0	0	0	137,241
Fines and Forfeitures	0	0	0	0
All Other Revenue	35,672	0	0	0
Total Revenues	2,763,602	98,438	1,028,788	137,241
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Public Health and Welfare Services	0	22,463	0	0
Community Environment	0	0	1,058,646	137,241
Transportation	3,855,434	0	0	0
General Government	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Total Expenditures	3,855,434	22,463	1,058,646	137,241
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,091,832)	75,975	(29,858)	0
Other Financing Sources (Uses):				
Transfers In	400,000	0	0	0
Total Other Financing Sources (Uses)	400,000	0	0	0
Net Change in Fund Balance	(691,832)	75,975	(29,858)	0
Fund Balance at Beginning of Year	2,363,405	1,316,845	2,970,476	0
Fund Balance End of Year	\$ 1,671,573	\$ 1,392,820	\$ 2,940,618	\$ 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, 2023***

	Veterans Memorial Sidewalk	Police/Fire Pension	Safety Grants	One Ohio Opioid Settlement
Revenues:				
Taxes	\$ 0	\$ 536,604	\$ 0	\$ 0
Intergovernmental Revenues	0	67,614	230,880	68,921
Charges for Services	0	0	0	0
Investment Earnings	187	0	0	0
Special Assessments	0	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	425	0	0	0
Total Revenues	<u>612</u>	<u>604,218</u>	<u>230,880</u>	<u>68,921</u>
Expenditures:				
Current:				
Security of Persons and Property	0	657,381	227,273	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>657,381</u>	<u>227,273</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	612	(53,163)	3,607	68,921
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	612	(53,163)	3,607	68,921
Fund Balance at Beginning of Year	<u>77,317</u>	<u>53,163</u>	<u>(4,693)</u>	<u>15,364</u>
Fund Balance End of Year	<u>\$ 77,929</u>	<u>\$ 0</u>	<u>\$ (1,086)</u>	<u>\$ 84,285</u>

CITY OF NEWARK, OHIO

State Highway	Law Enforcement	Landfill Reclamation	Court Computerization	Fire Damage	Permissive License Tax
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
221,182	20,186	0	0	0	1,046,021
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	74,570	0	179,469	0	0
0	707	0	22	148,719	16,837
<u>221,182</u>	<u>95,463</u>	<u>0</u>	<u>179,491</u>	<u>148,719</u>	<u>1,062,858</u>
0	90,326	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
213,293	0	0	0	0	693,343
0	0	0	291,863	131,625	0
0	0	0	0	0	84,982
<u>213,293</u>	<u>90,326</u>	<u>0</u>	<u>291,863</u>	<u>131,625</u>	<u>778,325</u>
7,889	5,137	0	(112,372)	17,094	284,533
0	0	0	0	0	0
0	0	0	0	0	0
7,889	5,137	0	(112,372)	17,094	284,533
39,126	575,836	4,808	610,223	119,563	921,678
<u>\$ 47,015</u>	<u>\$ 580,973</u>	<u>\$ 4,808</u>	<u>\$ 497,851</u>	<u>\$ 136,657</u>	<u>\$ 1,206,211</u>

(Continued)

CITY OF NEWARK, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

	Probation Grant	Coronavirus Relief	ODNR Grants	Mary E. Barnes Trust
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	446,166	0	1,000	0
Charges for Services	0	0	0	0
Investment Earnings	0	0	0	27,747
Special Assessments	0	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	74	0	0	0
Total Revenues	446,240	0	1,000	27,747
Expenditures:				
Current:				
Security of Persons and Property	502,956	0	0	2,629
Public Health and Welfare Services	0	0	0	0
Community Environment	0	0	1,000	0
Transportation	0	0	0	0
General Government	0	16	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Total Expenditures	502,956	16	1,000	2,629
Excess (Deficiency) of Revenues Over (Under) Expenditures	(56,716)	(16)	0	25,118
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balance	(56,716)	(16)	0	25,118
Fund Balance at Beginning of Year	56,716	16	0	148,328
Fund Balance End of Year	\$ 0	\$ 0	\$ 0	\$ 173,446

CITY OF NEWARK, OHIO

Brownfield Cleanup	Judicial	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 536,604
194,553	0	6,050,369
0	0	6,827
0	0	122,417
0	0	137,241
0	156,875	410,914
0	65	202,521
<u>194,553</u>	<u>156,940</u>	<u>7,466,893</u>
0	0	1,480,565
194,553	0	217,016
0	0	1,196,887
0	0	4,762,070
0	249,085	672,589
0	0	84,982
<u>194,553</u>	<u>249,085</u>	<u>8,414,109</u>
0	(92,145)	(947,216)
<u>0</u>	<u>0</u>	<u>400,000</u>
<u>0</u>	<u>0</u>	<u>400,000</u>
0	(92,145)	(547,216)
0	1,371,177	10,639,348
<u>\$ 0</u>	<u>\$ 1,279,032</u>	<u>\$ 10,092,132</u>

CITY OF NEWARK, OHIO

**Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2023**

	Debt Service	Tax Increment Financing	Total Nonmajor Debt Service Funds
Assets:			
Pooled Cash and Investments	\$ 1,466,942	\$ 1,860,075	\$ 3,327,017
Receivables:			
Taxes	0	732,000	732,000
Total Assets	<u>\$ 1,466,942</u>	<u>\$ 2,592,075</u>	<u>\$ 4,059,017</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	732,000	732,000
Total Deferred Inflows of Resources	<u>0</u>	<u>732,000</u>	<u>732,000</u>
Fund Balance:			
Restricted	0	1,860,075	1,860,075
Assigned	1,466,942	0	1,466,942
Total Fund Balance	<u>1,466,942</u>	<u>1,860,075</u>	<u>3,327,017</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 1,466,942</u>	<u>\$ 2,592,075</u>	<u>\$ 4,059,017</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, 2023**

	Debt Service	Tax Increment Financing	Total Nonmajor Debt Service Funds
Revenues:			
Taxes	\$ 0	\$ 724,933	\$ 724,933
Special Assessments	5,298	0	5,298
Total Revenues	<u>5,298</u>	<u>724,933</u>	<u>730,231</u>
Expenditures:			
Current:			
General Government	3,250	414,124	417,374
Debt Service:			
Principal Retirement	1,524,933	220,000	1,744,933
Interest and Fiscal Charges	757,438	39,684	797,122
Total Expenditures	<u>2,285,621</u>	<u>673,808</u>	<u>2,959,429</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,280,323)	51,125	(2,229,198)
Other Financing Sources (Uses):			
Transfers In	2,751,579	310,297	3,061,876
Total Other Financing Sources (Uses)	<u>2,751,579</u>	<u>310,297</u>	<u>3,061,876</u>
Net Change in Fund Balance	471,256	361,422	832,678
Fund Balance at Beginning of Year	<u>995,686</u>	<u>1,498,653</u>	<u>2,494,339</u>
Fund Balance End of Year	<u>\$ 1,466,942</u>	<u>\$ 1,860,075</u>	<u>\$ 3,327,017</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 28,236,669	\$ 28,236,669	\$ 32,794,528	\$ 4,557,859
Intergovernmental Revenues	2,261,453	2,261,453	2,334,455	73,002
Charges for Services	3,230,675	3,230,675	3,919,911	689,236
Licenses, Permits and Fees	139,400	139,400	58,746	(80,654)
Investment Earnings	360,240	360,240	2,754,503	2,394,263
Fines and Forfeitures	1,142,510	1,142,510	1,191,635	49,125
All Other Revenue	92,950	92,950	394,358	301,408
Total Revenues	35,463,897	35,463,897	43,448,136	7,984,239
Expenditures:				
Security of Persons and Property:				
Impound Lot:				
Personal Services	91,392	91,114	89,340	1,774
Materials and Supplies	655	652	652	0
Contractual Services	88,344	78,225	64,235	13,990
Total Impound Lot	180,391	169,991	154,227	15,764
Police:				
Personal Services	8,327,719	9,109,798	8,773,921	335,877
Materials and Supplies	382,959	366,629	331,304	35,325
Contractual Services	806,930	810,190	732,914	77,276
Other Expenditures	150	150	150	0
Capital Outlay	128,701	141,450	139,991	1,459
Total Police	9,646,459	10,428,217	9,978,280	449,937
Fire:				
Personal Services	10,185,191	10,301,995	10,152,374	149,621
Materials and Supplies	1,014,373	981,101	978,324	2,777
Contractual Services	821,109	746,263	731,408	14,855
Other Expenditures	1,000	6,461	6,339	122
Capital Outlay	75,470	86,426	85,821	605
Total Fire	12,097,143	12,122,246	11,954,266	167,980
Total Security of Persons and Property	21,923,993	22,720,454	22,086,773	633,681

(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, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Leisure Time Activities:				
Parks and Cemetery:				
Personal Services	755,666	849,357	650,650	198,707
Materials and Supplies	205,035	265,581	153,425	112,156
Contractual Services	300,249	281,998	271,516	10,482
Other Expenditures	1,500	2,875	2,590	285
Total Parks and Cemetery	1,262,450	1,399,811	1,078,181	321,630
Hollander Pool:				
Materials and Supplies	4,000	4,000	0	4,000
Contractual Services	80,766	54,500	45,197	9,303
Total Hollander Pool	84,766	58,500	45,197	13,303
Babe Ruth Baseball:				
Materials and Supplies	5,300	2,776	2,476	300
Contractual Services	73,779	74,368	74,184	184
Total Babe Ruth Baseball	79,079	77,144	76,660	484
Horns Hill Park:				
Contractual Services	15,000	15,000	15,000	0
Total Horns Hill Park	15,000	15,000	15,000	0
Total Leisure Time Activities	1,441,295	1,550,455	1,215,038	335,417
Community Environment:				
CDBG:				
Personal Services	30,000	41,467	23,455	18,012
Total CDBG	30,000	41,467	23,455	18,012
Code Administration:				
Personal Services	352,800	380,266	376,772	3,494
Materials and Supplies	11,951	11,043	7,515	3,528
Contractual Services	584,852	241,237	231,635	9,602
Other Expenditures	500	500	133	367
Capital Outlay	19,196	13,375	3,145	10,230
Total Code Administration	969,299	646,421	619,200	27,221
Total Community Environment	999,299	687,888	642,655	45,233

(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, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
General Government:				
City Council:				
Personal Services	121,874	122,292	121,336	956
Total City Council	121,874	122,292	121,336	956
Clerk of Council:				
Personal Services	64,825	68,281	68,279	2
Materials and Supplies	522	595	595	0
Contractual Services	19,207	25,360	25,360	0
Total Clerk of Council	84,554	94,236	94,234	2
Mayor:				
Personal Services	225,550	231,705	231,123	582
Materials and Supplies	800	750	655	95
Contractual Services	33,800	33,682	27,367	6,315
Capital Outlay	3,000	3,000	0	3,000
Total Mayor	263,150	269,137	259,145	9,992
Auditor:				
Personal Services	753,630	556,528	487,278	69,250
Materials and Supplies	6,672	5,186	5,185	1
Contractual Services	217,494	218,360	203,587	14,773
Other Expenditures	245,607	420,000	321,489	98,511
Capital Outlay	13,552	8,093	7,519	574
Total Auditor	1,236,955	1,208,167	1,025,058	183,109
Law Director:				
Personal Services	1,224,275	1,254,381	1,245,250	9,131
Materials and Supplies	9,613	9,361	8,361	1,000
Contractual Services	25,269	24,919	22,564	2,355
Total Law Director	1,259,157	1,288,661	1,276,175	12,486
Clerk of Courts:				
Personal Services	1,397,298	1,459,116	1,378,094	81,022
Materials and Supplies	28,779	26,993	20,993	6,000
Contractual Services	119,546	113,311	98,724	14,587
Other Expenditures	2,750	2,750	0	2,750
Total Clerk of Courts	1,548,373	1,602,170	1,497,811	104,359

(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, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Civil Service:				
Personal Services	436	2,935	2,462	473
Materials and Supplies	558	389	389	0
Contractual Services	75,673	84,885	83,334	1,551
Capital Outlay	787	0	0	0
Total Civil Service	77,454	88,209	86,185	2,024
Workers Compensation:				
Personal Services	73,700	63,087	63,087	0
Total Workers Compensation	73,700	63,087	63,087	0
Judiciary:				
Personal Services	868,024	906,681	894,369	12,312
Materials and Supplies	23,442	22,515	19,938	2,577
Contractual Services	157,716	170,068	166,356	3,712
Other Expenditures	1,000	1,000	0	1,000
Total Judiciary	1,050,182	1,100,264	1,080,663	19,601
Personnel:				
Personal Services	276,972	276,588	248,164	28,424
Materials and Supplies	1,087	1,058	1,058	0
Contractual Services	182,915	228,572	221,077	7,495
Capital Outlay	2,500	2,500	2,500	0
Total Personnel	463,474	508,718	472,799	35,919
Adult Probation:				
Personal Services	645,043	683,376	643,263	40,113
Materials and Supplies	17,173	18,009	17,884	125
Contractual Services	39,185	40,138	38,395	1,743
Capital Outlay	0	522	522	0
Total Adult Probation	701,401	742,045	700,064	41,981

(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, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Service Department:				
Personal Services	224,492	229,172	229,143	29
Materials and Supplies	18,470	50,318	50,318	0
Contractual Services	3,137,282	3,456,283	3,454,436	1,847
Capital Outlay	317,578	612,850	612,850	0
Total Service Department	3,697,822	4,348,623	4,346,747	1,876
Engineer:				
Personal Services	817,125	828,565	710,124	118,441
Materials and Supplies	10,494	13,165	12,949	216
Contractual Services	69,534	377,774	374,402	3,372
Capital Outlay	13,173	12,000	10,000	2,000
Total Engineer	910,326	1,231,504	1,107,475	124,029
Custodial:				
Personal Services	235,316	246,833	246,588	245
Materials and Supplies	1,900	2,114	990	1,124
Contractual Services	211,865	197,917	197,506	411
Other Expenditures	150	150	125	25
Capital Outlay	0	1,229	1,229	0
Total Custodial	449,231	448,243	446,438	1,805
Income Tax:				
Personal Services	1,041,643	1,082,051	1,010,220	71,831
Materials and Supplies	14,422	12,721	8,721	4,000
Contractual Services	140,822	114,810	58,643	56,167
Other Expenditures	600,000	600,000	570,625	29,375
Capital Outlay	60,000	50,000	13,826	36,174
Total Income Tax	1,856,887	1,859,582	1,662,035	197,547

(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, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Safety Director:				
Personal Services	186,420	191,046	190,985	61
Materials and Supplies	666	619	519	100
Contractual Services	610,317	608,012	553,232	54,780
Other Expenditures	5,000	5,100	3,681	1,419
Capital Outlay	2,000	2,000	0	2,000
Total Safety Director	804,403	806,777	748,417	58,360
Total General Government	14,598,943	15,781,715	14,987,669	794,046
Total Expenditures	38,963,530	40,740,512	38,932,135	1,808,377
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(3,499,633)	(5,276,615)	4,516,001	9,792,616
Other Financing Sources (Uses):				
Sale of Capital Assets	53,000	53,000	4,263	(48,737)
Transfers In	1,421,050	1,421,050	1,970,981	549,931
Transfers Out	(5,638,152)	(6,658,766)	(6,658,766)	0
Advances In	0	0	7,712	7,712
Advances Out	0	(3,126)	(3,126)	0
Total Other Financing Sources (Uses)	(4,164,102)	(5,187,842)	(4,678,936)	508,906
Net Change in Fund Balance	(7,663,735)	(10,464,457)	(162,935)	10,301,522
Fund Balance at Beginning of Year - Restated	9,003,276	9,003,276	9,003,276	0
Prior Year Encumbrances	1,596,139	1,596,139	1,596,139	0
Fund Balance at End of Year	\$ 2,935,680	\$ 134,958	\$ 10,436,480	\$ 10,301,522

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, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 520,000	\$ 619,640	\$ 99,640
Total Revenues	0	520,000	619,640	99,640
Expenditures:				
General Government:				
Materials and Supplies	81,658	81,658	81,658	0
Contractual Services	3,153,472	3,253,472	3,253,472	0
Capital Outlay	8,512,048	9,014,584	8,965,280	49,304
Total General Government	11,747,178	12,349,714	12,300,410	49,304
Security of Persons and Property:				
Personal Services	0	532,748	532,748	0
Total Security of Persons and Property	0	532,748	532,748	0
Total Expenditures	11,747,178	12,882,462	12,833,158	49,304
Net Change in Fund Balance	(11,747,178)	(12,362,462)	(12,213,518)	148,944
Fund Balance at Beginning of Year	789,194	789,194	789,194	0
Prior Year Encumbrances	11,747,178	11,747,178	11,747,178	0
Fund Balance at End of Year	\$ 789,194	\$ 173,910	\$ 322,854	\$ 148,944

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, 2023***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 2,850,000	\$ 500,000	\$ (2,350,000)
Investment Earnings	12,200	28,778	16,578
All Other Revenue	96,000	101,220	5,220
Total Revenues	2,958,200	629,998	(2,328,202)
Expenditures:			
Capital Outlay	26,584,027	26,500,234	83,793
Debt Service:			
Principal Retirement	4,665,000	4,665,000	0
Interest and Fiscal Charges	204,800	191,247	13,553
Total Expenditures	31,453,827	31,356,481	97,346
Excess (Deficiency) of Revenues Over (Under) Expenditures	(28,495,627)	(30,726,483)	(2,230,856)
Other Financing Sources (Uses):			
Note Issuance	4,665,000	5,070,000	405,000
Loan Issuance	17,010,000	0	(17,010,000)
Transfers In	1,485,223	2,017,088	531,865
Transfers Out	(218,438)	(218,262)	176
Premium on Debt Issuance	40,700	27,728	(12,972)
Total Other Financing Sources (Uses)	22,982,485	6,896,554	(16,085,931)
Net Change in Fund Balance	(5,513,142)	(23,829,929)	(18,316,787)
Fund Balance at Beginning of Year	3,793,273	3,793,273	0
Prior Year Encumbrances	2,228,753	2,228,753	0
Fund Balance at End of Year	\$ 508,884	\$(17,807,903)	\$(18,316,787)

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, 2023***

STREET DEPARTMENT FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 2,625,286	\$ 2,724,555	\$ 99,269
All Other Revenue	47,500	37,868	(9,632)
Total Revenues	2,672,786	2,762,423	89,637
Expenditures:			
Transportation:			
Personal Services	2,244,053	2,028,394	215,659
Materials and Supplies	569,311	568,520	791
Contractual Services	1,939,778	1,939,478	300
Other Expenditures	1,744	1,743	1
Capital Outlay	25,000	25,000	0
Total Expenditures	4,779,886	4,563,135	216,751
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,107,100)	(1,800,712)	306,388
Other Financing Sources (Uses):			
Transfers In	613,293	1,013,293	400,000
Total Other Financing Sources (Uses)	613,293	1,013,293	400,000
Net Change in Fund Balance	(1,493,807)	(787,419)	706,388
Fund Balance at Beginning of Year	682,950	682,950	0
Prior Year Encumbrances	971,141	971,141	0
Fund Balance at End of Year	\$ 160,284	\$ 866,672	\$ 706,388

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, 2023***

CEMETERY FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 3,500	\$ 6,827	\$ 3,327
Investment Earnings	2,680	6,568	3,888
Total Revenues	6,180	13,395	7,215
Expenditures:			
Total Expenditures	0	0	0
Net Change in Fund Balance	6,180	13,395	7,215
Fund Balance at Beginning of Year	827,896	827,896	0
Fund Balance at End of Year	\$ 834,076	\$ 841,291	\$ 7,215

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, 2023***

COMMUNITY DEVELOPMENT FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 1,295,703	\$ 1,025,916	\$ (269,787)
Investment Earnings	1,150	2,872	1,722
All Other Revenue	62,556	171,519	108,963
Total Revenues	1,359,409	1,200,307	(159,102)
Expenditures:			
Community Environment:			
Personal Services	421,206	358,540	62,666
Materials and Supplies	170,760	169,760	1,000
Contractual Services	1,108,850	781,288	327,562
Other Expenditures	900	646	254
Total Expenditures	1,701,716	1,310,234	391,482
Net Change in Fund Balance	(342,307)	(109,927)	232,380
Fund Balance at Beginning of Year	542,094	542,094	0
Prior Year Encumbrances	81,620	81,620	0
Fund Balance at End of Year	\$ 281,407	\$ 513,787	\$ 232,380

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, 2023***

SPECIAL IMPROVEMENT DISTRICT FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments	\$ 137,241	\$ 137,241	\$ 0
Total Revenues	137,241	137,241	0
Expenditures:			
Community Environment:			
Contractual Services	4,504	4,504	0
Other Expenditures	132,737	132,737	0
Total Expenditures	137,241	137,241	0
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF NEWARK, OHIO

***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, 2023***

VETERANS MEMORIAL SIDEWALK FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 20	\$ 375	\$ 355
All Other Revenue	300	425	125
Total Revenues	320	800	480
Expenditures:			
General Government:			
Contractual Services	500	0	500
Total Expenditures	500	0	500
Net Change in Fund Balance	(180)	800	980
Fund Balance at Beginning of Year	77,129	77,129	0
Fund Balance at End of Year	<u>\$ 76,949</u>	<u>\$ 77,929</u>	<u>\$ 980</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, 2023***

POLICE/FIRE PENSION FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 534,408	\$ 536,604	\$ 2,196
Intergovernmental Revenues	73,288	67,614	(5,674)
Total Revenues	<u>607,696</u>	<u>604,218</u>	<u>(3,478)</u>
Expenditures:			
Security of Persons and Property:			
Personal Services	652,516	649,372	3,144
Contractual Services	8,317	8,009	308
Total Expenditures	<u>660,833</u>	<u>657,381</u>	<u>3,452</u>
Net Change in Fund Balance	(53,137)	(53,163)	(26)
Fund Balance at Beginning of Year	<u>53,163</u>	<u>53,163</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 26</u>	<u>\$ 0</u>	<u>\$ (26)</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, 2023***

SAFETY GRANTS FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 343,375	\$ 231,858	\$ (111,517)
Total Revenues	343,375	231,858	(111,517)
Expenditures:			
Security of Persons and Property:			
Personal Services	25,064	12,734	12,330
Materials and Supplies	214,539	214,539	0
Total Expenditures	239,603	227,273	12,330
Excess (Deficiency) of Revenues Over (Under) Expenditures	103,772	4,585	(99,187)
Other Financing Sources (Uses):			
Advances In	0	3,126	3,126
Advances Out	(7,712)	(7,712)	0
Total Other Financing Sources (Uses)	(7,712)	(4,586)	3,126
Net Change in Fund Balance	96,060	(1)	(96,061)
Fund Balance at Beginning of Year	(136,110)	(136,110)	0
Prior Year Encumbrances	136,112	136,112	0
Fund Balance at End of Year	\$ 96,062	\$ 1	\$ (96,061)

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, 2023***

ONE OHIO OPIOID SETTLEMENT FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 15,364	\$ 68,921	\$ 53,557
Total Revenues	15,364	68,921	53,557
Expenditures:			
Total Expenditures	0	0	0
Net Change in Fund Balance	15,364	68,921	53,557
Fund Balance at Beginning of Year	15,364	15,364	0
Fund Balance at End of Year	\$ 30,728	\$ 84,285	\$ 53,557

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, 2023***

STATE HIGHWAY FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 213,293	\$ 220,910	\$ 7,617
Total Revenues	213,293	220,910	7,617
Expenditures:			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	213,293	220,910	7,617
Other Financing Sources (Uses):			
Transfers Out	(213,293)	(213,293)	0
Total Other Financing Sources (Uses)	(213,293)	(213,293)	0
Net Change in Fund Balance	0	7,617	7,617
Fund Balance at Beginning of Year	3,825	3,825	0
Fund Balance at End of Year	\$ 3,825	\$ 11,442	\$ 7,617

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, 2023***

LAW ENFORCEMENT FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 25,000	\$ 20,186	\$ (4,814)
Fines and Forfeitures	69,000	76,406	7,406
All Other Revenue	0	707	707
Total Revenues	94,000	97,299	3,299
Expenditures:			
Security of Persons and Property:			
Personal Services	4,840	0	4,840
Contractual Services	120,410	105,409	15,001
Total Expenditures	125,250	105,409	19,841
Net Change in Fund Balance	(31,250)	(8,110)	23,140
Fund Balance at Beginning of Year	560,580	560,580	0
Prior Year Encumbrances	9,460	9,460	0
Fund Balance at End of Year	\$ 538,790	\$ 561,930	\$ 23,140

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, 2023***

LANDFILL RECLAMATION FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	4,808	4,808	0
Fund Balance at End of Year	<u>\$ 4,808</u>	<u>\$ 4,808</u>	<u>\$ 0</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

COURT COMPUTERIZATION FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 168,300	\$ 179,624	\$ 11,324
All Other Revenue	0	22	22
Total Revenues	168,300	179,646	11,346
Expenditures:			
General Government:			
Personal Services	109,963	107,196	2,767
Materials and Supplies	10,183	4,822	5,361
Contractual Services	198,229	153,193	45,036
Capital Outlay	111,327	51,877	59,450
Total Expenditures	429,702	317,088	112,614
Net Change in Fund Balance	(261,402)	(137,442)	123,960
Fund Balance at Beginning of Year	538,874	538,874	0
Prior Year Encumbrances	63,031	63,031	0
Fund Balance at End of Year	<u>\$ 340,503</u>	<u>\$ 464,463</u>	<u>\$ 123,960</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, 2023***

FIRE DAMAGE FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenue	\$ 175,000	\$ 148,719	\$ (26,281)
Total Revenues	175,000	148,719	(26,281)
Expenditures:			
General Government:			
Other Expenditures	175,000	131,625	43,375
Total Expenditures	175,000	131,625	43,375
Net Change in Fund Balance	0	17,094	17,094
Fund Balance at Beginning of Year	119,563	119,563	0
Fund Balance at End of Year	\$ 119,563	\$ 136,657	\$ 17,094

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, 2023***

PERMISSIVE LICENSE TAX FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 1,000,000	\$ 1,042,797	\$ 42,797
All Other Revenue	0	16,837	16,837
Total Revenues	1,000,000	1,059,634	59,634
Expenditures:			
Transportation:			
Contractual Services	1,353,235	1,353,235	0
Debt Service:			
Principal Retirement	84,982	84,982	0
Total Expenditures	1,438,217	1,438,217	0
Net Change in Fund Balance	(438,217)	(378,583)	59,634
Fund Balance at Beginning of Year	585,701	585,701	0
Prior Year Encumbrances	448,860	448,860	0
Fund Balance at End of Year	\$ 596,344	\$ 655,978	\$ 59,634

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, 2023***

PROBATION GRANT FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 480,998	\$ 431,862	\$ (49,136)
All Other Revenue	0	74	74
Total Revenues	480,998	431,936	(49,062)
Expenditures:			
Security of Persons and Property:			
Personal Services	277,542	276,373	1,169
Materials and Supplies	119,796	118,181	1,615
Contractual Services	91,052	91,052	0
Capital Outlay	21,585	21,585	0
Total Expenditures	509,975	507,191	2,784
Net Change in Fund Balance	(28,977)	(75,255)	(46,278)
Fund Balance at Beginning of Year	54,895	54,895	0
Prior Year Encumbrances	15,282	15,282	0
Fund Balance at End of Year	\$ 41,200	\$ (5,078)	\$ (46,278)

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, 2023***

CORONAVIRUS RELIEF FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenue	\$ 1	\$ 0	\$ (1)
Total Revenues	1	0	(1)
Expenditures:			
General Government:			
Capital Outlay	17	16	1
Total Expenditures	17	16	1
Net Change in Fund Balance	(16)	(16)	0
Fund Balance at Beginning of Year	16	16	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

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

CITY OF NEWARK, OHIO

***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, 2023***

BROWNFIELD CLEANUP FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 278,085	\$ 108,815	\$ (169,270)
Total Revenues	278,085	108,815	(169,270)
Expenditures:			
Public Health and Welfare Services:			
Contractual Services	277,401	277,401	0
Total Expenditures	277,401	277,401	0
Net Change in Fund Balance	684	(168,586)	(169,270)
Fund Balance at Beginning of Year	(684)	(684)	0
Prior Year Encumbrances	684	684	0
Fund Balance at End of Year	\$ 684	\$ (168,586)	\$ (169,270)

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, 2023***

JUDICIAL FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 125,000	\$ 144,949	\$ 19,949
All Other Revenue	0	65	65
Total Revenues	125,000	145,014	20,014
Expenditures:			
General Government:			
Personal Services	283,915	241,752	42,163
Materials and Supplies	19,000	10,000	9,000
Contractual Services	68,498	1,647	66,851
Capital Outlay	4,000	500	3,500
Total Expenditures	375,413	253,899	121,514
Net Change in Fund Balance	(250,413)	(108,885)	141,528
Fund Balance at Beginning of Year	1,360,263	1,360,263	0
Prior Year Encumbrances	10,216	10,216	0
Fund Balance at End of Year	\$ 1,120,066	\$ 1,261,594	\$ 141,528

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, 2023***

DEBT SERVICE FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments	\$ 0	\$ 5,298	\$ 5,298
Total Revenues	0	5,298	5,298
Expenditures:			
General Government:			
Contractual Services	4,251	3,251	1,000
Debt Service:			
Principal Retirement	1,522,373	1,522,282	91
Interest and Fiscal Charges	760,095	760,089	6
Total Expenditures	2,286,719	2,285,622	1,097
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,286,719)	(2,280,324)	6,395
Other Financing Sources (Uses):			
Transfers In	2,595,020	2,751,579	156,559
Total Other Financing Sources (Uses)	2,595,020	2,751,579	156,559
Net Change in Fund Balance	308,301	471,255	162,954
Fund Balance at Beginning of Year	994,485	994,485	0
Prior Year Encumbrances	1,201	1,201	0
Fund Balance at End of Year	\$ 1,303,987	\$ 1,466,941	\$ 162,954

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, 2023***

TAX INCREMENT FINANCING FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 751,000	\$ 724,933	\$ (26,067)
Total Revenues	<u>751,000</u>	<u>724,933</u>	<u>(26,067)</u>
Expenditures:			
General Government:			
Contractual Services	10,185	10,095	90
Other Expenditures	413,781	404,029	9,752
Debt Service:			
Principal Retirement	220,000	220,000	0
Interest and Fiscal Charges	39,684	39,684	0
Total Expenditures	<u>683,650</u>	<u>673,808</u>	<u>9,842</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	67,350	51,125	(16,225)
Other Financing Sources (Uses):			
Transfers In	310,297	310,297	0
Total Other Financing Sources (Uses)	<u>310,297</u>	<u>310,297</u>	<u>0</u>
Net Change in Fund Balance	377,647	361,422	(16,225)
Fund Balance at Beginning of Year	1,498,653	1,498,653	0
Fund Balance at End of Year	<u>\$ 1,876,300</u>	<u>\$ 1,860,075</u>	<u>\$ (16,225)</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2023***

COURT CAPITAL IMPROVEMENT FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 13,111	\$ 20,880	\$ 7,769
Total Revenues	13,111	20,880	7,769
Expenditures:			
Capital Outlay	60,000	19,645	40,355
Total Expenditures	60,000	19,645	40,355
Net Change in Fund Balance	(46,889)	1,235	48,124
Fund Balance at Beginning of Year	445,076	445,076	0
Fund Balance at End of Year	\$ 398,187	\$ 446,311	\$ 48,124



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, 2023**

	Municipal Court	Law Library	JEDD	Total Custodial Funds
Assets:				
Cash and Cash Equivalents	\$ 323,197	\$ 0	\$ 1,083,667	\$ 1,406,864
Receivables:				
Taxes	0	0	2,455,392	2,455,392
Accounts	0	3,901	0	3,901
Total Assets	<u>323,197</u>	<u>3,901</u>	<u>3,539,059</u>	<u>3,866,157</u>
Liabilities:				
Intergovernmental Payable	0	0	3,539,059	3,539,059
Due to Others	0	3,901	0	3,901
Total Liabilities	<u>0</u>	<u>3,901</u>	<u>3,539,059</u>	<u>3,542,960</u>
Net Position:				
Restricted For:				
Court Bonds	323,197	0	0	323,197
Total Net Position	<u>\$ 323,197</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 323,197</u>

CITY OF NEWARK, OHIO**Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended December 31, 2023**

	Municipal Court	Law Library	JEDD	Total Fiduciary Funds
Additions:				
Fines and Forfeiture Collections for other Governments	\$ 2,810,805	\$ 58,042	\$ 0	\$ 2,868,847
Income Tax Collections for other Governments	0	0	3,261,850	3,261,850
Total Additions	2,810,805	58,042	3,261,850	6,130,697
Deductions:				
Distribution of Fines and Forfeitures to other Governments	2,769,747	58,042	0	2,827,789
Distribution of Income Taxes to other Governments	0	0	3,261,850	3,261,850
Total Deductions	2,769,747	58,042	3,261,850	6,089,639
Change in Net Position	41,058	0	0	41,058
Net Position at Beginning of Year	282,139	0	0	282,139
Net Position End of Year	\$ 323,197	\$ 0	\$ 0	\$ 323,197



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 annual comprehensive financial reports for the relevant year.	

City of Newark

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

	*			*
	2014	2015	2016	2017
Governmental Activities:				
Net Investment in Capital Assets	\$44,958,995	\$45,289,248	\$45,753,020	\$46,518,880
Restricted	12,518,066	11,989,270	13,304,726	14,563,247
Unrestricted	(25,664,425)	(26,854,936)	(28,209,247)	(55,772,637)
Total Governmental Activities Net Position	<u>\$31,812,636</u>	<u>\$30,423,582</u>	<u>\$30,848,499</u>	<u>\$5,309,490</u>
Business-type Activities:				
Net Investment in Capital Assets	\$23,473,836	\$23,666,267	\$25,890,917	\$27,363,677
Unrestricted	3,827,754	5,201,729	6,246,617	5,817,214
Total Business-type Activities Net Position	<u>\$27,301,590</u>	<u>\$28,867,996</u>	<u>\$32,137,534</u>	<u>\$33,180,891</u>
Primary Government:				
Net Investment in Capital Assets	\$68,432,831	\$68,955,515	\$71,643,937	\$73,882,557
Restricted	12,518,066	11,989,270	13,304,726	14,563,247
Unrestricted	(21,836,671)	(21,653,207)	(21,962,630)	(49,955,423)
Total Primary Government Net Position	<u>\$59,114,226</u>	<u>\$59,291,578</u>	<u>\$62,986,033</u>	<u>\$38,490,381</u>

*Restated

Source: City Auditor's Office

City of Newark

*				*	
2018	2019	2020	2021	2022	2023
\$48,075,929	\$49,125,155	\$51,221,557	\$58,547,237	\$63,519,450	\$70,344,843
14,502,647	16,535,236	15,108,328	14,738,392	16,278,758	14,477,202
(59,022,702)	(41,692,001)	(39,973,254)	(29,413,085)	(25,711,644)	(26,161,272)
<u>\$3,555,874</u>	<u>\$23,968,390</u>	<u>\$26,356,631</u>	<u>\$43,872,544</u>	<u>\$54,086,564</u>	<u>\$58,660,773</u>
\$30,027,197	\$28,948,271	\$30,699,918	\$36,307,178	\$39,963,556	\$48,699,388
5,377,583	6,827,639	6,996,493	7,959,050	11,166,497	10,388,558
<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>	<u>\$59,087,946</u>
\$78,103,126	\$78,073,426	\$81,921,475	\$94,854,415	\$103,483,006	\$119,044,231
14,502,647	16,535,236	15,108,328	14,738,392	16,278,758	14,477,202
(53,645,119)	(34,864,362)	(32,976,761)	(21,454,035)	(14,545,147)	(15,772,714)
<u>\$38,960,654</u>	<u>\$59,744,300</u>	<u>\$64,053,042</u>	<u>\$88,138,772</u>	<u>\$105,216,617</u>	<u>\$117,748,719</u>

City of Newark

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

	2014	2015	2016
Expenses			
Governmental Activities:			
Security of Persons and Property	\$18,014,306	\$18,199,966	\$20,139,086
Leisure Time Activities	864,731	919,417	788,906
Community Environment	1,614,911	1,531,206	1,119,922
Public Health and Welfare Services	186,078	45,062	43,762
Transportation	3,852,334	4,351,212	3,836,428
General Government	10,588,687	10,609,273	10,559,036
Interest and Fiscal Charges	822,031	735,303	961,639
<i>Total Governmental Activities Expenses</i>	<u>35,943,078</u>	<u>36,391,439</u>	<u>37,448,779</u>
Business-type Activities:			
Water	6,019,772	6,402,011	5,852,349
Sewer	7,370,520	6,158,986	6,491,673
Storm Water	1,844,358	2,693,249	2,542,355
<i>Total Business-type Activities Expenses</i>	<u>15,234,650</u>	<u>15,254,246</u>	<u>14,886,377</u>
<i>Total Primary Government Expenses</i>	<u>\$51,177,728</u>	<u>\$51,645,685</u>	<u>\$52,335,156</u>
Program Revenues			
Governmental Activities:			
Charges for Services			
Security of Persons and Property	\$3,153,173	\$3,120,520	\$3,149,170
Community Environment	101,985	163,450	121,929
Public Health and Welfare Services	157,337	144,829	162,113
Transportation	1,709	0	0
General Government	718,048	711,005	709,967
Operating Grants and Contributions	4,471,047	4,307,895	4,752,661
Capital Grants and Contributions	54,406	414,045	995,426
<i>Total Governmental Activities Program Revenues</i>	<u>8,657,705</u>	<u>8,861,744</u>	<u>9,891,266</u>

City of Newark

2017	2018	2019	2020	2021	2022	2023
\$20,158,136	\$22,014,630	\$2,251,413	\$21,712,225	\$20,388,448	\$20,946,340	\$26,817,842
805,323	764,096	885,748	889,707	709,835	930,189	1,220,988
2,035,280	1,591,011	1,395,136	1,116,844	1,275,008	1,199,495	1,898,035
20,948	101,517	125,607	25,934	32,098	29,078	217,016
3,848,797	4,560,561	4,433,534	3,703,225	4,111,421	4,612,892	5,692,765
11,740,626	12,669,608	12,795,333	16,550,653	9,868,895	14,305,997	17,857,924
813,720	691,034	830,501	807,438	757,487	980,668	1,051,589
39,422,830	42,392,457	22,717,272	44,806,026	37,143,192	43,004,659	54,756,159
6,289,615	5,908,173	7,742,185	7,191,579	4,493,994	5,919,670	8,114,720
6,573,165	7,481,125	8,372,152	7,619,736	6,937,457	7,559,020	8,936,187
2,275,143	2,849,000	2,786,131	2,479,263	1,957,102	2,184,763	3,053,630
15,137,923	16,238,298	18,900,468	17,290,578	13,388,553	15,663,453	20,104,537
\$54,560,753	\$58,630,755	\$41,617,740	\$62,096,604	\$50,531,745	\$58,668,112	\$74,860,696
\$3,316,630	\$3,424,525	\$3,321,786	\$3,020,090	\$3,346,950	\$3,424,262	\$3,761,586
284,510	183,207	260,608	385,530	351,557	379,790	550,410
154,577	131,922	184,084	127,366	195,134	147,182	204,040
0	0	0	0	0	0	0
858,659	982,271	1,327,430	861,378	2,671,926	1,436,382	1,172,367
5,667,002	4,147,863	5,668,797	8,813,090	6,653,830	9,685,795	10,953,213
1,274,404	1,881,272	464,133	404,649	5,999,528	4,263,612	2,701,172
11,555,782	10,751,060	11,226,838	13,612,103	19,218,925	19,337,023	19,342,788

(Continued)

City of Newark

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

	2014	2015	2016
Business-type Activities:			
Charges for Services			
Water	6,212,924	6,294,557	6,656,234
Sewer	7,419,978	7,653,112	8,374,932
Storm Water	2,769,820	2,871,602	2,853,724
Operating Grants and Contributions	0	0	0
Capital Grants and Contributions	0	0	507,805
<i>Total Business-type Activities Program Revenues</i>	<u>16,402,722</u>	<u>16,819,271</u>	<u>18,392,695</u>
<i>Total Primary Government Program Revenues</i>	<u>25,060,427</u>	<u>25,681,015</u>	<u>28,283,961</u>
Net (Expense)/Revenue			
Governmental Activities	(27,285,373)	(27,529,695)	(27,557,513)
Business-type Activities	1,168,072	1,565,025	3,506,318
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$26,117,301)</u>	<u>(\$25,964,670)</u>	<u>(\$24,051,195)</u>
General Revenues and Other Changes in Net Position			
Governmental Activities:			
Property Taxes Levied for:			
General Purposes	\$2,100,858	\$2,040,628	\$2,055,097
Special Purposes	416,520	404,872	408,316
Capital Purposes	428,807	594,079	446,815
Income Taxes	20,092,754	20,454,357	22,318,619
Other Local Taxes	420,782	514,057	515,033
Intergovernmental, Unrestricted	1,542,244	1,566,000	1,482,292
Investment Earnings	149,711	67,376	169,378
Miscellaneous	867,854	499,272	349,426
Transfers	(5,376)	0	237,454
<i>Total Governmental Activities</i>	<u>26,014,154</u>	<u>26,140,641</u>	<u>27,982,430</u>
Business-type Activities:			
Investment Earnings	901	1,381	674
Transfers	5,376	0	(237,454)
<i>Total Business-type Activities</i>	<u>6,277</u>	<u>1,381</u>	<u>(236,780)</u>
<i>Total Primary Government</i>	<u>\$26,020,431</u>	<u>\$26,142,022</u>	<u>\$27,745,650</u>
Change in Net Position			
Governmental Activities	(\$1,271,219)	(\$1,389,054)	\$424,917
Business-type Activities	1,174,349	1,566,406	3,269,538
<i>Total Primary Government Change in Net Position</i>	<u>(\$96,870)</u>	<u>\$177,352</u>	<u>\$3,694,455</u>

Source: City Auditor's Office

City of Newark

2017	2018	2019	2020	2021	2022	2023
6,797,182	6,577,349	6,661,518	6,703,923	6,949,831	7,455,080	7,455,890
8,404,935	8,616,054	9,166,248	9,275,469	8,948,560	10,143,988	11,125,276
2,998,433	3,021,441	3,123,460	3,231,687	3,277,872	3,375,165	3,366,375
0	0	0	0	0	0	37,500
422,221	247,343	310,099	0	660,146	1,546,038	6,034,860
18,622,771	18,462,187	19,261,325	19,211,079	19,836,409	22,520,271	28,019,901
30,178,553	29,213,247	30,488,163	32,823,182	39,055,334	41,857,294	47,362,689
(27,867,048)	(31,641,397)	(11,490,434)	(31,193,923)	(17,924,267)	(23,667,636)	(35,413,371)
3,484,848	2,223,889	360,857	1,920,501	6,447,856	6,856,818	7,915,364
(\$24,382,200)	(\$29,417,508)	(\$11,129,577)	(\$29,273,422)	(\$11,476,411)	(\$16,810,818)	(\$27,498,007)
\$2,053,021	\$2,229,854	\$2,257,252	\$2,330,831	\$2,614,159	\$2,614,914	\$2,701,792
407,838	443,700	448,718	458,528	519,786	520,428	537,970
1,394,237	851,596	782,020	736,369	704,667	745,238	724,933
22,471,820	23,055,696	24,146,929	23,273,642	26,323,603	28,153,154	29,588,501
652,430	416,577	530,187	360,632	693,166	586,689	626,148
1,515,622	1,552,058	1,720,775	3,705,128	2,105,938	2,220,594	2,132,603
224,875	399,347	1,035,914	521,433	98,937	(123,713)	2,978,659
653,133	917,461	981,155	2,195,601	2,501,453	699,572	696,974
0	0	0	0	(121,529)	0	0
29,372,976	29,866,289	31,902,950	33,582,164	35,440,180	35,416,876	39,987,580
0	0	10,273	0	432	7,007	42,529
0	0	0	0	121,529	0	0
0	0	10,273	0	121,961	7,007	42,529
\$29,372,976	\$29,866,289	\$31,913,223	\$33,582,164	\$35,562,141	\$35,423,883	\$40,030,109
\$1,505,928	(\$1,775,108)	\$20,412,516	\$2,388,241	\$17,515,913	\$11,749,240	\$4,574,209
3,484,848	2,223,889	371,130	1,920,501	6,569,817	6,863,825	7,957,893
\$4,990,776	\$448,781	\$20,783,646	\$4,308,742	\$24,085,730	\$18,613,065	\$12,532,102

City of Newark

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

	2014	2015	2016	2017
General Fund				
Nonspendable	\$121,858	\$132,563	\$266,770	\$196,622
Assigned	1,365,840	1,720,745	3,636,716	4,188,425
Unassigned	1,230,500	1,840,280	998,691	2,080,002
<i>Total General Fund</i>	<u>2,718,198</u>	<u>3,693,588</u>	<u>4,902,177</u>	<u>6,465,049</u>
 All Other Governmental Funds				
Nonspendable	\$257,886	\$346,364	\$388,325	\$493,257
Restricted	11,722,819	10,932,039	11,083,187	10,997,736
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	(2,422,355)	(6,272,292)	(860,510)	(239,683)
<i>Total All Other Governmental Funds</i>	<u>9,558,350</u>	<u>5,006,111</u>	<u>10,611,002</u>	<u>11,251,310</u>
 <i>Total Governmental Funds</i>	<u><u>\$12,276,548</u></u>	<u><u>\$8,699,699</u></u>	<u><u>\$15,513,179</u></u>	<u><u>\$17,716,359</u></u>

*Restated

Source: City Auditor's Office

City of Newark

*				*	
2018	2019	2020	2021	2022	2023
\$567,872	\$196,397	\$214,474	\$268,945	\$272,594	\$261,478
4,118,113	4,245,375	5,672,814	7,935,929	7,229,732	8,613,297
2,061,352	4,501,888	5,393,540	3,563,117	4,011,963	3,963,748
6,747,337	8,943,660	11,280,828	11,767,991	11,514,289	12,838,523
\$419,950	\$402,970	\$553,593	\$430,759	\$367,936	\$422,305
12,286,132	13,778,854	12,796,182	12,382,322	14,183,418	11,979,439
0	0	0	579,638	1,427,649	1,122,305
0	0	0	0	0	1,466,942
(88,785)	(9,737)	(1,893,740)	0	(4,693)	(480,088)
12,617,297	14,172,087	11,456,035	13,392,719	15,974,310	14,510,903
\$19,364,634	\$23,115,747	\$22,736,863	\$25,160,710	\$27,488,599	\$27,349,426

City of Newark

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

	2014	2015	2016	2017
Revenues:				
Taxes	\$23,321,413	\$24,195,781	\$25,361,800	\$26,134,290
Intergovernmental Revenues	6,188,662	6,167,868	6,940,541	7,443,663
Charges for Services	2,141,130	2,150,036	2,053,101	2,190,529
Licenses, Permits and Fees	83,409	76,249	100,507	91,611
Investment Earnings	146,950	74,259	154,274	224,875
Special Assessments	6,828	50	2	0
Fines and Forfeitures	1,884,913	1,898,252	1,828,543	2,228,701
All Other Revenue	867,854	499,272	349,426	653,133
Total Revenue	34,641,159	35,061,767	36,788,194	38,966,802
Expenditures:				
Current:				
Security of Persons and Property	17,441,213	16,720,295	17,259,586	18,107,047
Public Health and Welfare Services	186,078	45,062	43,762	20,948
Leisure Time Activities	746,428	698,450	697,623	700,726
Community Environment	1,569,877	1,322,320	1,165,793	2,013,552
Transportation	2,059,898	2,876,635	2,928,693	2,829,130
General Government	10,641,150	9,846,419	10,125,574	10,750,798
Capital Outlay	2,205,873	5,843,235	1,684,548	2,712,621
Debt Service:				
Principal Retirement	685,592	1,099,074	2,917,820	2,321,987
Interest and Fiscal Charges	732,569	623,997	789,126	835,862
Total Expenditures	36,268,678	39,075,487	37,612,525	40,292,671
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,627,519)	(4,013,720)	(824,331)	(1,325,869)

City of Newark

2018	2019	2020	2021	2022	2023
\$27,775,775	\$27,971,640	\$27,131,599	\$30,457,569	\$32,446,952	\$33,934,469
5,797,645	7,115,744	13,022,032	14,505,030	15,521,066	13,619,731
2,399,404	2,731,696	2,550,831	4,417,917	3,676,913	3,938,611
79,200	104,293	79,863	103,659	151,726	58,446
161,137	1,263,097	532,460	98,937	(131,973)	2,949,994
0	112,807	236,502	113,724	112,470	142,539
2,340,202	2,060,184	1,440,207	1,811,493	1,581,283	1,623,408
917,461	986,655	2,195,601	2,501,453	699,572	696,974
39,470,824	42,346,116	47,189,095	54,009,782	54,058,009	56,964,172
18,651,001	18,894,251	19,200,672	20,338,601	20,863,196	23,542,780
101,517	125,607	25,934	32,098	29,078	217,016
734,646	751,255	781,253	908,520	998,411	1,137,532
1,507,747	1,289,201	1,024,999	1,570,091	1,343,086	1,845,044
2,801,536	3,080,745	3,844,875	4,221,291	3,184,594	4,767,339
11,015,426	11,291,358	15,112,048	13,306,697	18,064,377	18,413,613
3,907,035	2,801,641	5,593,917	9,844,038	7,129,509	4,323,149
1,450,940	3,251,688	3,247,215	3,518,891	3,677,444	3,735,335
731,432	865,392	804,410	839,365	917,262	1,112,740
40,901,280	42,351,138	49,635,323	54,579,592	56,206,957	59,094,548
(1,430,456)	(5,022)	(2,446,228)	(569,810)	(2,148,948)	(2,130,376)

(Continued)

City of Newark

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

	2014	2015	2016	2017
Other Financing Sources (Uses):				
Sale of Capital Assets	48,375	46,971	46,350	54,650
Other Financing Sources - Capital Leases	0	291,575	465,000	453,494
Other Financing Sources - SBITA	0	0	0	0
Installment Loan Issuance	0	0	0	0
State Infrastructure Bank Loan	0	0	0	0
Premium on Bond Issuance	182,694	0	554,488	97,015
General Obligation Bonds Issued	0	0	5,200,000	1,550,000
Refunding General Obligation Bonds Issued	7,930,000	0	1,710,000	1,895,000
Long Term Note Issuance	0	0	0	0
Payment to Refunded Bond Escrow Agent	(7,945,049)	0	0	(936,200)
OPWC Loan Issuance	0	0	3,277	381,723
Transfers In	2,628,597	2,377,818	2,269,546	2,560,274
Transfers Out	(2,633,973)	(2,377,818)	(2,786,806)	(2,560,274)
Total Other Financing Sources (Uses)	210,644	338,546	7,461,855	3,495,682
Net Change in Fund Balance	(\$1,416,875)	(\$3,675,174)	\$6,637,524	\$2,169,813
Debt Service as a Percentage of Noncapital Expenditures	4.16%	5.10%	10.75%	8.75%

Source: City Auditor's Office

City of Newark

2018	2019	2020	2021	2022	2023
54,766	72,573	46,704	85,986	63,876	4,263
1,292,500	903,695	389,596	1,716,480	0	0
0	0	0	0	0	71,730
0	0	0	0	0	785,210
1,084,411	821,527	335,770	269,983	0	0
0	16,544	0	0	118,362	0
0	1,040,000	0	0	4,540,000	0
0	0	0	0	0	0
1,125,000	1,125,000	1,125,000	1,125,000	1,125,000	1,130,000
0	0	0	0	0	0
0	0	0	0	164,819	0
3,221,094	3,300,021	3,485,846	7,088,965	4,482,164	5,478,964
(3,601,788)	(3,547,543)	(3,485,846)	(7,210,494)	(4,482,164)	(5,478,964)
3,175,983	3,731,817	1,897,070	3,075,920	6,012,057	1,991,203
\$1,745,527	\$3,726,795	(\$549,158)	\$2,506,110	\$3,863,109	(\$139,173)
5.87%	10.86%	9.43%	10.06%	10.01%	9.62%

City of Newark

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	2014	2015	2016	2017	2018
Income Tax Rate	1.75%	1.75%	1.75%	1.75%	1.75%
Total Tax Collected	\$19,872,041	\$20,403,273	\$22,185,993	\$22,420,314	\$22,942,923
Income Tax Receipts					
Withholding	15,751,140	16,173,959	17,181,295	17,423,474	17,935,810
Percentage	79.26%	79.28%	77.44%	77.71%	78.18%
Corporate	1,494,229	1,484,316	1,827,124	2,084,361	2,106,287
Percentage	7.52%	7.27%	8.24%	9.30%	9.18%
Individuals	2,626,672	2,744,998	3,177,574	2,912,479	2,900,826
Percentage	13.22%	13.45%	14.32%	12.99%	12.64%

Source: City Income Tax Department

City of Newark

2019	2020	2021	2022	2023
1.75%	1.75%	1.75%	1.75%	1.75%
\$23,699,303	\$22,996,119	\$25,687,092	\$27,778,327	\$29,410,089
18,437,894	18,578,668	19,332,579	20,921,624	22,603,363
77.80%	80.79%	75.26%	75.31%	76.86%
2,026,222	1,442,647	3,282,028	3,505,112	3,262,774
8.55%	6.27%	12.78%	12.62%	11.09%
3,235,187	2,974,804	3,072,485	3,351,591	3,543,952
13.65%	12.94%	11.96%	12.07%	12.05%



City of Newark

Income Tax Statistics Current Year and Nine Years Ago

Calendar Year 2023

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%	\$33,537,685	3.69%	\$586,909	3.69%
All Others	13,653	99.93%	875,372,715	96.31%	15,319,023	96.31%
Total	13,663	100.00%	908,910,400	100.00%	\$15,905,932	100.00%

Calendar Year 2014

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%	\$23,619,493	3.49%	\$413,341	3.49%
All Others	14,823	99.93%	652,380,827	96.51%	11,416,664	96.51%
Total	14,833	100.00%	\$676,000,320	100.00%	\$11,830,005	100.00%

Source: City Income Tax Department

City of Newark

Ratios of Outstanding Debt By Type Last Ten Years

	2014	2015	2016	2017
Governmental Activities ⁽¹⁾				
General Obligation Bonds Payable	\$14,873,212	\$14,182,321	\$19,153,042	\$19,841,317
Ohio Public Works Commission Loan Payable	600,000	585,000	558,277	910,000
Installment Loans	905,528	802,766	835,963	1,018,577
ODOT State Infrastructure Bank Loans	1,371,388	1,082,314	784,505	2,556,436
Long Term Note Payable	0	0	0	0
Business-type Activities ⁽¹⁾				
General Obligation Bonds Payable	\$12,332,636	\$10,796,376	\$9,244,510	\$7,902,115
Revenue Bonds Payable	0	0	0	0
Ohio Water Development Authority Loans Payable	33,729,939	37,218,169	39,331,720	47,169,828
Ohio Public Works Commission Loans Payable	1,562,166	1,450,991	1,339,816	1,228,641
ODOT State Infrastructure Bank Loans	0	0	0	2,344,115
Total Primary Government	<u>\$65,374,869</u>	<u>\$66,117,937</u>	<u>\$71,247,833</u>	<u>\$82,971,029</u>
Population ⁽²⁾				
City of Newark	47,537	47,537	47,537	47,537
Outstanding Debt Per Capita	\$1,375	\$1,391	\$1,499	\$1,745
Income ⁽³⁾				
Personal (in thousands)	\$1,897,962	\$1,983,576	\$2,006,870	\$2,006,870
Percentage of Personal Income	3.44%	3.33%	3.55%	4.13%

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 2022, for the presentation of 2023 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

2018	2019	2020	2021	2022	2023
\$18,832,762	\$18,595,751	\$17,175,357	\$15,794,963	\$19,127,931	\$17,687,200
830,750	742,250	698,000	609,500	677,578	592,596
2,088,567	2,474,647	2,297,278	3,406,678	2,575,347	2,602,558
3,229,157	3,775,111	3,969,881	3,871,553	3,522,181	3,162,248
1,125,000	1,125,000	1,125,000	1,125,000	1,125,000	1,130,000
\$6,194,630	\$7,820,352	\$7,406,211	\$6,937,070	\$6,457,929	\$5,963,788
0	18,045,726	17,991,868	17,603,010	17,204,152	16,800,294
49,099,957	54,911,784	57,337,035	61,365,474	70,106,626	72,882,698
1,117,466	1,006,291	950,704	839,529	728,354	619,341
2,776,277	2,716,778	2,922,466	2,694,866	2,537,386	2,375,146
<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>	<u>\$123,815,869</u>
47,537	47,537	50,943	51,257	50,943	50,763
\$1,794	\$2,340	\$2,196	\$2,229	\$2,435	\$2,439
\$2,006,870	\$2,006,870	\$2,006,870	\$1,549,757	\$1,418,508	\$1,563,044
4.25%	5.54%	5.57%	7.37%	8.75%	7.92%

City of Newark

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2014	2015	2016	2017
Population ⁽¹⁾	47,537	47,537	47,537	47,537
Personal Income ⁽²⁾	\$1,897,962,262	\$1,983,576,399	\$2,006,869,529	\$2,006,869,529
General Bonded Debt				
General Obligation Bonds	\$27,205,848	\$24,978,697	\$28,397,552	\$27,743,432
Resources Available to Pay Principal	\$1,585,501	\$1,368,476	\$1,207,458	\$1,118,394
Net General Bonded Debt	\$25,620,347	\$23,610,221	\$27,190,094	\$26,625,038
Ratio of Net Bonded Debt to Personal Income	1.35%	1.19%	1.35%	1.33%
Net Bonded Debt per Capita	\$538.96	\$496.67	\$571.98	\$560.09

Sources:

- (1) U.S. Bureau of Census of Population
- (2) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2022, for the presentation of 2023 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

2018	2019	2020	2021	2022	2023
47,537	47,537	50,943	51,257	50,943	50,763
\$2,006,869,529	\$2,006,869,529	\$2,006,870,000	\$1,549,755,395	\$1,418,507,835	\$1,563,043,533
\$25,027,392	\$26,416,103	\$24,581,568	\$22,732,033	\$25,585,860	\$23,650,988
\$1,017,064	\$1,073,881	\$1,350,793	\$966,465	\$995,686	\$1,466,942
\$24,010,328	\$25,342,222	\$23,230,775	\$21,765,568	\$24,590,174	\$22,184,046
1.20%	1.26%	1.16%	1.40%	1.73%	1.42%
\$505.09	\$533.11	\$456.02	\$424.64	\$482.70	\$437.01



City of Newark

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2023*

<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	\$25,174,602	100.00%	\$25,174,602
Overlapping:			
Granville School District	14,475,000	9.56%	1,383,810
Licking Valley School District	1,850,000	3.34%	61,790
North Fork School District	1,793,800	4.77%	85,564
Newark City Schools	31,424,804	92.86%	29,181,073
Licking County	21,345,000	17.62%	3,760,989
		Subtotal	34,473,226
		Total	\$59,647,828

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	2014	2015	2016	2017
Total Debt				
Net Assessed Valuation	\$799,885,660	\$770,883,080	\$776,258,520	\$843,197,460
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	83,987,994	80,942,723	81,507,145	88,535,733
City Debt Outstanding (2)	19,329,991	19,008,515	18,372,230	18,086,000
Less: Applicable Debt Service Fund Amounts	(1,585,501)	(1,368,476)	(1,207,458)	(1,118,394)
Net Indebtedness Subject to Limitation	17,744,490	17,640,039	17,164,772	16,967,606
Overall Legal Debt Margin	\$66,243,504	\$63,302,684	\$64,342,373	\$71,568,127
 Debt Margin as a Percentage of Debt Limit				
	78.87%	78.21%	78.94%	80.84%
 Unvoted Debt				
Net Assessed Valuation	\$799,885,660	\$770,883,080	\$776,258,520	\$843,197,460
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	43,993,711	42,398,569	42,694,219	46,375,860
City Debt Outstanding (2)	19,329,991	19,008,515	18,372,230	18,086,000
Less: Applicable Debt Service Fund Amounts	(1,585,501)	(1,368,476)	(1,207,458)	(1,118,394)
Net Indebtedness Subject to Limitation	17,744,490	17,640,039	17,164,772	16,967,606
Overall Legal Debt Margin	\$26,249,221	\$24,758,530	\$25,529,447	\$29,408,254

(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

2018	2019	2020	2021	2022	2023
\$845,262,340	\$854,318,216	\$984,634,740	\$995,719,300	\$1,007,972,690	\$1,372,064,650
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
88,752,546	89,703,413	103,386,648	104,550,527	105,837,132	144,066,788
18,350,000	20,120,000	18,950,000	21,330,000	21,950,000	21,190,000
(1,017,064)	(1,073,881)	(1,350,793)	(966,465)	(995,686)	(1,466,942)
17,332,936	19,046,119	17,599,207	20,363,535	20,954,314	19,723,058
\$71,419,610	\$70,657,294	\$85,787,441	\$84,186,992	\$84,882,818	\$124,343,730
80.47%	78.77%	82.98%	80.52%	80.20%	86.31%
\$845,262,340	\$854,318,216	\$984,634,740	\$995,719,300	\$1,007,972,690	\$1,372,064,650
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
46,489,429	46,987,502	54,154,911	54,764,562	55,438,498	75,463,556
18,350,000	20,120,000	18,950,000	21,330,000	21,950,000	21,190,000
(1,017,064)	(1,073,881)	(1,350,793)	(966,465)	(995,686)	(1,466,942)
17,332,936	19,046,119	17,599,207	20,363,535	20,954,314	19,723,058
\$29,156,493	\$27,941,383	\$36,555,704	\$34,401,027	\$34,484,184	\$55,740,498

City of Newark

Pledged Revenue Coverage Last Ten Years

	2014	2015	2016	2017	2018
Special Assessment Bonds (1)					
Special Assessment Collections	\$6,529	\$0	\$0	\$0	\$0
Debt Service					
Principal	5,132	0	0	0	0
Interest	244	0	0	0	0
Coverage	1.21	0.00	0.00	0.00	0.00
Tax Increment Financing (TIF) (2)					
Payment in Lieu of Taxes	\$25,587	\$69,405	\$0	\$0	\$808,083
Debt Service					
Principal	100,000	105,000	120,000	125,000	125,000
Interest	84,932	80,932	87,640	46,550	44,050
Coverage	0.14	0.37	0.00	0.00	4.78
Tax Increment Financing (TIF) (3)					
Payment in Lieu of Taxes	\$111,712	\$112,753	\$114,903	\$102,364	\$157,075
Debt Service					
Principal	55,000	55,000	60,000	65,000	65,000
Interest	35,428	33,366	31,304	29,054	26,454
Coverage	1.24	1.28	1.26	1.09	1.72
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

2019	2020	2021	2022	2023
\$0	\$0	\$0	\$0	\$0
0	0	0	0	0
0	0	0	0	0
0.00	0.00	0.00	0.00	0.00
\$0	\$17,738	\$5,826	\$5,845	\$5,632
130,000	130,000	135,000	140,000	140,000
41,550	39,600	35,700	31,650	27,450
0.00	0.10	0.03	0.03	0.03
\$0	\$0	\$0	\$0	\$0
65,000	70,000	75,000	75,000	80,000
23,854	21,254	18,384	15,309	12,234
0.00	0.00	0.00	0.00	0.00
\$0	\$0	\$6,950,142	\$7,458,627	\$7,476,148
0	0	2,857,950	4,285,761	6,387,291
0	0	4,092,192	3,172,866	1,088,857
0	0	1,053,244	1,051,869	1,049,669
0.00	0.00	3.89	3.02	1.04

City of Newark

Demographic and Economic Statistics Last Ten Years

Calendar Year	2014	2015	2016	2017	2018
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)	\$1,897,962	\$1,983,576	\$2,006,870	\$2,006,870	\$2,006,870
Per Capita	\$39,926	\$41,727	\$42,217	\$42,217	\$42,217
Unemployment Rate (3)					
Federal	5.6%	5.3%	4.9%	4.1%	3.8%
State	5.1%	4.9%	4.9%	4.3%	4.5%
Licking County	4.1%	4.2%	4.3%	3.8%	3.9%
Civilian Work Force Estimates (3)					
State	5,726,000	5,731,000	5,788,000	5,778,000	5,783,000
Licking County	87,900	88,400	87,900	90,300	90,600

Sources:

- (1) U.S. Bureau of Census of Population.
- (2) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2022, for the presentation of 2023 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

2019	2020	2021	2022	2023
47,537	50,943	51,257	50,943	50,763
166,492	176,862	180,401	181,359	183,201
\$2,006,870	\$2,006,870	\$1,549,757	\$1,418,508	\$1,563,044
\$42,217	\$39,394	\$30,235	\$27,845	\$30,791
3.5%	4.7%	5.3%	3.4%	3.6%
4.1%	4.6%	5.1%	4.2%	3.5%
3.8%	5.9%	4.0%	3.0%	3.1%
5,783,000	5,783,000	5,737,546	5,741,277	5,787,000
90,600	90,600	90,142	92,216	92,600



City of Newark

Principal Employers Current Year and Nine Years Ago

		2023	
Employer	Nature of Business	Number of Employees	Rank
Licking Memorial Hospital	Hospital	1,900	1
Licking County Government	Government	1,065	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
Universal Veneer	Wood Veneer Manufacturing	210	9
PNB	Banking Headquarters	150	10
Total		6,247	
Total Employment within the City (1)		N/A	

		2014	
Employer	Nature of Business	Number of Employees	Rank
Licking Memorial Hospital	Health Care	1,817	1
State Farm	Insurance	1,406	2
Newark City Schools	Education	1,300	3
Licking County Government	Government	1,245	4
Anomatic	Metal Finishers	1,146	5
Owens Corning	Fiberglass Insulation	1,030	6
OSUN/COTC	Education	850	7
Park National Bank	Banking	600	8
City of Newark	Government	399	9
LongabergerInc.	Decorative Baskets	299	10
Total		10,092	
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

	2014	2015	2016	2017	2018
Governmental Activities					
General Government					
Finance	19.00	18.00	18.00	16.00	16.00
Legal/Court	50.00	46.00	42.00	40.00	40.00
Administration	29.00	27.00	26.00	26.00	26.00
Maintenance	16.00	16.00	16.00	16.00	16.00
Security of Persons and Property					
Police	104.00	96.00	77.00	77.00	77.00
Fire	88.00	87.00	80.00	80.00	79.00
Transportation					
Street	28.00	25.00	25.00	24.00	23.00
Leisure Time Activities					
Recreation/Seniors	14.00	14.00	12.00	12.00	12.00
Community Environment	40.00	30.00	30.00	30.00	30.00
Community Development	5.00	4.00	4.00	3.00	3.00
Business-Type Activities					
Utilities					
Water	46.00	41.00	41.00	41.00	41.00
Sewer	29.00	26.00	26.00	26.00	26.00
Storm Water	3.00	3.00	3.00	3.00	3.00
<i>Total Employees</i>	<u>471.00</u>	<u>433.00</u>	<u>400.00</u>	<u>394.00</u>	<u>392.00</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

2019	2020	2021	2022	2023
16.00	15.00	17.00	20.00	21.00
40.00	40.00	56.00	47.00	59.00
26.00	26.00	20.00	22.00	19.00
16.00	16.00	3.00	3.00	3.00
79.00	79.00	79.00	82.00	85.00
79.00	79.00	80.00	80.00	86.00
23.00	23.00	25.00	24.00	25.00
12.00	12.00	7.00	7.00	8.00
30.00	30.00	11.00	11.00	13.00
3.00	3.00	4.00	4.00	4.00
41.00	41.00	40.00	41.00	38.00
26.00	26.00	20.00	21.00	21.00
3.00	3.00	2.00	2.00	2.00
394.00	393.00	364.00	364.00	384.00

City of Newark

Operating Indicators by Function Last Ten Years

	2014	2015	2016	2017	2018
Governmental Activities					
General Government					
Court					
Number of Traffic Cases	4,002	4,121	4,020	4,101	4,109
Licenses and Permits					
Number of Building Permits	452	370	401	486	384
Security of Persons and Property					
Police					
Number of Citations Issued	2,725	2,814	2,874	2,922	3,004
Number of Arrests	1,915	2,019	2,088	2,093	2,111
Fire					
Number of Fire Calls	5,411	5,466	5,461	5,516	5,501
Number of EMS Runs	7,501	7,618	7,701	7,814	7,995
Transportation					
Street					
Number of Streets Resurfaced	39	32	34	32	31
Business-Type Activities					
Water					
Number of Service Connections	20,902	20,911	20,901	20,920	20,923
Water Main Breaks	39	44	58	61	70
Daily Average Consumption (thousands of gallons)	9.3M	9.4M	9.4M	9.4M	9.4M
Sewer					
Number of Service Connections	18,999	19,122	19,119	19,206	19,214
Daily Average Sewage Treatment (thousands of gallons)	8.9M	8.9M	8.9M	8.9M	8.9M

Source: City Auditor's Office

City of Newark

2019	2020	2021	2022	2023
4,379	8,246	10,920	12,274	10,443
401	239	519	2,762	138
3,696	3,701	988	1,050	799
2,121	2,129	1,287	1,497	1,278
4,870	4,819	2,224	2,515	2,544
8,225	8,345	10,150	10,070	9,938
31	31	57	65	93
20,923	20,923	18,896	18,916	18,969
60	71	35	40	31
9.4M	9.4M	6.5M	7.4M	4.4M
19,214	19,214	17,193	17,411	17,508
8.9M	8.9M	7.6M	7.5M	7.1M

City of Newark

Capital Asset Statistics by Function Last Ten Years

	2014	2015	2016	2017	2018
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	25	26
Fire					
Stations	4	4	4	4	4
Vehicles	22	23	23	23	23
Transportation					
Street					
Streets (lane miles)	228	228	228	228	228
Traffic Signals	3,348	3,351	3,351	3,354	3,355
Vehicles	42	42	42	43	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	205	205	205	205
Number of Hydrants	291	292	292	292	292
Sewer					
Sewer lines (Miles)	194	194	194	195	195
Lift Stations	10	10	10	10	10
Storm Water Drainage					
Storm Drains (Miles)	119	120	120	121	121
Number of Catch Basins	4,533	4,536	4,536	4,540	4,549

Source: City Auditor's Office

City of Newark

2019	2020	2021	2022	2023
459	459	903	903	903
29	29	35	35	35
1	1	1	1	1
26	26	36	54	56
4	5	5	4	4
23	23	23	15	11
228	228	502	502	515
3,355	3,355	1,802	69	69
43	43	48	43	48
16	16	42	42	24
39	39	23	23	21
14	14	14	14	17
1	1	1	1	1
12	12	12	12	6
205	205	265	265	248
292	292	2,083	2,149	2,143
195	195	224	209	209
10	10	23	19	20
121	121	141	146	152
4,549	4,549	9,348	6,180	6,419

