



# City of Newark, Ohio

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Comprehensive

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# Annual Financial Report

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For the year ended  
December 31, 2008



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2008

*Prepared by the Auditor's Office*

Stephen E. Johnson  
City Auditor



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CITY OF NEWARK  
LICKING COUNTY, OHIO

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## *INTRODUCTORY SECTION*

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# CITY OF NEWARK

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

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June 10, 2009

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

We are pleased to submit for your review the Comprehensive Annual Financial Report of the City of Newark, Ohio for the fiscal year ended December 31, 2008. The report has been prepared in accordance with generally accepted accounting principles established by statements of the Governmental Accounting Standards Board (GASB), other authoritative pronouncements and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

## INTRODUCTION

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

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

### **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 the water treatment and distribution system, the 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, 2008***

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**Historical Information:**

The hub of a metropolitan area with in excess of 80,000 citizens and the county seat of Licking County, Newark, "Land of Legend," has served for nearly two centuries as a center of commerce and industry.

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

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

The decline of the railroad as a primary source of transportation has changed the emphasis of commerce and business in recent years, but Newark and the surrounding area continue to enjoy great progress in community development and are becoming one of the fastest growing areas in Ohio. Newark is the largest city in Licking County. Results of the 2000 census show that Newark exhibited continued and steady growth throughout the decade of the 1990's. The 2000 census placed the population at 46,279.

**Form of Government:**

Statutory

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

***Letter of Transmittal  
For the Year Ended December 31, 2008***

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City Charter

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

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

**Location:**

Newark is located in the central part of the state, approximately 33 miles east of Columbus, the state capital. Its 22.30 square mile area serves a residential population of 46,279. 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. Newark is ranked as Ohio's 24th largest city and the nation's 586th largest city by the Census Bureau.

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

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

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

***Letter of Transmittal  
For the Year Ended December 31, 2008***

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**Municipal Services:**

The City of Newark provides a variety of services including police and fire protection, emergency medical service, planning and engineering, zoning, code enforcement, street maintenance, traffic control, parks and recreation, building inspection, health services, cemetery, community development, litter control and general administrative services. The City sponsors, with the help of certain grants, the Drug Abuse Resistance Education (D.A.R.E.) program, a drug prevention program serving older elementary school students, Safety City, a safety program for small children, reduced rates for public transportation and owner, rental and small business loans. The City does not operate hospitals or schools, nor is it responsible for public assistance programs.

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

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

**ECONOMIC OUTLOOK**

**Local Economy:**

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

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

***Letter of Transmittal  
For the Year Ended December 31, 2008***

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Along with the State of Ohio, Newark has a stake in markets overseas and in the world business community. Holophane, a manufacturer of lighting fixtures for commercial and industrial facilities, large retail stores, highways, parking lots and billboards employs 729 at manufacturing facilities in Newark, Utica and Pataskala. Holophane has successfully focused its expansion efforts on Asia and South America the past two years. Over the past several years Holophane has seen a 30 percent growth in international sales. Since 1992 the company has increased its numbers of Licking County employees by 130.

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

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

The Longaberger Company, a manufacturer of decorative baskets and pottery sold through a network of 70,000 independent distributors, moved into their new corporate headquarters on the east side of Newark during 1998. The headquarters building is a seven-story, \$30 million complex that follows the design of one of the company's famous handmade baskets. The unusual design has been featured in the Wall Street Journal, U.S. News and World Report and on CNN.

The Owens Corning Corporation remains one of the largest employer and the largest industry in Newark. The Newark facility is the "worlds largest fiberglass manufacturing facility." It employs 800 people and fills several thousand orders per day. The plant is situated on 250 acres within the city and incorporates 70 buildings with approximately 40 acres under roof. Owens Corning's Research and Technology Center is in nearby Granville and employs over 600 researchers and their support staff. During the fall of 2000, Owens Corning went into bankruptcy. While the City is optimistic, the bankruptcy's impact is unknown. The recent recession, impacting the housing industry, has had an effect on Owens Corning as well.

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

***Letter of Transmittal  
For the Year Ended December 31, 2008***

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**Unemployment Rates:**

The 2008 unemployment rate for Licking County of 6.1% was very close to the State average. The Ohio Bureau of Employment Services does not maintain statistics for the City of Newark, but unemployment within the City was estimated to be 6.0%.

**Employee Relations:**

The City of Newark negotiates contracts with five employee bargaining units. These groups consist of Local 109 of the International Association of Firefighters, Lodge 12 of the Licking County Fraternal Order of Police, the American Federation of State, County and Municipal Employees (AFSCME) Local 2963, Ohio Council 8, AFL-CIO, certain other non-uniform employees of the City and employees in management and supervisory service. Current contracts with union employees cover the years 2007 through 2009.

**MAJOR INITIATIVE**

During 2008, continuing efforts were made to upgrade services and improve the quality of life for the citizens of Newark through the following projects:

**Infrastructure Improvements**

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

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

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



***Letter of Transmittal  
For the Year Ended December 31, 2008***

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

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

Recently the Longaberger Company acquired and refurbished the former Sheraton Hotel in downtown Newark. The Longaberger Company is a generous supporter of local organizations and schools. The Longaberger Company's success will provide a catalyst for additional development on Newark's east side. The Longaberger Company also acquired the Midland Theater and undertook a three year rehabilitation project. The rebuilt theater was turned over to the Midland Theater Association in 2002 after a \$8.5 million rehabilitation project. The Midland Theater is a hub of cultural events and brings top name entertainers to the city on a regular basis.

Work was completed on the SR 79/Hebron bypass, a new four-lane interchange at SR 40 and new construction to relocate SR 79 east of Hebron, Ohio.

Parks and Recreation

Throughout 2008, activities were provided at the City's youth center and community meeting hall in the newly renovated Everett Pool House. The building was remodeled to provide a meeting center for youth and adults who live on the near east side. It has been a very successful improvement project and has been well received by the near east side residents. In addition, Denman Park was rebuilt and new playground equipment installed. Also included in the renovation was a new road and entrance to the park. Improvements have been made at Hollander Pool on the City's north side, including a waterslide. The City entered into a management agreement with the Newark-Licking County YMCA for Hollander Pool operations. Major renovations were made to the City's ice arena including new mechanicals. The funding for the one million dollar project came from private donations. The facility has been leased to the Newark Sport and Event Commission and remains open to the public.

City-Wide Initiatives

Construction of a precedent setting venture on the Courthouse Square has been completed. The project is located on South Third Street at the site of a March 1994 fire which destroyed the Dollar General Store, a T-shirt design shop, a music workshop and a beauty shop. The project consisted of a four-story, 44-unit apartment building to house senior citizens. A McDonald's restaurant is located on the first floor of the building. The project was sponsored by a development company founded by the Rev. Charles Noble of the Shiloh Missionary Baptist Church and the Licking County Aging Program. The City of Newark has invested approximately \$20,000 towards the project. The remainder of the funding came from the Department of Housing and Urban Development. This was the first time that a federally-funded building has been joined with a commercial development.

***Letter of Transmittal  
For the Year Ended December 31, 2008***

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Long-Term Financial Planning

The City has become increasingly aware of a declining cash reserve balance. During fiscal year 2007 the City implemented charging for EMS transport services. Legislation has been passed mandating that 20% of the proceeds be set aside in reserve to provide stability to the City's General Fund with an additional 30% of the proceeds being earmarked and credited to the City's Capital Improvement Fund and dedicated to infrastructure upgrades and improvements. As a result of these fees, the City has been able to increase the number of firefighters and medics and has been able to increase the replacement of EMS transport vehicles.

**FINANCIAL INFORMATION**

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

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

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

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

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

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

***Letter of Transmittal  
For the Year Ended December 31, 2008***

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

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

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 Wolfe, Wilson and Phillips, Inc. The independent auditors' unqualified opinion has been included in this report.

**Awards:**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Newark, Ohio for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2007. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards in state and local government financial reporting. To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents satisfy all program standards. The report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements respective to the reporting entity.

A Certificate of Achievement is valid for a period of one year only. The City of Newark has received a Certificate of Achievement for seventeen consecutive years (1991 - 2007). 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.

***Letter of Transmittal  
For the Year Ended December 31, 2008***

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**Public Disclosure**

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

**Acknowledgments:**

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

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

We would also like to extend a special thank you to Newark Leader Printing for the graphics contained within this publication.

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

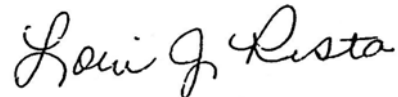
Respectfully,



Stephen E. Johnson  
City Auditor



Jacqueline S. Prince  
Accounting Manager



Lori J. Resta  
Deputy City Auditor

***CITY OF NEWARK, OHIO***

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***List of Principal Officials  
For the Year Ended December 31, 2008***

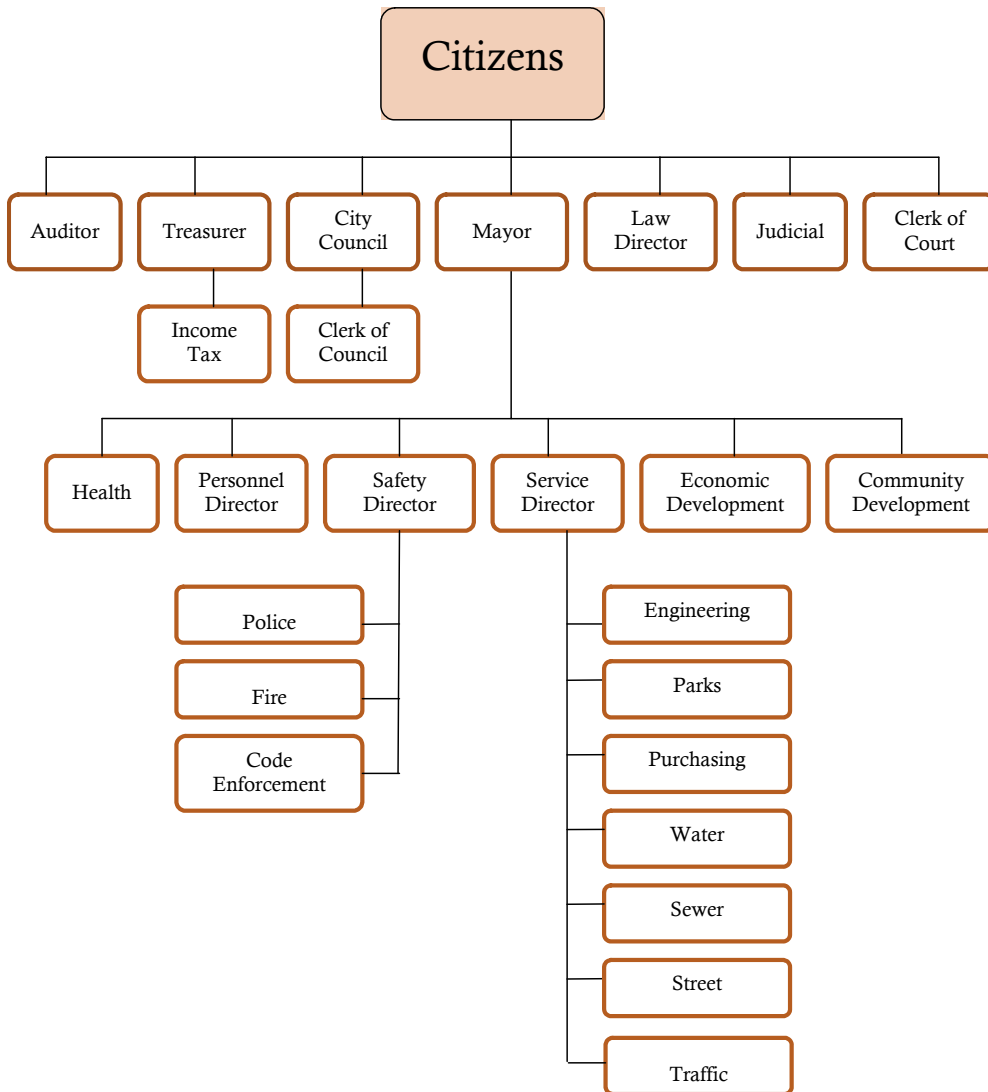
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<u>NAME</u>	<u>TITLE</u>	<u>TERM OF OFFICE</u>	<u>SURETY DATA *</u>
Bob Diebold	Mayor	01/01/08 to 12/31/11	
Stephen E. Johnson	Auditor	01/01/08 to 12/31/11	\$5,000 01/01/08 to 12/31/11
Michael F. Higgins	Judge	01/01/08 to 12/31/13	
W. David Branstool	Judge	01/01/06 to 12/31/11	
Douglas Sassen	Law Director	01/01/08 to 12/31/11	
Robert Lehman	Treasurer	01/01/05 to 12/31/09	\$30,000 01/01/05 to 12/31/09
Marc D. Guthrie	President of Council	01/01/08 to 12/31/11	
Ryan T. Bubb	Council-at-Large	01/01/08 to 12/31/11	
Irene Kennedy	Council-at-Large	01/01/08 to 12/31/11	
David R. Rhodes	Council-at-Large	01/01/08 to 12/31/11	
Clyde Edgar Houdeshell	Council 1st Ward	01/01/06 to 12/31/09	
Shirley Stare	Council 2nd Ward	01/01/06 to 12/31/09	
Rick Henderson	Council 3rd Ward	01/01/06 to 12/31/09	
John Uibel	Council 4th Ward	01/01/06 to 12/31/09	
Don Ellington	Council 5th Ward	01/01/06 to 12/31/09	
Douglas Marmie	Council 6th Ward	01/01/06 to 12/31/09	
Carol Floyd	Council 7th Ward	01/01/06 to 12/31/09	
Marcia Phelps	Clerk of Court	01/01/08 to 12/31/13	\$10,000 01/01/08 to 12/31/13

\* - Ohio Casualty Insurance Company

***City Organizational Chart  
For the Year Ended December 31, 2008***

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

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Certificate of  
Achievement  
for Excellence  
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Financial Report  
for the Fiscal Year Ended  
December 31, 2007

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President

Executive Director





## *FINANCIAL SECTION*

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**WOLFE, WILSON, & PHILLIPS, INC.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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**INDEPENDENT AUDITORS' REPORT**

Honorable Mayor and Members of City Council  
City of Newark  
Newark, Ohio 43055

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of The City of Newark as of and for the year ended December 31, 2008, which collectively comprise the City's financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Newark as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund, Income Tax Fund and Community Development fund, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 10, 2009, on our consideration of the City of Newark's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is 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 internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Independent Auditors Report  
Page 2

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Newark's basic financial statements. The Introductory Section, Combining Statements, Individual Fund Schedules and Statistical Section provide additional information and are not a required part of the basic financial statements. We subjected the Combining Statements and Individual Fund Schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not audit the introductory and statistical information as listed in the table of contents, and, therefore, express no opinion thereon.

*Wolfe, Watson, & Kelly, Inc.*

Zanesville, Ohio  
June 10, 2009

This discussion and analysis of the City of Newark's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2008. 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 2008 are as follows:

- ❑ In total, net assets decreased \$1,224,625. Net assets of governmental activities decreased \$1,827,623, which represents a 3% decrease from 2007. Net assets of business-type activities increased \$602,998 or 2% from 2007.
- ❑ General revenues accounted for \$28,544,462 in revenue or 54% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$23,884,626, or 46% of total revenues of \$52,429,088.
- ❑ The City had \$41,096,583 in expenses related to governmental activities; only \$9,836,772 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$28,507,195 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$30,234,165 in revenues and other financing sources and \$30,657,949 in expenditures and other financing uses. The general fund's fund balance decreased from \$3,565,843 to \$3,079,062.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts – *management's discussion and analysis*, the *basic financial statements*, 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.

### **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 assets includes all of the government's assets and liabilities. 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 assets and how they have changed. Net-assets (the difference between the City's assets and liabilities) is one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net assets are 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, public health and welfare services, leisure time activities, 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 Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

***Management's Discussion and Analysis  
For the Year Ended December 31, 2008***

***Unaudited***

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

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

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

The following table provides a summary of the City's net assets for 2008 compared to 2007.

	Governmental Activities		Business-type Activities		Total	
	Restated		2008	2007	2008	2007
	2008	2007				
Current and other assets	\$28,449,670	\$29,387,913	\$9,809,169	\$9,288,099	\$38,258,839	\$38,676,012
Capital assets, Net	60,845,339	62,322,148	36,769,138	36,914,201	97,614,477	99,236,349
Total assets	89,295,009	91,710,061	46,578,307	46,202,300	135,873,316	137,912,361
Long-term debt outstanding	23,104,056	22,719,220	20,381,298	20,682,565	43,485,354	43,401,785
Other liabilities	6,989,788	7,962,053	751,681	677,405	7,741,469	8,639,458
Total liabilities	30,093,844	30,681,273	21,132,979	21,359,970	51,226,823	52,041,243
Net assets						
Invested in capital assets, net of related debt	41,686,127	42,336,454	17,410,047	17,699,290	59,096,174	60,035,744
Restricted	11,110,542	10,651,987	0	0	11,110,542	10,651,987
Unrestricted	6,404,496	8,040,347	8,035,281	7,143,040	14,439,777	15,183,387
Total net assets	\$59,201,165	\$61,028,788	\$25,445,328	\$24,842,330	\$84,646,493	\$85,871,118

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**CITY OF NEWARK, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2008**

**Unaudited**

Changes in Net Assets – The following table shows the changes in net assets for the fiscal year 2008 compared with 2007:

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues						
Program Revenues:						
Charges for Services and Sales	\$5,096,290	\$5,098,038	\$14,047,854	\$13,713,335	\$19,144,144	\$18,811,373
Operating Grants and Contributions	4,730,482	6,773,027	0	0	4,730,482	6,773,027
Capital Grants and Contributions	10,000	490,142	0	0	10,000	490,142
Total Program Revenues	9,836,772	12,361,207	14,047,854	13,713,335	23,884,626	26,074,542
General Revenues:						
Property Taxes	2,909,112	3,048,521	0	0	2,909,112	3,048,521
Income Taxes	20,899,162	20,312,181	0	0	20,899,162	20,312,181
Other Local Taxes	366,551	433,007	0	0	366,551	433,007
Intergovernmental, Unrestricted	3,264,236	3,794,607	0	0	3,264,236	3,794,607
Investment Earnings	636,922	1,077,750	37,267	93,819	674,189	1,171,569
Miscellaneous	431,212	751,758	0	0	431,212	751,758
Total General Revenues	28,507,195	29,417,824	37,267	93,819	28,544,462	29,511,643
Total Revenues	38,343,967	41,779,031	14,085,121	13,807,154	52,429,088	55,586,185
Program Expenses						
Security of Persons and Property	19,619,726	18,150,460	0	0	19,619,726	18,150,460
Leisure Time Activities	321,313	524,374	0	0	321,313	524,374
Community Environment	3,059,820	2,921,535	0	0	3,059,820	2,921,535
Public Health and Welfare Services	599,601	2,375,792	0	0	599,601	2,375,792
Transportation	6,060,496	5,927,546	0	0	6,060,496	5,927,546
General Government	10,635,436	9,020,333	0	0	10,635,436	9,020,333
Interest and Fiscal Charges	800,191	900,691	0	0	800,191	900,691
Water	0	0	6,650,976	7,006,340	6,650,976	7,006,340
Sewer	0	0	5,291,774	5,161,535	5,291,774	5,161,535
Storm Water	0	0	614,380	323,709	614,380	323,709
Total Expenses	41,096,583	39,820,731	12,557,130	12,491,584	53,653,713	52,312,315
Change in Net Assets before transfers	(2,752,616)	1,958,300	1,527,991	1,315,570	(1,224,625)	3,273,870
Transfers	924,993	834,314	(924,993)	(834,314)	0	0
Total Change in Net Assets	(1,827,623)	2,792,614	602,998	481,256	(1,224,625)	3,273,870
Beginning Net Assets - Restated	61,028,788	58,236,174	24,842,330	24,361,074	85,871,118	82,597,248
Ending Net Assets	\$59,201,165	\$61,028,788	\$25,445,328	\$24,842,330	\$84,646,493	\$85,871,118



***Management's Discussion and Analysis  
For the Year Ended December 31, 2008***

***Unaudited***

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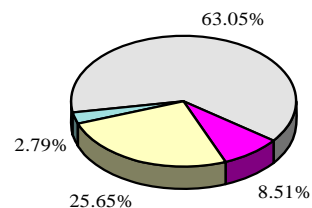
***Governmental Activities***

Net assets of the City's governmental activities decreased \$1,827,623. This represents a 3% change from 2007. Streets donated to the City in 2007 resulted in the subsequent decrease in capital grants and contributions in 2008. Income tax receipts increased due to a change in the required frequency of employee withholding payments. The decrease in unrestricted intergovernmental revenue was due in part to a large inheritance tax received in the prior year. A decrease in interest rates resulted in the decrease in investment earnings. The increase in security of persons and property can partly be attributed to increases in salaries and benefits. The City and County health departments were merged in 2008, resulting in a substantial decrease in expenditures for Public Health and Welfare Services. The increase in General Government can be attributed in part to contractual costs paid to the County as part of the Health Department merger.

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

Income taxes and property taxes made up 55% and 8% respectively of revenues for governmental activities for the City in fiscal year 2008. The City's reliance upon tax revenues is demonstrated by the following graph indicating 63% of total revenues from general tax revenues:

Revenue Sources	2008	Percent of Total
General Tax Revenues	\$24,174,825	63.05%
Intergovernmental, Unrestricted	3,264,236	8.51%
Program Revenues	9,836,772	25.65%
General Other	1,068,134	2.79%
<b>Total Revenue</b>	<b>\$38,343,967</b>	<b>100.00%</b>



***Business-Type Activities***

Net assets of the business-type activities increased \$602,998. This represents a 2% change from the previous year. Overall, revenues and expenses remained consistent with the previous year.

**Management's Discussion and Analysis  
For the Year Ended December 31, 2008**

**Unaudited**

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

The City's governmental funds reported a combined fund balance of \$9,716,056, which is an increase from last year's balance of \$9,455,351. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2008 and 2007:

	Fund Balance December 31, 2008	Fund Balance December 31, 2007	Increase (Decrease)
General	\$3,079,062	\$3,565,843	(\$486,781)
Income Tax	1,236,070	1,631,181	(395,111)
Community Development	302,189	589,460	(287,271)
Capital Improvement	271,635	(12,133)	283,768
Other Governmental	4,827,100	3,681,000	1,146,100
Total	<u>\$9,716,056</u>	<u>\$9,455,351</u>	<u>\$260,705</u>

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

	2008 Revenues	2007 Revenues	Increase (Decrease)
Taxes	\$2,626,339	\$2,743,211	(\$116,872)
Intergovernmental Revenues	3,746,432	4,854,177	(1,107,745)
Charges for Services	1,757,543	1,015,895	741,648
Licenses, Permits and Fees	662,318	1,331,168	(668,850)
Investment Earnings	572,815	946,503	(373,688)
Fines and Forfeitures	1,755,680	1,767,750	(12,070)
All Other Revenue	171,493	188,792	(17,299)
Total	<u>\$11,292,620</u>	<u>\$12,847,496</u>	<u>(\$1,554,876)</u>

General Fund revenues in 2008 decreased \$1,554,876 or approximately 12% when compared with the previous year. The decrease in intergovernmental revenue was due in part to a large inheritance tax received in the prior year. Licenses, Permits and Fees decreased substantially due to a decrease in building permits issued. The City began charging for ambulance runs in 2007 which has resulted in an increase in charges for services that carried over into 2008.

	2008 Expenditures	2007 Expenditures	Increase (Decrease)
Security of Persons and Property	\$18,323,834	\$17,808,390	\$515,444
Public Health and Welfare Services	439,850	2,156,454	(1,716,604)
Community Environment	1,282,436	1,460,367	(177,931)
General Government	8,863,548	7,546,337	1,317,211
Total	<u>\$28,909,668</u>	<u>\$28,971,548</u>	<u>(\$61,880)</u>

***Management's Discussion and Analysis  
For the Year Ended December 31, 2008***

***Unaudited***

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General Fund expenditures decreased \$61,880 or less than 1% from the prior year. The City and County health departments were merged in 2008, resulting in a substantial decrease in expenditures for Public Health and Welfare Services. The increase in General Government can be attributed in part to contractual costs paid to the County as part of the Health Department merger.

	2008	2007	
	Other Financing Sources (Uses)	Other Financing Sources (Uses)	Increase (Decrease)
Sale of Capital Assets	\$11,324	\$15,719	(\$4,395)
Transfers In	18,930,221	19,281,155	(350,934)
Transfers Out	<u>(1,748,281)</u>	<u>(1,524,925)</u>	<u>(223,356)</u>
Total	<u>\$17,193,264</u>	<u>\$17,771,949</u>	<u>(\$578,685)</u>

*Income Tax Fund* – The City’s Income Tax Fund balance decreased \$395,111, or 24%. Income tax receipts increased due to a change in the required frequency of employee withholding payments, however, amounts transferred out to other funds resulted in the overall decrease in fund balance.

*Community Development Fund* – The Community Development Fund balance decreased significantly from the previous year. This was mainly the result of decreases in community development block grants

*Capital Improvement Fund* - The City’s Capital Improvement Fund reported a decrease in capital expenditures, resulting in an overall increase in fund balance.

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 fiscal year 2008 the City amended its General Fund budget several times, none significant.

For the General Fund, final budget revenue of \$13.2 million was higher than original budget estimates of \$12.4 million. Budget basis revenue of \$11.5 was lower than final budgeted revenue due to decreases in intergovernmental revenue, charges for services and licenses, permits and fees. Lower than expected estate taxes caused the decrease in intergovernmental revenue. A decrease in building permits caused the decrease in licenses and permits, while the elimination of the health department contributed to the decrease in charges for services. Final budgeted expenditures for General Government were higher than original estimates due to contractual costs paid to the County as part of the Health Department merger. Final budgeted expenditures for Public Health and Welfare were greater than original estimates due to an increase in estimated costs in the sanitation and help me grow grants departments. Budget basis expenditures of \$29.7 million were less than final budget estimates of \$31.9 million due to the controlling of expenditures across all departments.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal 2008 the City had \$97,614,477 net of accumulated depreciation invested in land, construction in progress, buildings, improvements, infrastructure, equipment and vehicles. Of this total, \$60,845,339 was related to governmental activities and \$36,769,138 to the business-type activities. The following table shows fiscal year 2008 and 2007 balances:

	Governmental Activities		Increase (Decrease)
	2008	2007	
Land	\$16,277,390	\$16,277,390	\$0
Construction In Progress	1,244,460	1,192,500	51,960
Buildings	18,115,507	18,115,507	0
Improvements Other than Buildings	5,385,345	5,385,345	0
Infrastructure	54,811,587	53,856,609	954,978
Machinery and Equipment	14,570,560	14,295,174	275,386
Less: Accumulated Depreciation	(49,559,510)	(46,800,377)	(2,759,133)
Totals	<u>\$60,845,339</u>	<u>\$62,322,148</u>	<u>(\$1,476,809)</u>

Various street improvements resulted in the increase in infrastructure, while vehicle purchases in the street department contributed to the increase in machinery and equipment.

	Business-Type Activities		Increase (Decrease)
	2008	2007	
Land	\$170,500	\$170,500	\$0
Construction in Progress	5,977,166	3,788,236	2,188,930
Buildings and Improvements	28,772,805	28,791,763	(18,958)
Infrastructure	12,904,946	12,823,226	81,720
Machinery and Equipment	31,994,228	31,925,438	68,790
Less: Accumulated Depreciation	(43,050,507)	(40,584,962)	(2,465,545)
Totals	<u>\$36,769,138</u>	<u>\$36,914,201</u>	<u>(\$145,063)</u>

The increase in construction in progress can be attributed to the high rate treatment system installation project at the waste water treatment plant. Additional information on the City's capital assets can be found in Note 8.

***Management's Discussion and Analysis  
For the Year Ended December 31, 2008***

***Unaudited***

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***Debt***

At December 31, 2008, the City had \$21.7 million in General Obligation bonds outstanding, \$1.9 million due within one year. The following table summarizes the City's debt outstanding as of December 31, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Governmental Activities:		
General Obligation Bonds	\$14,816,117	\$14,115,868
Capital Leases	2,904,221	3,255,703
Accrued Pension Liability	1,974,342	2,014,158
Compensated Absences	3,409,376	3,333,491
Total Governmental Activities	<u>23,104,056</u>	<u>22,719,220</u>
Business-Type Activities:		
General Obligation Bonds	\$6,925,411	\$8,252,069
Special Assessment Bonds	30,772	35,900
OWDA Loans	11,845,846	10,754,578
OPWC Loans	526,007	554,439
Capital Leases	398,080	418,364
Compensated Absences	655,182	667,215
Total Business-Type Activities	<u>20,381,298</u>	<u>20,682,565</u>
Totals	<u>\$43,485,354</u>	<u>\$43,401,785</u>

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, 2008, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 12.

**ECONOMIC FACTORS**

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

A Tax Increment Finance (T.I.F.) district was created in 2003 to aid in the retail development of the north side of the City. The T.I.F. district provided infrastructure as well as road improvements. The T.I.F. district was expanded during 2004 to allow for continued development. A new T.I.F., abutting the two previously mentioned was established in 2006 to improve traffic flow and allow for continuing development. The City was notified of the approval of a State Infrastructure Bank loan (SIB) for the project and construction will begin in 2009.

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

The City's operating budget has been affected by the recession and economic uncertainty in recent years. To balance the budget, capital improvement funds were used for general operating expenses thus causing delays in capital projects. However, the 2005 and 2006 budgets contained funding for a major street paving campaign. The city income tax was increased by the voters to allow for a police station to be built and construction of a replacement fire station. Both were completed during 2004. The 2009 budget is projected to decrease by approximately 1.5 percent. The City's ending cash balance had been declining over the past ten years but year end 2007 saw a 60% increase. Due to declining tax revenues and declining building permit collections, the cash carry over at year end 2008 saw a decrease of 20% and the need for increased cash reserves has been addressed in recent operating budgets with the creation of cash reserves.

**REQUESTS FOR INFORMATION**

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

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



**CITY OF NEWARK, OHIO**

**Statement of Net Assets  
December 31, 2008**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 7,597,056	\$ 254,347	\$ 7,851,403
Investments	5,747,849	6,584,765	12,332,614
Receivables:			
Taxes	5,457,065	0	5,457,065
Accounts	465,415	1,459,068	1,924,483
Intergovernmental	4,937,120	0	4,937,120
Interest	21,658	0	21,658
Special Assessments	11,650	0	11,650
Loans	4,058,687	0	4,058,687
Internal Balance	(936,577)	936,577	0
Inventory of Supplies at Cost	399,745	505,514	905,259
Prepaid Items	64,922	27,445	92,367
Deferred Charge	0	27,396	27,396
Restricted Assets:			
Cash and Cash Equivalents	301,280	0	301,280
Cash and Cash Equivalents with Fiscal Agent	0	14,057	14,057
Investments	323,800	0	323,800
Non-Depreciable Capital Assets	17,521,850	6,147,666	23,669,516
Depreciable Capital Assets, Net	43,323,489	30,621,472	73,944,961
<b>Total Assets</b>	<b>89,295,009</b>	<b>46,578,307</b>	<b>135,873,316</b>
<b>Liabilities:</b>			
Accounts Payable	783,223	330,960	1,114,183
Accrued Wages and Benefits	1,803,768	247,373	2,051,141
Intergovernmental Payable	87,169	0	87,169
Retainage Payable	4,806	0	4,806
Matured Bonds and Interest Payable	0	14,057	14,057
Unearned Revenue	2,572,311	0	2,572,311
Accrued Interest Payable	93,511	159,291	252,802
General Obligation Notes Payable	1,645,000	0	1,645,000
Noncurrent liabilities:			
Due within one year	3,338,217	2,703,144	6,041,361
Due in more than one year	19,765,839	17,678,154	37,443,993
<b>Total Liabilities</b>	<b>30,093,844</b>	<b>21,132,979</b>	<b>51,226,823</b>



**CITY OF NEWARK, OHIO**

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	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Net Assets:</b>			
Invested in Capital Assets, Net of Related Debt	41,686,127	17,410,047	59,096,174
Restricted For:			
Capital Projects	936,444	0	936,444
Debt Service	166,633	0	166,633
Security of Persons	430,435	0	430,435
Street Improvement	1,727,325	0	1,727,325
Community Environment	5,571,252	0	5,571,252
Transportation	616,982	0	616,982
Judiciary	614,876	0	614,876
Cemetery Maintenance:			
Expendable	418,254	0	418,254
Nonexpendable	618,512	0	618,512
Other Purposes	9,829	0	9,829
Unrestricted	6,404,496	8,035,281	14,439,777
<b>Total Net Assets</b>	<u>\$ 59,201,165</u>	<u>\$ 25,445,328</u>	<u>\$ 84,646,493</u>

See accompanying notes to the basic financial statements

**CITY OF NEWARK, OHIO**

**Statement of Activities  
For the Year Ended December 31, 2008**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
Security of Persons and Property	\$ 19,619,726	\$ 3,411,136	\$ 497,783	\$ 0
Leisure Time Activities	321,313	16,428	0	0
Community Environment	3,059,820	55,384	716,057	0
Public Health and Welfare Services	599,601	190,593	130,103	0
Transportation	6,060,496	411,174	3,386,539	10,000
General Government	10,635,436	1,011,575	0	0
Interest and Fiscal Charges	800,191	0	0	0
<b>Total Governmental Activities</b>	<b>41,096,583</b>	<b>5,096,290</b>	<b>4,730,482</b>	<b>10,000</b>
<b>Business-Type Activities:</b>				
Water	6,650,976	5,998,709	0	0
Sewer	5,291,774	5,880,392	0	0
Storm Water	614,380	2,168,753	0	0
<b>Total Business-Type Activities</b>	<b>12,557,130</b>	<b>14,047,854</b>	<b>0</b>	<b>0</b>
<b>Totals</b>	<b>\$ 53,653,713</b>	<b>\$ 19,144,144</b>	<b>\$ 4,730,482</b>	<b>\$ 10,000</b>

**General Revenues**

Property Taxes Levied for:

General Purposes

Special Purposes

Capital Purposes

Income Tax

Other Local Taxes

Intergovernmental, Unrestricted

Investment Earnings

Miscellaneous

**Transfers**

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year, Restated

Net Assets End of Year

See accompanying notes to the basic financial statements

**CITY OF NEWARK, OHIO**

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Net (Expense) Revenue  
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (15,710,807)	\$ 0	\$ (15,710,807)
(304,885)	0	(304,885)
(2,288,379)	0	(2,288,379)
(278,905)	0	(278,905)
(2,252,783)	0	(2,252,783)
(9,623,861)	0	(9,623,861)
(800,191)	0	(800,191)
<u>(31,259,811)</u>	<u>0</u>	<u>(31,259,811)</u>
0	(652,267)	(652,267)
0	588,618	588,618
0	1,554,373	1,554,373
<u>0</u>	<u>1,490,724</u>	<u>1,490,724</u>
<u>(31,259,811)</u>	<u>1,490,724</u>	<u>(29,769,087)</u>
2,189,609	0	2,189,609
436,568	0	436,568
282,935	0	282,935
20,899,162	0	20,899,162
366,551	0	366,551
3,264,236	0	3,264,236
636,922	37,267	674,189
431,212	0	431,212
924,993	(924,993)	0
<u>29,432,188</u>	<u>(887,726)</u>	<u>28,544,462</u>
(1,827,623)	602,998	(1,224,625)
<u>61,028,788</u>	<u>24,842,330</u>	<u>85,871,118</u>
<u>\$ 59,201,165</u>	<u>\$ 25,445,328</u>	<u>\$ 84,646,493</u>

**CITY OF NEWARK, OHIO**

**Balance Sheet  
Governmental Funds  
December 31, 2008**

	General	Income Tax	Community Development	Capital Improvement
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 125,437	\$ 43,158	\$ 122,451	\$ 60,318
Investments	3,252,461	0	0	1,865,554
Receivables:				
Taxes	2,241,178	2,775,839	0	0
Accounts	341,380	0	58	0
Intergovernmental	1,449,490	0	1,584,105	0
Interest	17,999	0	316	112
Special Assessments	0	0	0	0
Loans	0	0	4,058,687	0
Inventory of Supplies, at Cost	84,072	0	0	0
Prepaid Items	64,922	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	0	0	0
Investments	0	0	0	0
<b>Total Assets</b>	<b>\$ 7,576,939</b>	<b>\$ 2,818,997</b>	<b>\$ 5,765,617</b>	<b>\$ 1,925,984</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 85,089	\$ 27,836	\$ 150,790	\$ 217,539
Accrued Wages and Benefits Payable	1,168,576	31,261	25,200	0
Intergovernmental Payable	87,169	0	0	0
Retainage Payable	0	0	0	4,806
Deferred Revenue	3,157,043	1,523,830	5,287,438	0
Accrued Interest Payable	0	0	0	11,004
General Obligation Notes Payable	0	0	0	1,421,000
<b>Total Liabilities</b>	<b>4,497,877</b>	<b>1,582,927</b>	<b>5,463,428</b>	<b>1,654,349</b>
<b>Fund Balance:</b>				
Reserved for Encumbrances	321,907	12,842	232,147	947,047
Reserved for Prepaid Items	64,922	0	0	0
Reserved for Supplies Inventory	84,072	0	0	0
Reserved for Debt Service	0	0	0	0
Reserved for Endowments	0	0	0	0
Undesignated, Unreserved in:				
General Fund	2,608,161	0	0	0
Special Revenue Funds	0	1,223,228	70,042	0
Capital Projects Funds (Deficit)	0	0	0	(675,412)
<b>Total Fund Balance</b>	<b>3,079,062</b>	<b>1,236,070</b>	<b>302,189</b>	<b>271,635</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 7,576,939</b>	<b>\$ 2,818,997</b>	<b>\$ 5,765,617</b>	<b>\$ 1,925,984</b>

See accompanying notes to the basic financial statements

**CITY OF NEWARK, OHIO**

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Other Governmental Funds	Total Governmental Funds
\$ 2,718,287	\$ 3,069,651
629,834	5,747,849
440,048	5,457,065
122,492	463,930
1,903,525	4,937,120
671	19,098
11,650	11,650
0	4,058,687
315,673	399,745
0	64,922
301,280	301,280
323,800	323,800
<u>\$ 6,767,260</u>	<u>\$ 24,854,797</u>
\$ 296,814	\$ 778,068
96,768	1,321,805
0	87,169
0	4,806
1,320,792	11,289,103
1,786	12,790
224,000	1,645,000
<u>1,940,160</u>	<u>15,138,741</u>
586,422	2,100,365
0	64,922
315,673	399,745
154,983	154,983
618,512	618,512
0	2,608,161
2,481,070	3,774,340
670,440	(4,972)
<u>4,827,100</u>	<u>9,716,056</u>
<u>\$ 6,767,260</u>	<u>\$ 24,854,797</u>

***Reconciliation Of Total Governmental Fund Balances  
To Net Assets Of Governmental Activities  
December 31, 2008***

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**Total Governmental Fund Balances** \$ 9,716,056

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

Capital Assets used in governmental activities are not resources and therefore are not reported in the funds. 60,845,339

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. 8,716,792

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 assets. 3,107,755

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

General Obligation Bonds Payable	(14,816,117)	
Capital Leases Payable	(2,904,221)	
Accrued Pension Liability	(1,974,342)	
Compensated Absences Payable	(3,409,376)	
Accrued Interest Payable	(80,721)	(23,184,777)
		<u>(23,184,777)</u>

***Net Assets of Governmental Activities*** \$ 59,201,165

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, 2008**

	General	Income Tax	Community Development	Capital Improvement
<b>Revenues:</b>				
Taxes	\$ 2,626,339	\$ 20,781,995	\$ 0	\$ 0
Intergovernmental Revenues	3,746,432	0	1,147,416	10,000
Charges for Services	1,757,543	5,029	0	0
Licenses, Permits and Fees	662,318	0	0	0
Investment Earnings	572,815	188	6,590	5,729
Special Assessments	0	0	0	0
Fines and Forfeitures	1,755,680	0	0	0
All Other Revenue	171,493	4,291	76,244	32,153
<b>Total Revenue</b>	<b>11,292,620</b>	<b>20,791,503</b>	<b>1,230,250</b>	<b>47,882</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	18,323,834	0	0	0
Public Health and Welfare Services	439,850	0	0	0
Leisure Time Activities	0	0	0	0
Community Environment	1,282,436	0	1,517,521	0
Transportation	0	0	0	0
General Government	8,863,548	1,173,231	0	0
Capital Outlay	0	0	0	2,809,183
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	74,466
<b>Total Expenditures</b>	<b>28,909,668</b>	<b>1,173,231</b>	<b>1,517,521</b>	<b>2,883,649</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,617,048)	19,618,272	(287,271)	(2,835,767)
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	11,324	0	0	0
Other Financing Sources - Capital Lease	0	0	0	402,087
General Obligation Bonds Issued	0	0	0	0
Transfers In	18,930,221	0	0	2,770,038
Transfers Out	(1,748,281)	(20,013,383)	0	(52,590)
<b>Total Other Financing Sources (Uses)</b>	<b>17,193,264</b>	<b>(20,013,383)</b>	<b>0</b>	<b>3,119,535</b>
Net Change in Fund Balance	(423,784)	(395,111)	(287,271)	283,768
<b>Fund Balance at Beginning of Year, Restated</b>	<b>3,565,843</b>	<b>1,631,181</b>	<b>589,460</b>	<b>(12,133)</b>
Increase (Decrease) in Inventory Reserve	(62,997)	0	0	0
<b>Fund Balance End of Year</b>	<b>\$ 3,079,062</b>	<b>\$ 1,236,070</b>	<b>\$ 302,189</b>	<b>\$ 271,635</b>

See accompanying notes to the basic financial statements



**CITY OF NEWARK, OHIO**

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Other Governmental Funds	Total Governmental Funds
\$ 733,199	\$ 24,141,533
3,554,688	8,458,536
579,425	2,341,997
9,735	672,053
(3,015)	582,307
7,198	7,198
316,523	2,072,203
147,031	431,212
<u>5,344,784</u>	<u>38,707,039</u>
279,806	18,603,640
182,393	622,243
297,683	297,683
23,672	2,823,629
4,161,938	4,161,938
206,424	10,243,203
105,824	2,915,007
530,000	530,000
<u>673,626</u>	<u>748,092</u>
<u>6,461,366</u>	<u>40,945,435</u>
(1,116,582)	(2,238,396)
31,997	43,321
0	402,087
1,180,000	1,180,000
2,283,745	23,984,004
<u>(1,244,757)</u>	<u>(23,059,011)</u>
<u>2,250,985</u>	<u>2,550,401</u>
1,134,403	312,005
3,681,000	9,455,351
<u>11,697</u>	<u>(51,300)</u>
<u>\$ 4,827,100</u>	<u>\$ 9,716,056</u>

**CITY OF NEWARK, OHIO**

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**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, 2008**

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**Net Change in Fund Balances - Total Governmental Funds** \$ 312,005

**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 depreciation exceeded capital outlay in the current period.

Capital Outlay	1,544,544	
Depreciation Expense	<u>(2,985,791)</u>	(1,441,247)

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

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.		(35,562)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(417,687)
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, however, has no effect on net assets.

General Obligation Bonds Issued	(1,180,000)	
Capital Leases Issued	(402,087)	(1,582,087)

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 assets.

Interest Accretion on General Obligation Bonds	(50,249)	
General Obligation Bond Principal Payment	530,000	
Capital Lease Principal Payment	753,569	
Pension Liability Principal Payment	<u>39,816</u>	1,273,136

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(1,850)
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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	(75,885)	
Change in Inventory	<u>(51,300)</u>	(127,185)

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.

192,854

**Change in Net Assets of Governmental Activities**

\$ (1,827,623)

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, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 2,779,258	\$ 2,795,726	\$ 2,622,909	\$ (172,817)
Intergovernmental Revenue	4,343,668	4,393,468	3,971,240	(422,228)
Charges for Services	1,476,419	2,147,565	1,723,238	(424,327)
Licenses, Permits and Fees	1,530,128	1,530,833	660,268	(870,565)
Investment Earnings	625,850	628,813	636,127	7,314
Fines and Forfeitures	1,527,000	1,527,000	1,746,404	219,404
All Other Revenue	117,115	130,397	148,335	17,938
Total Revenues	<u>12,399,438</u>	<u>13,153,802</u>	<u>11,508,521</u>	<u>(1,645,281)</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	19,012,539	19,124,619	18,763,256	361,363
Public Health and Welfare Services	229,851	1,174,512	537,669	636,843
Community Environment	1,745,971	1,767,522	1,496,509	271,013
General Government	8,500,037	9,929,775	8,951,910	977,865
Total Expenditures	<u>29,488,398</u>	<u>31,996,428</u>	<u>29,749,344</u>	<u>2,247,084</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,088,960)	(18,842,626)	(18,240,823)	601,803
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	55,000	55,000	11,324	(43,676)
Transfers In	39,119,001	39,530,392	38,717,276	(813,116)
Transfers Out	(22,313,413)	(22,168,026)	(21,535,336)	632,690
Total Other Financing Sources (Uses):	<u>16,860,588</u>	<u>17,417,366</u>	<u>17,193,264</u>	<u>(224,102)</u>
Net Change in Fund Balance	(228,372)	(1,425,260)	(1,047,559)	377,701
Fund Balance at Beginning of Year	3,243,132	3,243,132	3,243,132	0
Prior Year Encumbrances	683,503	683,503	683,503	0
Fund Balance at End of Year	<u>\$ 3,698,263</u>	<u>\$ 2,501,375</u>	<u>\$ 2,879,076</u>	<u>\$ 377,701</u>

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)  
Special Revenue Fund – Income Tax Fund  
For the Year Ended December 31, 2008**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 20,481,400	\$ 20,716,843	\$ 20,716,843	\$ 0
Charges for Services	0	5,029	5,029	0
Investment Earnings	0	188	188	0
All Other Revenue	0	4,291	4,291	0
Total Revenues	20,481,400	20,726,351	20,726,351	0
<b>Expenditures:</b>				
Current:				
General Government	1,430,635	1,187,236	1,185,239	1,997
Total Expenditures	1,430,635	1,187,236	1,185,239	1,997
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,050,765	19,539,115	19,541,112	1,997
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(19,037,300)	(20,013,383)	(20,013,383)	0
Total Other Financing Sources (Uses)	(19,037,300)	(20,013,383)	(20,013,383)	0
Net Change in Fund Balance	13,465	(474,268)	(472,271)	1,997
Fund Balance at Beginning of Year	411,320	411,320	411,320	0
Prior Year Encumbrances	63,431	63,431	63,431	0
Fund Balance at End of Year	\$ 488,216	\$ 483	\$ 2,480	\$ 1,997

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)  
Special Revenue Fund – Community Development Fund  
For the Year Ended December 31, 2008**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 2,184,968	\$ 2,250,555	\$ 792,062	\$ (1,458,493)
Investment Earnings	21,000	21,000	7,260	(13,740)
All Other Revenue	202,100	202,100	76,186	(125,914)
Total Revenues	<u>2,408,068</u>	<u>2,473,655</u>	<u>875,508</u>	<u>(1,598,147)</u>
<b>Expenditures:</b>				
Current:				
Community Environment	1,695,251	2,856,795	1,767,656	1,089,139
Total Expenditures	<u>1,695,251</u>	<u>2,856,795</u>	<u>1,767,656</u>	<u>1,089,139</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	712,817	(383,140)	(892,148)	(509,008)
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(500)	(500)	0	500
Total Other Financing Sources (Uses)	<u>(500)</u>	<u>(500)</u>	<u>0</u>	<u>500</u>
Net Change in Fund Balance	712,317	(383,640)	(892,148)	(508,508)
Fund Balance at Beginning of Year	300,405	300,405	300,405	0
Prior Year Encumbrances	331,256	331,256	331,256	0
Fund Balance at End of Year	<u>\$ 1,343,978</u>	<u>\$ 248,021</u>	<u>\$ (260,487)</u>	<u>\$ (508,508)</u>

See accompanying notes to the basic financial statements

**CITY OF NEWARK, OHIO**

**Statement of Net Assets  
Proprietary Funds  
December 31, 2008**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 81,564	\$ 135,323	\$ 37,460
Investments	2,111,605	3,503,322	969,838
Receivables:			
Accounts	627,399	627,399	204,270
Interest	0	0	0
Inventory of Supplies at Cost	257,459	248,055	0
Prepaid Items	14,926	12,519	0
Total Current Assets	<u>3,092,953</u>	<u>4,526,618</u>	<u>1,211,568</u>
Noncurrent Assets:			
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agent	352	13,705	0
Total Restricted Assets	<u>352</u>	<u>13,705</u>	<u>0</u>
Deferred Charges	27,396	0	0
Non Depreciable Capital Assets	623,805	5,523,861	0
Depreciable Capital Assets, Net	19,879,198	9,624,077	1,118,197
Total Noncurrent Assets	<u>20,530,751</u>	<u>15,161,643</u>	<u>1,118,197</u>
<b>Total Assets</b>	<u>23,623,704</u>	<u>19,688,261</u>	<u>2,329,765</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	177,675	100,220	53,065
Accrued Wages and Benefits	151,860	88,302	7,211
Compensated Absences Payable - Current	243,221	159,453	8,079
Accrued Interest Payable	5,381	153,910	0
Capital Leases Payable - Current	40,775	0	0
General Obligation Bonds Payable - Current	1,435,000	0	0
Special Assessment Bonds Payable - Current	0	5,128	0
OWDA Loans Payable - Current	0	783,056	0
OPWC Loans Payable - Current	0	28,432	0
Total Current Liabilities	<u>2,053,912</u>	<u>1,318,501</u>	<u>68,355</u>

**CITY OF NEWARK, OHIO**

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<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 254,347	\$ 4,527,405
6,584,765	0
1,459,068	1,485
0	2,560
505,514	0
27,445	0
<u>8,831,139</u>	<u>4,531,450</u>
<u>14,057</u>	<u>0</u>
<u>14,057</u>	<u>0</u>
27,396	0
6,147,666	0
<u>30,621,472</u>	<u>0</u>
<u>36,810,591</u>	<u>0</u>
<u>45,641,730</u>	<u>4,531,450</u>
330,960	5,155
247,373	481,963
410,753	0
159,291	0
40,775	0
1,435,000	0
5,128	0
783,056	0
28,432	0
<u>3,440,768</u>	<u>487,118</u>

(Continued)

**CITY OF NEWARK, OHIO**

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**Statement of Net Assets  
Proprietary Funds  
December 31, 2008**

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	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
Noncurrent Liabilities:			
Matured Bonds and Interest Payable	352	13,705	0
Capital Leases Payable	357,305	0	0
General Obligation Bonds Payable	5,490,411	0	0
Special Assessment Bonds Payable	0	25,644	0
OWDA Loans Payable	15,365	10,246,986	800,439
OPWC Loans Payable	0	497,575	0
Compensated Absences Payable	140,872	103,557	0
Total Noncurrent Liabilities	6,004,305	10,887,467	800,439
<b>Total Liabilities</b>	<b>8,058,217</b>	<b>12,205,968</b>	<b>868,794</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	12,730,733	3,561,117	1,118,197
Unrestricted	2,834,754	3,921,176	342,774
Total Net Assets	<u>\$ 15,565,487</u>	<u>\$ 7,482,293</u>	<u>\$ 1,460,971</u>

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

See accompanying notes to the basic financial statements



**CITY OF NEWARK, OHIO**

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<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
14,057	0
357,305	0
5,490,411	0
25,644	0
11,062,790	0
497,575	0
<u>244,429</u>	<u>0</u>
<u>17,692,211</u>	<u>0</u>
<u>21,132,979</u>	<u>487,118</u>
17,410,047	0
<u>7,098,704</u>	<u>4,044,332</u>
<u>\$ 24,508,751</u>	<u>\$ 4,044,332</u>
<u>936,577</u>	
<u>\$ 25,445,328</u>	

**CITY OF NEWARK, OHIO**

**Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended December 31, 2008**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
<b>Operating Revenues:</b>			
Charges for Services	\$ 5,998,350	\$ 5,879,998	\$ 2,166,253
Other Operating Revenues	359	394	2,500
<b>Total Operating Revenues</b>	<b>5,998,709</b>	<b>5,880,392</b>	<b>2,168,753</b>
<b>Operating Expenses:</b>			
Personal Services	3,119,064	1,791,938	100,364
Contractual Services	1,558,036	1,105,876	447,874
Materials and Supplies	960,648	368,031	37,897
Depreciation	854,243	1,597,782	22,053
<b>Total Operating Expenses</b>	<b>6,491,991</b>	<b>4,863,627</b>	<b>608,188</b>
<b>Operating Income (Loss)</b>	<b>(493,282)</b>	<b>1,016,765</b>	<b>1,560,565</b>
<b>Non-Operating Revenue (Expenses):</b>			
Interest Income	23,746	13,521	0
Interest and Fiscal Charges	(171,179)	(417,722)	0
Loss on Disposal of Capital Assets	0	(10,425)	0
Other Nonoperating Expense	(18,742)	0	(6,192)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(166,175)</b>	<b>(414,626)</b>	<b>(6,192)</b>
<b>Income (Loss) Before Transfers</b>	<b>(659,457)</b>	<b>602,139</b>	<b>1,554,373</b>
<b>Transfers:</b>			
Transfers In	946,338	101,862	0
Transfers Out	(136,000)	(915,243)	(921,950)
<b>Total Transfers</b>	<b>810,338</b>	<b>(813,381)</b>	<b>(921,950)</b>
<b>Change in Net Assets</b>	<b>150,881</b>	<b>(211,242)</b>	<b>632,423</b>
Net Assets Beginning of Year	15,414,606	7,693,535	828,548
<b>Net Assets End of Year</b>	<b>\$ 15,565,487</b>	<b>\$ 7,482,293</b>	<b>\$ 1,460,971</b>

Change in Net Assets - Total Enterprise Funds

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

Change in Net Assets - Business-type Activities

See accompanying notes to the basic financial statements

**CITY OF NEWARK, OHIO**

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<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 14,044,601	\$ 5,561,808
3,253	19,415
14,047,854	5,581,223
5,011,366	5,398,051
3,111,786	10,047
1,366,576	0
2,474,078	0
11,963,806	5,408,098
2,084,048	173,125
37,267	50,665
(588,901)	0
(10,425)	0
(24,934)	0
(586,993)	50,665
1,497,055	223,790
1,048,200	0
(1,973,193)	0
(924,993)	0
572,062	223,790
23,936,689	3,820,542
\$ 24,508,751	\$ 4,044,332
\$ 572,062	
30,936	
\$ 602,998	

**CITY OF NEWARK, OHIO**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2008**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$6,020,527	\$5,883,283	\$2,104,548
Cash Payments for Goods and Services	(2,491,035)	(1,419,339)	(488,642)
Cash Payments to Employees	(3,154,547)	(1,812,966)	(92,654)
Net Cash Provided by Operating Activities	374,945	2,650,978	1,523,252
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	1,209,879	344,480	0
Transfers Out to Other Funds	(360,330)	(1,164,693)	(921,950)
Net Cash Provided (Used) by Noncapital Financing Activities	849,549	(820,213)	(921,950)
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(114,714)	(2,207,450)	(51,013)
Principal Paid on Capital Lease	(39,211)	0	0
Principal Paid on General Obligation Bonds	(1,370,000)	0	0
Ohio Water Development Authority Loans Issued	15,365	2,166,770	0
Principal Paid on Ohio Water Development Authority Loans	0	(1,090,867)	0
Principal Paid on Ohio Public Works Commission Loan	0	(28,432)	0
Interest Paid on All Debt	(125,540)	(440,560)	0
Net Cash Used by Capital and Related Financing Activities	(1,634,100)	(1,600,539)	(51,013)
<u>Cash Flows from Investing Activities:</u>			
Purchase of Investments	(1,141)	(721,163)	(969,838)
Receipts of Interest	30,688	17,717	0
Net Cash Provided (Used) by Investing Activities	29,547	(703,446)	(969,838)
Net Increase (Decrease) in Cash and Cash Equivalents	(380,059)	(473,220)	(419,549)
Cash and Cash Equivalents at Beginning of Year	461,975	622,248	457,009
Cash and Cash Equivalents at End of Year	\$81,916	\$149,028	\$37,460
<u>Reconciliation of Cash and</u>			
<u>Cash Equivalents per the Statement of Net Assets:</u>			
Cash and Cash Equivalents	\$81,564	\$135,323	\$37,460
Restricted Cash with Fiscal Agent	352	13,705	0
Cash and Cash Equivalents at End of Year	\$81,916	\$149,028	\$37,460

**CITY OF NEWARK, OHIO**

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<u>Totals</u>	<u>Governmental- Activities Internal Services</u>
\$14,008,358	\$5,595,058
(4,399,016)	(10,047)
<u>(5,060,167)</u>	<u>(5,363,944)</u>
4,549,175	221,067
1,554,359	0
<u>(2,446,973)</u>	<u>0</u>
<u>(892,614)</u>	<u>0</u>
(2,373,177)	0
(39,211)	0
(1,370,000)	0
2,182,135	0
(1,090,867)	0
(28,432)	0
<u>(566,100)</u>	<u>0</u>
<u>(3,285,652)</u>	<u>0</u>
(1,692,142)	0
48,405	54,615
<u>(1,643,737)</u>	<u>54,615</u>
(1,272,828)	275,682
<u>1,541,232</u>	<u>4,251,723</u>
<u>\$268,404</u>	<u>\$4,527,405</u>
\$254,347	\$4,527,405
14,057	0
<u>\$268,404</u>	<u>\$4,527,405</u>

(Continued)

**CITY OF NEWARK, OHIO**

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***Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2008***

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	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</u>			
Operating Income (Loss)	(\$493,282)	\$1,016,765	\$1,560,565
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation Expense	854,243	1,597,782	22,053
Nonoperating Revenue	18,927	0	0
Nonoperating Expense	(18,742)	0	(6,192)
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	2,891	2,891	(64,205)
Increase in Inventory	(15,773)	(11,245)	0
(Increase) Decrease in Prepaid Items	(4,294)	(1,101)	1,500
Increase in Accounts Payable	66,458	66,914	1,821
Increase (Decrease) in Accrued Wages and Benefits	(22,140)	(16,713)	2,085
Increase (Decrease) in Compensated Absences	(13,343)	(4,315)	5,625
Total Adjustments	<u>868,227</u>	<u>1,634,213</u>	<u>(37,313)</u>
Net Cash Provided by Operating Activities	<u>\$374,945</u>	<u>\$2,650,978</u>	<u>\$1,523,252</u>

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Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2008 the Water, Sewer and Storm Water Funds had outstanding liabilities of \$4,036, \$16,098, and \$38,169, respectively for the purchase of certain capital assets. In addition, capital leases in the amount of \$18,927 were issued in the Water Fund.

See accompanying notes to the basic financial statements

**CITY OF NEWARK, OHIO**

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<u>Totals</u>	<u>Governmental- Activities Internal Services</u>
\$2,084,048	\$173,125
2,474,078	0
18,927	0
(24,934)	0
(58,423)	13,835
(27,018)	0
(3,895)	0
135,193	4,438
(36,768)	29,669
(12,033)	0
<u>2,465,127</u>	<u>47,942</u>
<u>\$4,549,175</u>	<u>\$221,067</u>

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**CITY OF NEWARK, OHIO**

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***Statement of Assets and Liabilities  
Fiduciary Funds  
December 31, 2008***

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	<u>Agency Funds</u>
<b>Assets:</b>	
Receivables:	
Taxes	\$ 7,306
Restricted Assets:	
Cash and Cash Equivalents	<u>711,942</u>
<b>Total Assets</b>	<u>719,248</u>
<b>Liabilities:</b>	
Intergovernmental Payable	372,361
Due to Others	<u>346,887</u>
<b>Total Liabilities</b>	<u>\$ 719,248</u>

See accompanying notes to the basic financial statements



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2008***

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

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

The financial statements are presented as of December 31, 2008 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

**A. Reporting Entity**

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

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

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

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

The accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, 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, 2008***

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

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

***Governmental Funds***

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

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

Income Tax Fund – This fund is used to account for municipal income tax collections as required by City Ordinance.

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

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

***Proprietary Funds***

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

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2008***

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

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

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

Internal Service Funds - To account for the accumulation and allocation of costs associated with insurance and worker’s compensation incurred by the City.

***Fiduciary Funds***

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

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

**Government-wide Financial Statements** – The statement of net assets 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 Assets

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, 2008***

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

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

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

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

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. 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, 2008***

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

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from 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, 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 revenue. Property taxes, which are measurable at December 31, 2008 but are not intended to finance 2008 operations, and delinquent property taxes whose availability is indeterminate, are recorded as deferred revenue as further described in Note 5.

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

Pursuant to GASB Statement No. 20, *"Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting,"* the City follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. The City has elected not to apply FASB statements and interpretations issued after November 30, 1989 to its business-type activities and enterprise funds.

**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, 2008***

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

**E. Budgetary Process (Continued)**

All funds other than agency funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The Mary E. Barnes Trust Fund (special revenue fund) was not budgeted because this fund only exists on a GAAP basis. The primary level of budgetary control is at the object level within each department. 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 2008.

**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 fund, department and object 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. The allocation of appropriations among departments and objects within a

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2008***

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

**E. Budgetary Process (Continued)**

**3. Appropriations (Continued)**

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

**4. Lapsing of Appropriations**

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2008**

**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. Encumbrances are recorded as the equivalent of expenditures (budgetary basis) as opposed to reservation of fund balance (GAAP basis).

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

	Net Change in Fund Balances		
	General Fund	Income Tax Fund	Community Development Fund
GAAP Basis (as reported)	(\$423,784)	(\$395,111)	(\$287,271)
Increase (Decrease):			
Accrued Revenues at December 31, 2008 received during 2009	(897,665)	(1,252,009)	(355,728)
Accrued Revenues at December 31, 2007 received during 2008	1,113,566	1,186,858	986
Accrued Expenditures at December 31, 2008 paid during 2009	1,340,834	59,097	175,990
Accrued Expenditures at December 31, 2007 paid during 2008	(1,678,169)	(30,427)	(43,187)
2007 Prepays for 2008	56,742	0	0
2008 Prepays for 2009	(64,922)	0	0
Outstanding Encumbrances	(494,161)	(40,679)	(382,938)
Budget Basis	<u>(\$1,047,559)</u>	<u>(\$472,271)</u>	<u>(\$892,148)</u>



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2008***

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

**F. Cash and Cash Equivalents**

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

**G. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. The City allocates interest among certain funds based upon the fund's cash balance at the date of investment. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the City records all its investments at fair value except for nonparticipating investment contracts (repurchase agreements and certificates of deposit) which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices. See Note 4, "Cash, Cash Equivalents and Investments".

The City had invested funds in the STAR Ohio during 2008. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2008.

**H. Inventory**

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

**I. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2008, 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, 2008***

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

**J. Capital Assets and Depreciation**

Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000.

**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 Assets, but they are not reported in the Fund Financial Statements.

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

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

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

**3. Depreciation**

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2008***

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

**K. Long-Term Obligations**

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

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	Water Fund Tax Increment Financing Fund Capital Improvement Fund
Special Assessment Bonds	Sewer Fund
OWDA Loan	Water Fund, Sewer Fund, Storm Water Fund
OPWC Loan	Sewer Fund
Capital Leases	Street Department Fund Capital Improvement Fund, Water Fund
Compensated Absences	General Fund Street Department Fund Income Tax Fund Cemetery Fund Community Development Fund Parks and Recreation Fund Traffic Control Fund Water Fund Sewer Fund Storm Water Fund
Accrued Pension Liability	General 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, 2008***

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

**L. Compensated Absences (Continued)**

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

**M. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt 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 assets are reported as restricted when there are limitations imposed on their 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 assets are 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, 2008***

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

**O. Pensions**

The provision for pension costs is recorded when the related payroll is accrued and the obligation is incurred.

**P. Reservations of Fund Balance**

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for prepaid items, inventories, debt service, endowments and encumbered amounts not accrued at year end.

**Q. Restricted Assets**

Restricted cash and investments are amounts restricted in use for cemetery care and maintenance.

**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 2008.

**NOTE 2 - COMPLIANCE AND ACCOUNTABILITY**

***Deficit Fund Equities*** - The fund deficit at December 31, 2008 of \$225,786 in the Ice Arena Renovation Fund (special revenue fund) is the result of recording notes payable amounts in the individual fund balance sheets. The General Fund provides transfers when cash is required, not when accruals occur.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2008**

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**NOTE 3 – RESTATEMENT OF NET ASSETS/FUND BALANCE**

Certain adjustments were made to the Governmental Activities net asset beginning balance as well as the Governmental Fund beginning fund balance due to the reclassification of a fund. This reclassification had the following effect on beginning of year net assets/fund balance:

	Governmental Activities	Other Governmental Funds
Net Assets/Fund Balance		
Reported December 31, 2007	\$61,150,431	\$3,802,643
Fund Reclassification	(121,643)	(121,643)
Restated December 31, 2007	<u>\$61,028,788</u>	<u>\$3,681,000</u>

**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;

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2008***

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

- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

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

**A. Deposits**

At year end the carrying amount of the City's deposits was \$13,350,046 and the bank balance was \$14,398,611. Federal depository insurance covered \$2,803,800 of the bank balance and \$11,594,811 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the City's name	<u>\$11,594,811</u>
Total Balance	<u><u>\$11,594,811</u></u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2008**

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

**B. Investments**

The City's investments at December 31, 2008 are summarized below:

	Fair Value	Credit Rating	Investment Maturities (in Years)		
			less than 1	1-3	3-5
Repurchase Agreement	\$1,903,763	N/A	\$1,903,763	\$0	\$0
STAR Ohio	3,827,611	AAAm <sup>1</sup>	3,827,611	0	0
Government Agency MM	1,000,000	AAAm <sup>1</sup>	1,000,000	0	0
Corporate Equities	63,354	N/A	63,354	0	0
FHLB	50,828	AAA <sup>1,2</sup>	0	20,185	30,643
FNMA	1,339,494	AAA <sup>1,2</sup>	0	1,339,494 <sup>a</sup>	0
Total Investments	<u>\$8,185,050</u>		<u>\$6,794,728</u>	<u>\$1,359,679</u>	<u>\$30,643</u>

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

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

<sup>a</sup> Call Option – April 2009 and quarterly thereafter

*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 the City may invest in one issuer. Of the City's total investments, 16.4% are FNMA and 0.6% are FHLB.

*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.

**C. Reconciliation of Cash, Cash Equivalents and Investments**

The classification of cash, cash equivalents and investments on the financial statements is based on criteria set forth in GASB Statement No. 9. Repurchase agreements and STAR Ohio are treated as cash equivalents. The classification of cash and cash equivalents (deposits) for purposes of this note are based on criteria set forth in GASB Statement No. 3.



**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2008**

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

**C. Reconciliation of Cash, Cash Equivalents and Investments (Continued)**

A reconciliation between classifications of cash and investments on the financial statements and the classifications per items A and B of this note are as follows:

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per Financial Statements	\$8,878,682	\$12,656,414
Certificates of Deposit (with maturities of more than 3 months)	10,202,738	(10,202,738)
Investments:		
STAR Ohio	(3,827,611)	3,827,611
Repurchase Agreement	(1,903,763)	1,903,763
Per GASB Statement No. 3	<u>\$13,350,046</u>	<u>\$8,185,050</u>

**NOTE 5 - TAXES**

**A. Property Taxes**

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2008 were levied after October 1, 2007 on assessed values as of January 1, 2007, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be reevaluated every six years and equalization adjustments made in the third year following the reappraisal. The last revaluation was completed for tax year 2005. Real property taxes are payable annually or semiannually. If paid annually, payment is due January 31; if paid semiannually, the first payment is due February and the remainder payable in July. Under certain circumstances, state statute permits later payment dates to be established.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. In prior years, tangible personal property used in business (except for public utilities) was assessed for ad valorem taxation purposes at 25 percent of its true value. As part of a phase out of the personal property tax, the assessment percentage for personal property was reduced to 12.5 percent in 2007, 6.25 percent for 2008 and finally to zero in 2009. Amounts paid by multi-county taxpayers are due September 20 of the year assessed. Single county taxpayers may pay annually or semiannually, the first payment is due April 30; the remainder payable by September 20.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2008***

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**NOTE 5 - TAXES (Continued)**

**A. Property Taxes (Continued)**

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% 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, 2008 was \$3.70 per \$1,000 of assessed value. The assessed value upon which the 2008 collections were based was \$799,331,100. This amount constitutes \$761,212,010 in real property assessed value, \$19,458,370 in public utility assessed value and \$18,660,720 in tangible personal property 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.

**NOTE 6 - RECEIVABLES**

Receivables at December 31, 2008 consisted of taxes, interest, accounts, loans, special assessments and intergovernmental receivables arising from shared revenues.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2008***

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**NOTE 7 - TRANSFERS**

Following is a summary of transfers in and out for all funds for 2008:

Fund	Transfer In	Transfer Out
General Fund	\$18,930,221	\$1,748,281
Income Tax Fund	0	20,013,383
Capital Improvement Fund	2,770,038	52,590
Other Governmental Funds	2,283,745	1,244,757
Total Governmental Funds	23,984,004	23,059,011
Water Fund	946,338	136,000
Sewer Fund	101,862	915,243
Storm Water Fund	0	921,950
Total Proprietary Funds	1,048,200	1,973,193
Totals	\$25,032,204	\$25,032,204

Transfers are used to move revenues from the funds that statute or budget requires to collect them to the funds that statute or budget requires to expend them; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; to return money to the fund from which it was originally provided once a project is completed; and to transfer capital assets.

Transfers for the year ended December 31, 2008 included \$516,524 transferred from the Storm Water Fund to the Street Fund as reimbursement for work performed by street department employees, a \$272,000 transfer from the Proprietary Funds to the General Fund for central services provided, a \$779,243 transfer from the Sewer Fund to the Water Fund for reimbursement of administrative costs, and a \$627,209 transfer from the General Fund to Capital Improvement Fund which was EMS receipts dedicated to capital improvements.

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2008**

**NOTE 8 - CAPITAL ASSETS**

**A. Governmental Activities Capital Assets**

Summary by category of changes in governmental activities capital assets at December 31, 2008:

*Historical Cost:*

Class	December 31, 2007	Additions	Deletions	December 31, 2008
<i>Capital assets not being depreciated:</i>				
Land	\$16,277,390	\$0	\$0	\$16,277,390
Construction in Progress	1,192,500	51,960	0	1,244,460
Sub-Total	<u>17,469,890</u>	<u>51,960</u>	<u>0</u>	<u>17,521,850</u>
<i>Capital assets being depreciated:</i>				
Buildings	18,115,507	0	0	18,115,507
Improvements Other than Buildings	5,385,345	0	0	5,385,345
Infrastructure	53,856,609	1,217,198	(262,220)	54,811,587
Machinery and Equipment	14,295,174	275,386	0	14,570,560
Total Cost	<u>\$109,122,525</u>	<u>\$1,544,544</u>	<u>(\$262,220)</u>	<u>\$110,404,849</u>

*Accumulated Depreciation:*

Class	December 31, 2007	Additions	Deletions	December 31, 2008
Buildings	(\$4,667,014)	(\$366,593)	\$0	(\$5,033,607)
Improvements Other than Buildings	(3,169,800)	(188,983)	0	(3,358,783)
Infrastructure	(27,913,580)	(1,615,796)	226,658	(29,302,718)
Machinery and Equipment	(11,049,983)	(814,419)	0	(11,864,402)
Total Depreciation	<u>(\$46,800,377)</u>	<u>(\$2,985,791) *</u>	<u>\$226,658</u>	<u>(\$49,559,510)</u>
<i>Net Value:</i>	<u>\$62,322,148</u>			<u>\$60,845,339</u>

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

Security of Persons and Property	\$824,015
Leisure Time Activities	69,594
Community Environment	57,619
Public Health and Welfare Services	33,457
Transportation	1,824,809
General Government	<u>176,297</u>
Total Depreciation Expense	<u>\$2,985,791</u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2008**

**NOTE 8 - CAPITAL ASSETS (Continued)**

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

Summary by Category at December 31, 2008:

**Historical Cost:**

Class	December 31, 2007	Additions	Deletions	December 31, 2008
<i>Capital assets not being depreciated:</i>				
Land	\$170,500	\$0	\$0	\$170,500
Construction in Progress	3,788,236	2,188,930	0	5,977,166
Sub-Total	3,958,736	2,188,930	0	6,147,666
<i>Capital assets being depreciated:</i>				
Buildings and Improvements	28,791,763	0	(18,958)	28,772,805
Infrastructure	12,823,226	81,720	0	12,904,946
Machinery and Equipment	31,925,438	68,790	0	31,994,228
Total Cost	<u>\$77,499,163</u>	<u>\$2,339,440</u>	<u>(\$18,958)</u>	<u>\$79,819,645</u>

**Accumulated Depreciation:**

Class	December 31, 2007	Additions	Deletions	December 31, 2008
Buildings and Improvements	(\$10,099,488)	(\$766,672)	\$8,533	(\$10,857,627)
Infrastructure	(3,513,588)	(199,356)	0	(3,712,944)
Machinery and Equipment	(26,971,886)	(1,508,050)	0	(28,479,936)
Total Depreciation	<u>(\$40,584,962)</u>	<u>(\$2,474,078)</u>	<u>\$8,533</u>	<u>(\$43,050,507)</u>
<b>Net Value:</b>	<u>\$36,914,201</u>			<u>\$36,769,138</u>

**NOTE 9 – DEFINED BENEFIT PENSION PLANS**

All of the City’s full-time employees participate in one of two separate retirement systems which are cost-sharing multiple employer defined benefit pension plans.

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

The following information was provided by OPERS to assist the City in complying with GASB Statement No. 27, “Accounting for Pensions by State and Local Government Employers.”

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2008***

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**NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in one of the three pension plans administered by OPERS: the Traditional Pension Plan (TP), the Member-Directed Plan (MD), and the Combined Plan (CO). The TP Plan is a cost-sharing multiple employer defined benefit pension plan. The MD Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. The CO Plan is a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Under the CO Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP Plan. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TP Plan and CO Plan. Members of the MD Plan do not qualify for ancillary benefits, including postemployment health care benefits. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for OPERS. Interested parties may obtain a copy by making a written request to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

The ORC provides statutory authority for employee and employer contributions. For 2008, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 10.0%. The 2008 employer contribution rate for local government employer units was 14.00%, of covered payroll. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for 2008, 7.0% of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and the City are established and may be amended by the OPERS Board. The City's required contributions for pension obligations to OPERS for the years ending December 31, 2008, 2007, and 2006 were \$733,231, \$1,017,653 and \$1,191,662, respectively, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2008***

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**NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

All City full-time police officers and full-time firefighters participate in OP&F, a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the ORC. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164 or by calling (614) 228-2975.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for 2008, 12.75% of annual covered salary for police and 17.25% of annual covered salary for firefighters, respectively, were the portions used to fund pension obligations. The City’s contributions for pension obligations to the OP&F Fund for the years ending December 31, 2008, 2007, and 2006 were \$596,102, \$567,095 and \$507,333 for police and \$923,318, \$913,743 and \$706,810 for firefighters, respectively, which were equal to the required contributions for each year.

**NOTE 10 - POSTEMPLOYMENT BENEFITS**

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

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program and Medicare Part B Premium reimbursement, to qualifying member of both the Traditional Pension and the Combined Plans. Members of the Member Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2008***

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**NOTE 10 - POSTEMPLOYMENT BENEFITS (Continued)**

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

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

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2008, local government employers contributed at a rate of 14.00% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

The OPERS Postemployment Health Care plan was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. For 2008, the employer contribution allocated to the health care plan was 7.0% of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OPERS for the years ending December 31, 2008, 2007, and 2006 were \$733,231, \$670,033 and \$582,878, respectively, which were equal to the required contributions for each year.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2008***

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**NOTE 10 - POSTEMPLOYMENT BENEFITS (Continued)**

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

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

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

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

OP&F issues a stand-alone financial report that includes financial information and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164.

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

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 2008, the employer contribution allocated to the health care plan was 6.75% 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 also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OP&F for the years ending December 31, 2008, 2007, and 2006 were \$315,584, \$300,227 and \$334,624 for police and \$361,298, \$357,551 and \$466,194 for firefighters, respectively, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2008***

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**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 20 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 that would have been 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, 2008	Issued (Retired)	Balance December 31, 2008
Capital Projects Notes Payable:			
3.85% Deo Drive Extension	\$1,125,000	(\$1,125,000)	\$0
3.93% Police and Fire Facilities	871,000	(871,000)	0
3.40% Police and Fire Facilities	0	871,000	871,000
3.93% Ice Rink Renovations	224,000	(224,000)	0
3.50% Ice Rink Renovations	0	224,000	224,000
3.93% Evans Boulevard	550,000	(550,000)	0
3.40% Evans Boulevard	0	550,000	550,000
Total Capital Projects Notes Payable	<u>\$2,770,000</u>	<u>(\$1,125,000)</u>	<u>\$1,645,000</u>

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**CITY OF NEWARK, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2008**

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

Long-term debt and other long-term obligations of the City at December 31, 2008 were as follows:

			Balance December 31, 2007	Additions	Deductions	Balance December 31, 2008	Amount Due Within One Year
<b>Governmental Activities:</b>							
General Obligation Bonds:							
East Main Street Improvement Refunding (TIF)	4.0%-4.25%	2028	\$2,585,000	\$0	(\$80,000)	\$2,505,000	\$85,000
East Main Street Bridge	4.50%	2021	1,400,000	0	(100,000)	1,300,000	100,000
Police and Fire Facilities	2.0%-4.75%	2031	9,974,991	0	(300,000)	9,674,991	305,000
Deo Drive Improvement (TIF)	3.75%-4.38%	2027	0	1,180,000	(50,000)	1,130,000	45,000
			13,959,991	1,180,000	(530,000)	14,609,991	535,000
Interest Accretion			155,877	50,249	0	206,126	0
Total General Obligation Bonds			14,115,868	1,230,249	(530,000)	14,816,117	535,000
Capital Leases			3,255,703	402,087	(753,569)	2,904,221	645,358
Accrued Pension Liability			2,014,158	0	(39,816)	1,974,342	41,526
Compensated Absences Payable			3,333,491	1,106,708	(1,030,823)	3,409,376	2,116,333
Total Governmental Activities			22,719,220	2,739,044	(2,354,208)	23,104,056	3,338,217
<b>Business-Type Activities:</b>							
General Obligation Bonds:							
Water System Improvement Refunding	3.75%-4.50%	2018	8,728,825	0	(1,370,000)	7,358,825	1,435,000
Deferred Loss on Early Retirement of Debt			(476,756)	0	43,342	(433,414)	0
			8,252,069	0	(1,326,658)	6,925,411	1,435,000
Total General Obligation Bonds			8,252,069	0	(1,326,658)	6,925,411	1,435,000
Special Assessment Bond:							
(with governmental commitment)							
Morgan Manor	4.75%	2015	35,900	0	(5,128)	30,772	5,128
Ohio Water Development:							
Authority Loan (OWDA):							
Sewer Improvements	7.00%	2012	4,744,258	0	(727,409)	4,016,849	783,056
Licking River Interceptor Construction	3.25%	2026	2,502,119	0	(183,731)	2,318,388	0
Stormwater Utility Planning	3.36%	2028	800,439	0	0	800,439	0
Wastewater Electrical Improvements	0.61%	2027	2,702,373	124,802	(142,227)	2,684,948	0
Wastewater High Rate Treatment System	4.67%	2013	5,389	1,430,092	(37,500)	1,397,981	0
CSO Sewer Separation	3.36%	2028	0	611,876	0	611,876	0
Water Plant Generator	3.53%	2030	0	15,365	0	15,365	0
Total OWDA Loans			10,754,578	2,182,135	(1,090,867)	11,845,846	783,056
Ohio Public Works:							
Commission Loan (OPWC):							
Licking River Interceptor Construction	0.00%	2026	554,439	0	(28,432)	526,007	28,432
Capital Leases			418,364	18,927	(39,211)	398,080	40,775
Compensated Absences			667,215	166,071	(178,104)	655,182	410,753
Total Business-Type Activities			20,682,565	2,367,133	(2,668,400)	20,381,298	2,703,144
Totals			\$43,401,785	\$5,106,177	(\$5,022,608)	\$43,485,354	\$6,041,361

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2008***

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

The principal amount of the City's special assessment debt outstanding at December 31, 2008, \$30,772, is general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners.

The City's liability for past service costs relating to the Police and Firemen's Pension Fund at December 31, 2008 was \$3,306,874 in principal and interest payments through the year 2035. Only the principal amount of \$1,974,342 is included in the Government-wide Statement of Net Assets.

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

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

The Police and Fire facilities bonds were issued in 2003 in the amount of \$11 million to provide for the construction of state of the art police and fire buildings.

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

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

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

*Sewer Treatment Plant* - In 1986, the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for construction of the wastewater treatment plant. The interest rate on the loan is 7.00%, per annum and is payable from wastewater collection and treatment charges.

*Licking River Interceptor Construction* - In 2006 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for construction of an interceptor on the Licking River. The interest rate on the loan is 3.25% per annum and is payable from wastewater collection and treatment charges. This project was additionally financed by an Ohio Public Works Commission Loan in the amount of \$568,655 at an interest rate of 0%.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2008***

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

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

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

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

*Wastewater High Rate Treatment System* - In 2007 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for installation of a wastewater high rate treatment system. The total amount is subject to change and has not been finalized. The interest rate on the loan is 4.67%, 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, 2008, the City had received \$1,435,481 from OWDA. Subsequent amounts will be received in future years. An estimate of future financing requirements has been made based on the \$1,397,981 loan balance at December 31, 2008.

*Combined Sewer Overflow (CSO) Separation* - In 2008 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for the combined sewer overflow separation project. The total amount is subject to change and has not been finalized. The interest rate on the loan is 3.36%, 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, 2008, the City had received \$611,876 from OWDA. Subsequent amounts will be received in future years. An estimate of future financing requirements has been made based on the \$611,876 loan balance at December 31, 2008.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2008**

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

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

*Water Plant Generator* - In 2008 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for installation of a back up power generator at the water plant. The total amount is subject to change and has not been finalized. The interest rate on the loan is 3.53%, per annum. This loan is payable from water charges and is received by the City in increments as the project is completed. As of December 31, 2008, the City had received \$15,365 from OWDA. Subsequent amounts will be received in future years. An estimate of future financing requirements has been made based on the \$15,365 loan balance at December 31, 2008.

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

A summary of the City's future long-term debt funding requirements including principal and interest payments as of December 31, 2008 follows:

Years	Business-Type Activities			
	General Obligation Bonds		Special Assessment Bond	
	Principal	Interest	Principal	Interest
2009	\$1,435,000	\$64,576	\$5,128	\$1,462
2010	825,975	674,025	5,128	1,218
2011	774,290	720,710	5,128	974
2012	729,934	765,066	5,128	730
2013	686,920	803,080	5,128	488
2014-2018	2,906,706	4,563,295	5,132	244
Totals	<u>\$7,358,825</u>	<u>\$7,590,752</u>	<u>\$30,772</u>	<u>\$5,116</u>
Years	OWDA Loans		OPWC Loan	
	Principal	Interest	Principal	Interest
	Principal	Interest	Principal	Interest
2009	\$783,056	\$281,180	\$28,432	\$0
2010	1,357,812	423,073	28,432	0
2011	1,439,681	346,685	28,432	0
2012	1,527,215	265,048	28,432	0
2013	1,075,748	177,691	28,432	0
2014-2018	1,780,375	521,226	142,160	0
2019-2023	1,640,482	347,069	142,160	0
2024-2029	2,241,477	158,951	99,527	0
Totals	<u>\$11,845,846</u>	<u>\$2,520,923</u>	<u>\$526,007</u>	<u>\$0</u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2008**

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

**B. Future Long-Term Financing Requirements (Continued)**

Years	Governmental Activities			
	General Obligation Bonds		Accrued Pension Liability	
	Principal	Interest	Principal	Interest
2009	\$535,000	\$634,749	\$41,526	\$83,474
2010	550,000	616,011	43,310	81,690
2011	575,000	595,223	45,170	79,830
2012	590,000	571,861	47,112	77,888
2013	610,000	547,899	49,134	75,866
2014-2018	2,349,991	3,357,950	279,200	281,432
2019-2023	3,560,000	1,820,761	269,718	344,828
2024-2028	3,825,000	1,016,524	499,988	199,834
2029-2033	2,015,000	194,514	524,662	100,338
2034-2035	0	0	174,522	7,352
Totals	\$14,609,991	\$9,355,492	\$1,974,342	\$1,332,532

**C. Defeasance of General Obligation Debt**

In December 1998, the City defeased \$12,045,000 of Water System Improvement Bonds for Water Improvements dated June 1, 1993 (the "1993 Bond") through the issuance of \$13,093,825 of Water System Improvement Refunding Bonds (the "1998 Bonds"). The net proceeds of the 1998 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$11,240,000 at December 31, 2008 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In September 2006, the City defeased \$2,405,000 of General Obligation Bonds for East Main Street Improvements dated September 1, 1999 (the "1999 Bonds") through the issuance of \$2,645,000 of East Main Street Improvement Refunding Bonds (the "2006 Bonds"). The net proceeds of the 2006 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$2,130,000 at December 31, 2008 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2008***

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**NOTE 13 - CAPITALIZED LEASES**

The City leases several assets under capital leases. The original cost of equipment of \$3,384,192, and the related liability reported as Governmental Activities capital leases are reported on the Government – wide Statement of Net Assets. The original cost of equipment of \$458,396 and the related liability reported as Business Type activities capital leases are reported on the Government – wide Statement of Net Assets as well as in the respective funds.

The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 2008:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2009	\$766,560	\$56,302
2010	696,443	56,302
2011	447,119	56,302
2012	380,726	56,302
2013	242,432	56,302
2014 - 2017	<u>803,408</u>	<u>197,057</u>
Minimum Lease Payments	3,336,688	478,567
Less amount representing interest at the City's incremental borrowing rate of interest	<u>(432,467)</u>	<u>(80,487)</u>
Present value of minimum lease payments	<u><u>\$2,904,221</u></u>	<u><u>\$398,080</u></u>

**NOTE 14 - INSURANCE AND RISK MANAGEMENT**

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

The City of Newark is a participant in the Ohio Municipal League Joint Self-Insurance Pool (the "Pool"). The Pool was established in 1987 and is administered under contract by the Ohio Municipal League to provide a program of property and casualty insurance for its member organizations throughout the State of Ohio.

The Pool's general objectives are to formulate, develop and administer a program of insurance, to obtain lower costs for that coverage, and to develop a comprehensive loss control program on behalf of the member political subdivisions. Political subdivisions joining the Pool may withdraw at the end of any coverage period upon 60 days prior written notice to the Pool. Under agreement, members who terminate participation in the Pool, as well as current members, are subject to a supplemental assessment or a refund, at the discretion of the Board of Trustees, depending on the ultimate loss experience of all the entities it insures for each coverage year. To date there have been no assessments or refunds due to the limited period of time that the Pool has been in existence and the nature of the coverage that is afforded to



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2008***

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**NOTE 14 - INSURANCE AND RISK MANAGEMENT (Continued)**

the participants. Each participant makes an annual "contribution" to the Pool for the coverage they are provided based on rates established by the Pool using anticipated and actual results of operation for the various coverages provided. Participants are also charged a "surplus contribution" used to build the Pools net assets account to fund the activities of the Pool.

The City of Newark obtained insurance coverage from the Pool for losses relating to general liability, law enforcement liability, public officials liability, emergency medical services liability and garage keepers coverage.

In the ordinary course of business, the Pool cedes a portion of its exposure to other insurers. These arrangements limit the Pool's maximum net loss on individual risks.

Treaty basis casualty excess of loss contracts in force at December 31, 2008 generally protects the Pool against individual losses over \$200,000. Additionally, treaty basis property coverage protects the Pool against losses subject to a deductible of the lesser of \$100,000 per location or \$100,000 per occurrence. The Pool is, and the participants are, contingently liable should any reinsurer become unable to meet its obligations under the reinsurance agreements.

The City of Newark carried commercial insurance coverage for all other risks, including property, boiler and machinery, and crime and auto. There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

Workers' Compensation claims are covered through the City's participation in the State of Ohio's program. The City pays the State Workers' Compensation System a premium based upon a rate per \$100 of payroll. The rate is determined based on accident history and administrative costs. The City also pays unemployment claims to the State of Ohio as incurred.

**NOTE 15 - CONTINGENCIES**

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2008***

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**NOTE 16 - CONSTRUCTION COMMITMENTS**

The City had the following contractual commitments at December 31, 2008:

<u>Project</u>	<u>Remaining Contractual Commitment</u>	<u>Expected Date of Completion</u>
Country Club Drive Improvements	\$212,753	October 2010
Thornwood Drive Improvements	200,000	December 2010
State Route 16 Ramp Reconstruction	1,384,723	June 2009
Water Treatment Plant Electric Generator	919,000	July 2010
Combined Sewer Overflow Project	157,279	January 2009

*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*

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

***Nonmajor Governmental Funds***

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***Special Revenue Funds***

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

**Parks and Recreation Fund**

To account for the operation and maintenance of public parks and recreational facilities.

**Traffic Control Fund**

To account for revenues and expenditures related to traffic control services throughout the City.

**Compost Facility Fund**

To account for monies collected from composting fees.

**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 Grant Fund**

To account for expenses of various Local Law Enforcement Block Grant funds. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

**Police/Fire Pension Fund**

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

(Continued)

***Special Revenue Funds***

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**Cemetery Rental Fund**

To account for monies received and expenditures incurred for the rental properties located on Manning and Buena Vista Streets.

**State Highway Fund**

To account for the portion of the state gasoline tax designated for construction, maintenance and repair of streets and highway.

**Law Enforcement Fund**

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

**Ohio Incident Based Reporting System Fund**

To account for federal grant monies to be used for a statewide crime statistics reporting system. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

**Court Computerization Fund**

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

**Ice Arena Renovation Fund**

To account for note proceeds and donations used for renovation of the ice arena.

**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.

**Impound Fund**

To account for revenues from the fees charged for impounding of vehicles. Those vehicles where the owners choose not to recover the vehicle are then auctioned. The proceeds from such an auction are deposited and used to operate the impound lot.

**Federal Transit Administration (FTA) Fund**

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

(Continued)

***Special Revenue Funds***

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**Litter Grant Fund**

To account for funds from grants for environmental education training as well as annual clean-up along the Licking River.

**Federal Emergency Management Act (FEMA) Fund**

To account for federal monies awarded the City in response to storm damages.

**Mary E. Barnes Trust Fund**

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

**Brownfield Cleanup Fund**

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

**Judicial Fund**

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

***Debt Service Fund***

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The Debt Service Fund is 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

(Continued)

***Capital Projects Funds***

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

**City Hall Upgrade Fund**

To account for the costs related to the City Hall improvement project.

**Deo Drive Improvement Fund**

To account for the costs related to the Deo Drive improvement project.

**East Main Street Bridge Replacement Fund**

To account for the replacement costs related to the East Main Street Bridge project. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

**Court Capital Improvement Fund**

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

**Tax Increment Financing (TIF) Fund**

To account for the construction of the East Main Street Improvement Project by implementing the tax increment equivalent fund for the Longaberger Company.

***Permanent Fund***

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The Permanent Fund is used to account for the financial resources that are legally restricted in that only the earnings, not the principal, may be used to support the City's programs.

**Cemetery Endowment Fund**

To account for a portion of grave sales to provide perpetual care of individual plots within City cemeteries.

**CITY OF NEWARK, OHIO**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2008**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 1,825,181	\$ 154,983	\$ 728,743	\$ 9,380	\$ 2,718,287
Investments	629,834	0	0	0	629,834
Receivables:					
Taxes	440,048	0	0	0	440,048
Accounts	120,193	0	2,299	0	122,492
Intergovernmental	1,903,525	0	0	0	1,903,525
Interest	671	0	0	0	671
Special Assessments	0	11,650	0	0	11,650
Inventory of Supplies, at Cost	315,673	0	0	0	315,673
Restricted Assets:					
Cash and Cash Equivalents	15,948	0	0	285,332	301,280
Investments	0	0	0	323,800	323,800
<b>Total Assets</b>	<b>\$ 5,251,073</b>	<b>\$ 166,633</b>	<b>\$ 731,042</b>	<b>\$ 618,512</b>	<b>\$ 6,767,260</b>
<b>Liabilities:</b>					
Accounts Payable	\$ 283,477	\$ 0	\$ 13,337	\$ 0	\$ 296,814
Accrued Wages and Benefits Payable	96,768	0	0	0	96,768
Deferred Revenue	1,309,142	11,650	0	0	1,320,792
Accrued Interest Payable	1,786	0	0	0	1,786
General Obligation Notes Payable	224,000	0	0	0	224,000
<b>Total Liabilities</b>	<b>1,915,173</b>	<b>11,650</b>	<b>13,337</b>	<b>0</b>	<b>1,940,160</b>
<b>Fund Balance:</b>					
Reserved for Encumbrances	539,157	0	47,265	0	586,422
Reserved for Supplies Inventory	315,673	0	0	0	315,673
Reserved for Debt Service	0	154,983	0	0	154,983
Reserved for Endowments	0	0	0	618,512	618,512
Undesignated/Unreserved	2,481,070	0	670,440	0	3,151,510
<b>Total Fund Balance</b>	<b>3,335,900</b>	<b>154,983</b>	<b>717,705</b>	<b>618,512</b>	<b>4,827,100</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 5,251,073</b>	<b>\$ 166,633</b>	<b>\$ 731,042</b>	<b>\$ 618,512</b>	<b>\$ 6,767,260</b>



**CITY OF NEWARK, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2008**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 450,264	\$ 0	\$ 282,935	\$ 0	\$ 733,199
Intergovernmental Revenues	3,554,688	0	0	0	3,554,688
Charges for Services	570,045	0	0	9,380	579,425
Licenses, Permits and Fees	9,735	0	0	0	9,735
Investment Earnings	(678)	0	0	(2,337)	(3,015)
Special Assessments	0	7,198	0	0	7,198
Fines and Forfeitures	287,229	0	29,294	0	316,523
All Other Revenue	84,590	91	62,350	0	147,031
<b>Total Revenue</b>	<b>4,955,873</b>	<b>7,289</b>	<b>374,579</b>	<b>7,043</b>	<b>5,344,784</b>
<b>Expenditures:</b>					
Current:					
Security of Persons and Property	279,806	0	0	0	279,806
Public Health and Welfare Services	182,393	0	0	0	182,393
Leisure Time Activities	297,683	0	0	0	297,683
Community Environment	23,672	0	0	0	23,672
Transportation	4,161,938	0	0	0	4,161,938
General Government	206,424	0	0	0	206,424
Capital Outlay	0	0	105,824	0	105,824
Debt Service:					
Principal Retirement	0	400,000	130,000	0	530,000
Interest and Fiscal Charges	8,657	501,904	163,065	0	673,626
<b>Total Expenditures</b>	<b>5,160,573</b>	<b>901,904</b>	<b>398,889</b>	<b>0</b>	<b>6,461,366</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(204,700)	(894,615)	(24,310)	7,043	(1,116,582)
<b>Other Financing Sources (Uses):</b>					
Sale of Capital Assets	31,997	0	0	0	31,997
General Obligation Bonds Issued	0	0	1,180,000	0	1,180,000
Transfers In	1,063,384	1,131,488	88,873	0	2,283,745
Transfers Out	(761,628)	(88,016)	(395,113)	0	(1,244,757)
<b>Total Other Financing Sources (Uses)</b>	<b>333,753</b>	<b>1,043,472</b>	<b>873,760</b>	<b>0</b>	<b>2,250,985</b>
Net Change in Fund Balance	129,053	148,857	849,450	7,043	1,134,403
<b>Fund Balance (Deficit) at Beginning of Year</b>	<b>3,195,150</b>	<b>6,126</b>	<b>(131,745)</b>	<b>611,469</b>	<b>3,681,000</b>
Increase in Inventory Reserve	11,697	0	0	0	11,697
<b>Fund Balance End of Year</b>	<b>\$ 3,335,900</b>	<b>\$ 154,983</b>	<b>\$ 717,705</b>	<b>\$ 618,512</b>	<b>\$ 4,827,100</b>

**CITY OF NEWARK, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2008**

	Street Department	Cemetery	Parks and Recreation	Traffic Control	Compost Facility
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 17,023	\$ 354,540	\$ 509	\$ 0	\$ 9,163
Investments	440,652	0	0	0	0
Receivables:					
Taxes	0	0	0	0	0
Accounts	0	64,548	0	0	0
Intergovernmental	1,194,619	0	0	0	0
Interest	0	450	0	0	0
Inventory of Supplies, at Cost	164,269	0	0	151,404	0
Restricted Assets:					
Cash and Cash Equivalents	0	0	0	0	0
<b>Total Assets</b>	<b>\$ 1,816,563</b>	<b>\$ 419,538</b>	<b>\$ 509</b>	<b>\$ 151,404</b>	<b>\$ 9,163</b>
<b>Liabilities:</b>					
Accounts Payable	\$ 44,191	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	87,809	0	0	0	0
Deferred Revenue	589,106	64,493	0	0	0
Accrued Interest Payable	0	0	0	0	0
General Obligation Notes Payable	0	0	0	0	0
<b>Total Liabilities</b>	<b>721,106</b>	<b>64,493</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balance:</b>					
Reserved for Encumbrances	290,086	0	511	0	0
Reserved for Supplies Inventory	164,269	0	0	151,404	0
Undesignated/Unreserved	641,102	355,045	(2)	0	9,163
<b>Total Fund Balance</b>	<b>1,095,457</b>	<b>355,045</b>	<b>509</b>	<b>151,404</b>	<b>9,163</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,816,563</b>	<b>\$ 419,538</b>	<b>\$ 509</b>	<b>\$ 151,404</b>	<b>\$ 9,163</b>

**CITY OF NEWARK, OHIO**

Veterans Memorial Sidewalk	Police/Fire Pension	Cemetery Rental	State Highway	Law Enforcement	Court Computerization	Ice Arena Renovation
\$ 24,211	\$ 44,908	\$ 19,135	\$ 0	\$ 136,341	\$ 245,404	\$ 0
75,000	0	0	0	0	0	0
0	440,048	0	0	0	0	0
0	0	300	0	1,745	12,874	0
0	25,681	0	60,594	0	0	0
221	0	0	0	0	0	0
0	0	0	0	0	0	0
0	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>\$ 99,432</u>	<u>\$ 510,637</u>	<u>\$ 19,435</u>	<u>\$ 60,594</u>	<u>\$ 138,086</u>	<u>\$ 258,278</u>	<u>\$ 0</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,654	\$ 0
0	0	0	0	0	3,193	0
0	465,729	0	40,396	0	0	0
0	0	0	0	0	0	1,786
0	0	0	0	0	0	224,000
<u>0</u>	<u>465,729</u>	<u>0</u>	<u>40,396</u>	<u>0</u>	<u>10,847</u>	<u>225,786</u>
1,126	0	0	0	13,457	69,874	0
0	0	0	0	0	0	0
<u>98,306</u>	<u>44,908</u>	<u>19,435</u>	<u>20,198</u>	<u>124,629</u>	<u>177,557</u>	<u>(225,786)</u>
<u>99,432</u>	<u>44,908</u>	<u>19,435</u>	<u>20,198</u>	<u>138,086</u>	<u>247,431</u>	<u>(225,786)</u>
<u>\$ 99,432</u>	<u>\$ 510,637</u>	<u>\$ 19,435</u>	<u>\$ 60,594</u>	<u>\$ 138,086</u>	<u>\$ 258,278</u>	<u>\$ 0</u>

(Continued)

**CITY OF NEWARK, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2008**

	Permissive License Tax	Probation Grant	Impound	Federal Transit Administration	Litter Grant
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 267,706	\$ 41,153	\$ 86,912	\$ 126,559	\$ 12,936
Investments	0	0	0	0	0
Receivables:					
Taxes	0	0	0	0	0
Accounts	0	0	2,046	31,160	0
Intergovernmental	200,205	20,184	0	402,242	0
Interest	0	0	0	0	0
Inventory of Supplies, at Cost	0	0	0	0	0
Restricted Assets:					
Cash and Cash Equivalents	15,948	0	0	0	0
<b>Total Assets</b>	<b>\$ 483,859</b>	<b>\$ 61,337</b>	<b>\$ 88,958</b>	<b>\$ 559,961</b>	<b>\$ 12,936</b>
<b>Liabilities:</b>					
Accounts Payable	\$ 81,400	\$ 0	\$ 550	\$ 145,870	\$ 0
Accrued Wages and Benefits Payable	0	2,496	0	3,270	0
Deferred Revenue	149,418	0	0	0	0
Accrued Interest Payable	0	0	0	0	0
General Obligation Notes Payable	0	0	0	0	0
<b>Total Liabilities</b>	<b>230,818</b>	<b>2,496</b>	<b>550</b>	<b>149,140</b>	<b>0</b>
<b>Fund Balance:</b>					
Reserved for Encumbrances	77,551	0	9,434	58,604	8,433
Reserved for Supplies Inventory	0	0	0	0	0
Undesignated/Unreserved	175,490	58,841	78,974	352,217	4,503
<b>Total Fund Balance</b>	<b>253,041</b>	<b>58,841</b>	<b>88,408</b>	<b>410,821</b>	<b>12,936</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 483,859</b>	<b>\$ 61,337</b>	<b>\$ 88,958</b>	<b>\$ 559,961</b>	<b>\$ 12,936</b>

**CITY OF NEWARK, OHIO**

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<u>FEMA</u>	<u>Mary E. Barnes Trust</u>	<u>Brownfield Cleanup</u>	<u>Judicial</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 57,369	\$ 12,605	\$ 3,000	\$ 365,707	\$ 1,825,181
0	114,182	0	0	629,834
0	0	0	0	440,048
0	0	0	7,520	120,193
0	0	0	0	1,903,525
0	0	0	0	671
0	0	0	0	315,673
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,948</u>
<u>\$ 57,369</u>	<u>\$ 126,787</u>	<u>\$ 3,000</u>	<u>\$ 373,227</u>	<u>\$ 5,251,073</u>
\$ 0	\$ 0	\$ 3,000	\$ 812	\$ 283,477
0	0	0	0	96,768
0	0	0	0	1,309,142
0	0	0	0	1,786
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>224,000</u>
<u>0</u>	<u>0</u>	<u>3,000</u>	<u>812</u>	<u>1,915,173</u>
8,842	0	0	1,239	539,157
0	0	0	0	315,673
<u>48,527</u>	<u>126,787</u>	<u>0</u>	<u>371,176</u>	<u>2,481,070</u>
<u>57,369</u>	<u>126,787</u>	<u>0</u>	<u>372,415</u>	<u>3,335,900</u>
<u>\$ 57,369</u>	<u>\$ 126,787</u>	<u>\$ 3,000</u>	<u>\$ 373,227</u>	<u>\$ 5,251,073</u>

**CITY OF NEWARK, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2008**

	Street Department	Cemetery	Parks and Recreation	Traffic Control	Compost Facility
<b>Revenues:</b>					
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	1,860,268	0	0	0	0
Charges for Services	0	70,139	4,056	0	0
Licenses, Permits and Fees	0	0	9,735	0	0
Investment Earnings	0	26,596	0	0	0
Fines and Forfeitures	0	0	0	0	0
All Other Revenue	52,721	5,134	12,044	0	0
<b>Total Revenue</b>	<b>1,912,989</b>	<b>101,869</b>	<b>25,835</b>	<b>0</b>	<b>0</b>
<b>Expenditures:</b>					
Current:					
Security of Persons and Property	0	0	0	0	0
Public Health and Welfare Services	0	172,393	0	0	0
Leisure Time Activities	0	0	291,378	0	0
Community Environment	0	0	0	0	1,411
Transportation	2,328,210	0	0	0	0
General Government	0	0	0	0	0
Debt Service:					
Interest and Fiscal Charges	0	0	0	0	0
<b>Total Expenditures</b>	<b>2,328,210</b>	<b>172,393</b>	<b>291,378</b>	<b>0</b>	<b>1,411</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(415,221)	(70,524)	(265,543)	0	(1,411)
<b>Other Financing Sources (Uses):</b>					
Sale of Capital Assets	0	0	0	0	0
Transfers In	668,016	88,058	280,116	0	0
Transfers Out	0	(23,000)	(3,334)	(1,132)	0
<b>Total Other Financing Sources (Uses)</b>	<b>668,016</b>	<b>65,058</b>	<b>276,782</b>	<b>(1,132)</b>	<b>0</b>
Net Change in Fund Balance	252,795	(5,466)	11,239	(1,132)	(1,411)
<b>Fund Balance (Deficit) at Beginning of Year</b>	<b>827,956</b>	<b>360,511</b>	<b>(10,730)</b>	<b>155,545</b>	<b>10,574</b>
Increase (Decrease) in Inventory Reserve	14,706	0	0	(3,009)	0
<b>Fund Balance (Deficit) End of Year</b>	<b>\$ 1,095,457</b>	<b>\$ 355,045</b>	<b>\$ 509</b>	<b>\$ 151,404</b>	<b>\$ 9,163</b>

**CITY OF NEWARK, OHIO**

Veterans Memorial Sidewalk	Police Grant	Police/Fire Pension	Cemetery Rental	State Highway	Law Enforcement	Ohio Incident Based Reporting System
\$ 0	\$ 0	\$ 450,264	\$ 0	\$ 0	\$ 0	\$ 0
0	0	60,083	0	147,148	79,820	0
0	0	0	3,900	0	0	0
0	0	0	0	0	0	0
3,387	71	0	0	0	0	0
0	0	0	0	0	27,219	0
2,300	0	0	0	0	0	0
<u>5,687</u>	<u>71</u>	<u>510,347</u>	<u>3,900</u>	<u>147,148</u>	<u>107,039</u>	<u>0</u>
0	7,853	0	0	0	77,898	185
0	0	0	0	0	0	0
5,276	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	2,130	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>5,276</u>	<u>7,853</u>	<u>0</u>	<u>2,130</u>	<u>0</u>	<u>77,898</u>	<u>185</u>
411	(7,782)	510,347	1,770	147,148	29,141	(185)
0	0	0	0	0	0	0
0	0	0	0	0	15,072	0
<u>0</u>	<u>0</u>	<u>(500,773)</u>	<u>0</u>	<u>(151,492)</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>(500,773)</u>	<u>0</u>	<u>(151,492)</u>	<u>15,072</u>	<u>0</u>
411	(7,782)	9,574	1,770	(4,344)	44,213	(185)
99,021	7,782	35,334	17,665	24,542	93,873	185
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 99,432</u>	<u>\$ 0</u>	<u>\$ 44,908</u>	<u>\$ 19,435</u>	<u>\$ 20,198</u>	<u>\$ 138,086</u>	<u>\$ 0</u>

(Continued)

**CITY OF NEWARK, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2008**

	Court Computerization	Ice Arena Renovation	Permissive License Tax	Probation Grant	Impound
<b>Revenues:</b>					
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	274,565	80,436	0
Charges for Services	0	0	0	0	80,776
Licenses, Permits and Fees	0	0	0	0	0
Investment Earnings	0	0	0	0	0
Fines and Forfeitures	165,096	0	0	0	0
All Other Revenue	0	32	0	0	0
<b>Total Revenue</b>	<b>165,096</b>	<b>32</b>	<b>274,565</b>	<b>80,436</b>	<b>80,776</b>
<b>Expenditures:</b>					
Current:					
Security of Persons and Property	0	0	0	101,061	79,562
Public Health and Welfare Services	0	0	0	0	0
Leisure Time Activities	0	1,029	0	0	0
Community Environment	0	0	0	0	0
Transportation	0	0	305,384	0	0
General Government	168,701	0	0	0	0
Debt Service:					
Interest and Fiscal Charges	0	8,657	0	0	0
<b>Total Expenditures</b>	<b>168,701</b>	<b>9,686</b>	<b>305,384</b>	<b>101,061</b>	<b>79,562</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,605)	(9,654)	(30,819)	(20,625)	1,214
<b>Other Financing Sources (Uses):</b>					
Sale of Capital Assets	0	0	0	0	31,997
Transfers In	0	10,671	0	1,451	0
Transfers Out	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>10,671</b>	<b>0</b>	<b>1,451</b>	<b>31,997</b>
Net Change in Fund Balance	(3,605)	1,017	(30,819)	(19,174)	33,211
<b>Fund Balance (Deficit) at Beginning of Year</b>	<b>251,036</b>	<b>(226,803)</b>	<b>283,860</b>	<b>78,015</b>	<b>55,197</b>
Increase (Decrease) in Inventory Reserve	0	0	0	0	0
<b>Fund Balance (Deficit) End of Year</b>	<b>\$ 247,431</b>	<b>\$ (225,786)</b>	<b>\$ 253,041</b>	<b>\$ 58,841</b>	<b>\$ 88,408</b>



**CITY OF NEWARK, OHIO**

Federal Transit Administration	Litter Grant	FEMA	Mary E. Barnes Trust	Brownfield Cleanup	Judicial	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 450,264
1,003,841	0	48,527	0	0	0	3,554,688
411,174	0	0	0	0	0	570,045
0	0	0	0	0	0	9,735
0	0	0	(30,732)	0	0	(678)
0	0	0	0	0	94,914	287,229
9,490	2,869	0	0	0	0	84,590
<u>1,424,505</u>	<u>2,869</u>	<u>48,527</u>	<u>(30,732)</u>	<u>0</u>	<u>94,914</u>	<u>4,955,873</u>
0	0	0	13,247	0	0	279,806
0	0	0	0	10,000	0	182,393
0	0	0	0	0	0	297,683
0	22,261	0	0	0	0	23,672
1,528,344	0	0	0	0	0	4,161,938
0	0	14,928	0	0	20,665	206,424
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,657</u>
<u>1,528,344</u>	<u>22,261</u>	<u>14,928</u>	<u>13,247</u>	<u>10,000</u>	<u>20,665</u>	<u>5,160,573</u>
(103,839)	(19,392)	33,599	(43,979)	(10,000)	74,249	(204,700)
0	0	0	0	0	0	31,997
0	0	0	0	0	0	1,063,384
<u>0</u>	<u>0</u>	<u>(81,897)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(761,628)</u>
<u>0</u>	<u>0</u>	<u>(81,897)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>333,753</u>
(103,839)	(19,392)	(48,298)	(43,979)	(10,000)	74,249	129,053
514,660	32,328	105,667	170,766	10,000	298,166	3,195,150
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,697</u>
<u>\$ 410,821</u>	<u>\$ 12,936</u>	<u>\$ 57,369</u>	<u>\$ 126,787</u>	<u>\$ 0</u>	<u>\$ 372,415</u>	<u>\$ 3,335,900</u>

**CITY OF NEWARK, OHIO**

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**Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2008**

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	<u>City Hall Upgrade</u>	<u>Deo Drive Improvement</u>	<u>Court Capital Improvement</u>	<u>Tax Increment Financing</u>
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 3,800	\$ 260,758	\$ 319,486	\$ 144,699
Receivables:				
Accounts	<u>0</u>	<u>0</u>	<u>2,299</u>	<u>0</u>
<b>Total Assets</b>	<u><u>\$ 3,800</u></u>	<u><u>\$ 260,758</u></u>	<u><u>\$ 321,785</u></u>	<u><u>\$ 144,699</u></u>
<b>Liabilities:</b>				
Accounts Payable	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 13,337</u>	<u>\$ 0</u>
<b>Total Liabilities</b>	<u>0</u>	<u>0</u>	<u>13,337</u>	<u>0</u>
<b>Fund Balance:</b>				
Reserved for Encumbrances	0	23,820	23,445	0
Undesignated/Unreserved	<u>3,800</u>	<u>236,938</u>	<u>285,003</u>	<u>144,699</u>
<b>Total Fund Balance</b>	<u>3,800</u>	<u>260,758</u>	<u>308,448</u>	<u>144,699</u>
<b>Total Liabilities and Fund Balance</b>	<u><u>\$ 3,800</u></u>	<u><u>\$ 260,758</u></u>	<u><u>\$ 321,785</u></u>	<u><u>\$ 144,699</u></u>

**CITY OF NEWARK, OHIO**

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Total Nonmajor  
Capital Projects  
Funds

\$ 728,743

2,299

\$ 731,042

\$ 13,337

13,337

47,265

670,440

717,705

\$ 731,042

**CITY OF NEWARK, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2008**

	City Hall Upgrade	Deo Drive Improvement	East Main Street Bridge Replacement	Court Capital Improvement
<b>Revenues:</b>				
Taxes	\$ 0	\$ 111,174	\$ 0	\$ 0
Fines and Forfeitures	0	0	0	29,294
All Other Revenue	0	4,839	0	0
<b>Total Revenue</b>	<b>0</b>	<b>116,013</b>	<b>0</b>	<b>29,294</b>
<b>Expenditures:</b>				
Capital Outlay	0	44,470	0	18,414
Debt Service:				
Principal Retirement	0	50,000	0	0
Interest and Fiscal Charges	0	56,734	0	0
<b>Total Expenditures</b>	<b>0</b>	<b>151,204</b>	<b>0</b>	<b>18,414</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(35,191)	0	10,880
<b>Other Financing Sources (Uses):</b>				
General Obligation Bonds Issued	0	1,180,000	0	0
Transfers In	0	41,919	0	0
Transfers Out	0	0	(395,113)	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>1,221,919</b>	<b>(395,113)</b>	<b>0</b>
Net Change in Fund Balance	0	1,186,728	(395,113)	10,880
<b>Fund Balance (Deficit) at Beginning of Year</b>	<b>3,800</b>	<b>(925,970)</b>	<b>395,113</b>	<b>297,568</b>
<b>Fund Balance End of Year</b>	<b>\$ 3,800</b>	<b>\$ 260,758</b>	<b>\$ 0</b>	<b>\$ 308,448</b>

**CITY OF NEWARK, OHIO**

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<u>Tax Increment Financing</u>	<u>Total Nonmajor Capital Project Funds</u>
\$ 171,761	\$ 282,935
0	29,294
<u>57,511</u>	<u>62,350</u>
<u>229,272</u>	<u>374,579</u>
42,940	105,824
80,000	130,000
<u>106,331</u>	<u>163,065</u>
<u>229,271</u>	<u>398,889</u>
1	(24,310)
0	1,180,000
46,954	88,873
<u>0</u>	<u>(395,113)</u>
<u>46,954</u>	<u>873,760</u>
46,955	849,450
<u>97,744</u>	<u>(131,745)</u>
<u>\$ 144,699</u>	<u>\$ 717,705</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, 2008**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 2,779,258	\$ 2,795,726	\$ 2,622,909	\$ (172,817)
Intergovernmental Revenues	4,343,668	4,393,468	3,971,240	(422,228)
Charges for Services	1,476,419	2,147,565	1,723,238	(424,327)
Licenses, Permits and Fees	1,530,128	1,530,833	660,268	(870,565)
Investment Earnings	625,850	628,813	636,127	7,314
Fines and Forfeitures	1,527,000	1,527,000	1,746,404	219,404
All Other Revenue	117,115	130,397	148,335	17,938
Total Revenues	12,399,438	13,153,802	11,508,521	(1,645,281)
<b>Expenditures:</b>				
Security of Persons and Property:				
Police:				
Personal Services	8,363,539	8,479,845	8,461,670	18,175
Materials and Supplies	267,821	282,979	269,477	13,502
Contractual Services	517,711	493,269	453,082	40,187
Other Expenditures	33,751	33,365	27,185	6,180
Capital Outlay	9,285	9,285	8,613	672
Total Police	9,192,107	9,298,743	9,220,027	78,716
Fire:				
Personal Services	8,451,593	8,525,790	8,443,444	82,346
Materials and Supplies	389,222	408,354	348,785	59,569
Contractual Services	957,521	869,852	739,722	130,130
Other Expenditures	7,382	7,382	0	7,382
Capital Outlay	14,714	14,498	11,278	3,220
Total Fire	9,820,432	9,825,876	9,543,229	282,647
Total Security of Persons and Property	19,012,539	19,124,619	18,763,256	361,363
Public Health and Welfare Services:				
Health Department:				
Personal Services	26,455	188,442	122,504	65,938
Materials and Supplies	1,428	4,031	599	3,432
Contractual Services	6,721	25,390	5,075	20,315
Other Expenditures	19,902	50,751	16,125	34,626
Capital Outlay	167	1,000	0	1,000
Total Health Department	54,673	269,614	144,303	125,311

(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, 2008***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Sanitation:</b>				
Personal Services	18,821	199,957	157,049	42,908
Materials and Supplies	1,480	7,874	1,055	6,819
Contractual Services	4,498	15,814	198	15,616
Other Expenditures	2,059	7,434	542	6,892
Total Sanitation	26,858	231,079	158,844	72,235
<b>Nursing:</b>				
Personal Services	34,612	110,824	69,528	41,296
Materials and Supplies	15,089	51,538	24,851	26,687
Contractual Services	2,513	9,047	526	8,521
Other Expenditures	251	1,444	12	1,432
Total Nursing	52,465	172,853	94,917	77,936
<b>Plumbing:</b>				
Personal Services	5,865	45,313	7,539	37,774
Materials and Supplies	33	200	0	200
Contractual Services	150	900	0	900
Other Expenditures	8	50	0	50
Capital Outlay	250	250	0	250
Total Plumbing	6,306	46,713	7,539	39,174
<b>Dental Sealant:</b>				
Personal Services	4,197	23,785	8,810	14,975
Materials and Supplies	935	2,868	957	1,911
Contractual Services	1,721	4,919	688	4,231
Total Dental Sealant	6,853	31,572	10,455	21,117
<b>Pool and Spa:</b>				
Contractual Services	50	300	0	300
Other Expenditures	157	740	0	740
Total Pool and Spa	207	1,040	0	1,040

(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, 2008***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Solid Waste:				
Personal Services	5,932	35,288	11,463	23,825
Materials and Supplies	1,473	2,739	937	1,802
Contractual Services	2,499	3,085	0	3,085
Other Expenditures	209	2,636	2,636	0
Capital Outlay	116	116	0	116
Total Solid Waste	10,229	43,864	15,036	28,828
AIDS Grant:				
Personal Services	5,911	35,017	12,014	23,003
Materials and Supplies	13	310	0	310
Total AIDS Grant	5,924	35,327	12,014	23,313
Immunization Plan:				
Personal Services	4,162	15,893	698	15,195
Contractual Services	4,195	9,716	2,294	7,422
Other Expenditures	25	5,260	0	5,260
Capital Outlay	1,400	1,400	1,291	109
Total Immunization Plan	9,782	32,269	4,283	27,986
Head Lice Grant:				
Personal Services	3,706	22,011	7,370	14,641
Materials and Supplies	947	2,817	404	2,413
Contractual Services	992	2,791	677	2,114
Total Head Lice Grant	5,645	27,619	8,451	19,168
Help Me Grow Grant:				
Personal Services	31,138	188,532	58,659	129,873
Materials and Supplies	104	313	0	313
Contractual Services	4,365	12,072	1,963	10,109
Total Help Me Grow Grant	35,607	200,917	60,622	140,295

(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, 2008***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Public Health Infrastructure Grant:</b>				
Personal Services	11,260	65,516	20,931	44,585
Materials and Supplies	1,929	4,408	0	4,408
Contractual Services	2,030	7,582	274	7,308
Capital Outlay	83	4,139	0	4,139
Total Public Health Infrastructure Grant	<u>15,302</u>	<u>81,645</u>	<u>21,205</u>	<u>60,440</u>
Total Public Health and Welfare Services	<u>229,851</u>	<u>1,174,512</u>	<u>537,669</u>	<u>636,843</u>
<b>Community Environment:</b>				
<b>Code Administration:</b>				
Personal Services	1,507,301	1,532,583	1,350,268	182,315
Materials and Supplies	41,501	44,201	42,038	2,163
Contractual Services	137,378	135,152	73,529	61,623
Other Expenditures	38,117	37,817	18,208	19,609
Capital Outlay	21,674	17,769	12,466	5,303
Total Code Administration	<u>1,745,971</u>	<u>1,767,522</u>	<u>1,496,509</u>	<u>271,013</u>
Total Community Environment	<u>1,745,971</u>	<u>1,767,522</u>	<u>1,496,509</u>	<u>271,013</u>
<b>General Government:</b>				
<b>City Council:</b>				
Personal Services	118,500	118,500	113,155	5,345
Contractual Services	1,750	2,725	2,725	0
Other Expenditures	0	550	550	0
Total City Council	<u>120,250</u>	<u>121,775</u>	<u>116,430</u>	<u>5,345</u>
<b>Clerk of Council:</b>				
Personal Services	58,373	58,458	58,445	13
Materials and Supplies	1,331	1,656	1,389	267
Contractual Services	36,765	39,265	21,865	17,400
Total Clerk of Council	<u>96,469</u>	<u>99,379</u>	<u>81,699</u>	<u>17,680</u>

(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, 2008***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Mayor:				
Personal Services	155,933	156,472	156,427	45
Materials and Supplies	625	975	918	57
Contractual Services	905	786,636	786,401	235
Other Expenditures	108	108	0	108
Total Mayor	<u>157,571</u>	<u>944,191</u>	<u>943,746</u>	<u>445</u>
Auditor:				
Personal Services	426,416	427,016	407,117	19,899
Materials and Supplies	6,133	7,633	6,887	746
Contractual Services	<u>159,444</u>	<u>157,344</u>	<u>102,407</u>	<u>54,937</u>
Total Auditor	<u>591,993</u>	<u>591,993</u>	<u>516,411</u>	<u>75,582</u>
Treasurer:				
Personal Services	116,186	115,883	105,061	10,822
Materials and Supplies	1,017	3,220	3,219	1
Contractual Services	<u>14,001</u>	<u>12,101</u>	<u>12,028</u>	<u>73</u>
Total Treasurer	<u>131,204</u>	<u>131,204</u>	<u>120,308</u>	<u>10,896</u>
Law Director:				
Personal Services	763,589	763,588	752,535	11,053
Materials and Supplies	6,733	5,733	3,403	2,330
Contractual Services	38,767	54,767	33,693	21,074
Other Expenditures	0	2,000	2,000	0
Capital Outlay	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>0</u>
Total Law Director	<u>816,089</u>	<u>833,088</u>	<u>798,631</u>	<u>34,457</u>
Clerk of Courts:				
Personal Services	1,061,669	1,059,669	1,026,522	33,147
Materials and Supplies	23,883	25,833	21,302	4,531
Contractual Services	93,532	93,532	82,444	11,088
Other Expenditures	<u>0</u>	<u>50</u>	<u>50</u>	<u>0</u>
Total Clerk of Courts	<u>1,179,084</u>	<u>1,179,084</u>	<u>1,130,318</u>	<u>48,766</u>

(Continued)

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2008***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Civil Service:				
Contractual Services	<u>69,601</u>	<u>69,601</u>	<u>45,004</u>	<u>24,597</u>
Total Civil Service	<u>69,601</u>	<u>69,601</u>	<u>45,004</u>	<u>24,597</u>
Contingency-Reserve:				
Claims and Judgments	<u>100,000</u>	<u>8,867</u>	<u>0</u>	<u>8,867</u>
Total Contingency-Reserve	<u>100,000</u>	<u>8,867</u>	<u>0</u>	<u>8,867</u>
Judiciary:				
Personal Services	694,261	694,631	674,164	20,467
Materials and Supplies	14,041	14,197	13,984	213
Contractual Services	<u>60,792</u>	<u>60,266</u>	<u>58,469</u>	<u>1,797</u>
Total Judiciary	<u>769,094</u>	<u>769,094</u>	<u>746,617</u>	<u>22,477</u>
Personnel:				
Personal Services	228,563	228,563	202,631	25,932
Materials and Supplies	4,198	5,821	4,473	1,348
Contractual Services	61,263	122,375	89,248	33,127
Capital Outlay	<u>2,000</u>	<u>1,300</u>	<u>1,280</u>	<u>20</u>
Total Personnel	<u>296,024</u>	<u>358,059</u>	<u>297,632</u>	<u>60,427</u>
Adult Probation:				
Personal Services	651,923	651,790	609,677	42,113
Materials and Supplies	22,645	22,670	20,221	2,449
Contractual Services	33,233	47,839	30,403	17,436
Capital Outlay	<u>5,003</u>	<u>5,503</u>	<u>5,500</u>	<u>3</u>
Total Adult Probation	<u>712,804</u>	<u>727,802</u>	<u>665,801</u>	<u>62,001</u>

(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, 2008***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Service Department:</b>				
Personal Services	232,682	454,073	420,303	33,770
Materials and Supplies	6,292	60,082	40,925	19,157
Contractual Services	1,473,096	1,659,031	1,337,692	321,339
Other Expenditures	0	2,081	1,623	458
Capital Outlay	152,850	152,850	126,331	26,519
Total Service Department	1,864,920	2,328,117	1,926,874	401,243
<b>Engineer Department:</b>				
Personal Services	470,601	460,518	436,231	24,287
Materials and Supplies	7,457	8,632	7,469	1,163
Contractual Services	44,667	43,566	41,541	2,025
Total Engineer Department	522,725	512,716	485,241	27,475
<b>Information Services:</b>				
Personal Services	175,899	175,899	153,783	22,116
Materials and Supplies	5,606	5,606	2,593	3,013
Contractual Services	44,822	42,522	39,566	2,956
Capital Outlay	9,606	11,906	9,701	2,205
Total Information Services	235,933	235,933	205,643	30,290
<b>Custodial:</b>				
Personal Services	162,778	168,398	157,890	10,508
Materials and Supplies	13,627	16,417	9,057	7,360
Contractual Services	113,827	107,505	104,719	2,786
Total Custodial	290,232	292,320	271,666	20,654
<b>Economic Development:</b>				
Personal Services	43,911	68,532	68,514	18
Materials and Supplies	585	757	757	0
Contractual Services	3,496	3,809	3,663	146
Other Expenditures	25	10	0	10
Total Economic Development	48,017	73,108	72,934	174

(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, 2008***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Safety Director:				
Personal Services	315,723	318,723	304,226	14,497
Materials and Supplies	2,615	6,390	4,675	1,715
Contractual Services	169,569	243,943	138,786	105,157
Other Expenditures	10,120	10,120	5,000	5,120
Capital Outlay	0	74,268	74,268	0
Total Safety Director	<u>498,027</u>	<u>653,444</u>	<u>526,955</u>	<u>126,489</u>
Total General Government	<u>8,500,037</u>	<u>9,929,775</u>	<u>8,951,910</u>	<u>977,865</u>
Total Expenditures	<u>29,488,398</u>	<u>31,996,428</u>	<u>29,749,344</u>	<u>2,247,084</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,088,960)	(18,842,626)	(18,240,823)	601,803
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	55,000	55,000	11,324	(43,676)
Transfers In	39,119,001	39,530,392	38,717,276	(813,116)
Transfers Out	<u>(22,313,413)</u>	<u>(22,168,026)</u>	<u>(21,535,336)</u>	<u>632,690</u>
Total Other Financing Sources (Uses)	<u>16,860,588</u>	<u>17,417,366</u>	<u>17,193,264</u>	<u>(224,102)</u>
Net Change in Fund Balance	(228,372)	(1,425,260)	(1,047,559)	377,701
Fund Balance at Beginning of Year	3,243,132	3,243,132	3,243,132	0
Prior Year Encumbrances	683,503	683,503	683,503	0
Fund Balance at End of Year	<u>\$ 3,698,263</u>	<u>\$ 2,501,375</u>	<u>\$ 2,879,076</u>	<u>\$ 377,701</u>

**CITY OF NEWARK, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Special Revenue Funds  
For the Year Ended December 31, 2008**

<b>INCOME TAX FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Taxes	\$ 20,481,400	\$ 20,716,843	\$ 20,716,843	\$ 0
Charges for Services	0	5,029	5,029	0
Investment Earnings	0	188	188	0
All Other Revenue	0	4,291	4,291	0
Total Revenues	<u>20,481,400</u>	<u>20,726,351</u>	<u>20,726,351</u>	<u>0</u>
<b>Expenditures:</b>				
General Government:				
Personal Services	751,429	619,004	619,004	0
Materials and Supplies	58,477	46,089	45,552	537
Contractual Services	146,187	79,741	78,281	1,460
Other Expenditures	375,000	371,946	371,946	0
Capital Outlay	99,542	70,456	70,456	0
Total Expenditures	<u>1,430,635</u>	<u>1,187,236</u>	<u>1,185,239</u>	<u>1,997</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,050,765	19,539,115	19,541,112	1,997
<b>Other Financing Sources (Uses):</b>				
Transfers Out	<u>(19,037,300)</u>	<u>(20,013,383)</u>	<u>(20,013,383)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(19,037,300)</u>	<u>(20,013,383)</u>	<u>(20,013,383)</u>	<u>0</u>
Net Change in Fund Balance	13,465	(474,268)	(472,271)	1,997
Fund Balance at Beginning of Year	411,320	411,320	411,320	0
Prior Year Encumbrances	<u>63,431</u>	<u>63,431</u>	<u>63,431</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 488,216</u>	<u>\$ 483</u>	<u>\$ 2,480</u>	<u>\$ 1,997</u>

**CITY OF NEWARK, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Special Revenue Funds  
For the Year Ended December 31, 2008**

	<b>COMMUNITY DEVELOPMENT FUND</b>			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 2,184,968	\$ 2,250,555	\$ 792,062	\$ (1,458,493)
Investment Earnings	21,000	21,000	7,260	(13,740)
All Other Revenue	202,100	202,100	76,186	(125,914)
Total Revenues	<u>2,408,068</u>	<u>2,473,655</u>	<u>875,508</u>	<u>(1,598,147)</u>
<b>Expenditures:</b>				
Community Environment:				
Personal Services	312,787	561,196	464,724	96,472
Materials and Supplies	9,472	68,207	61,545	6,662
Contractual Services	1,326,592	2,164,817	1,190,870	973,947
Other Expenditures	46,400	47,460	35,402	12,058
Capital Outlay	0	15,115	15,115	0
Total Expenditures	<u>1,695,251</u>	<u>2,856,795</u>	<u>1,767,656</u>	<u>1,089,139</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	712,817	(383,140)	(892,148)	(509,008)
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(500)	(500)	0	500
Total Other Financing Sources (Uses)	<u>(500)</u>	<u>(500)</u>	<u>0</u>	<u>500</u>
Net Change in Fund Balance	712,317	(383,640)	(892,148)	(508,508)
Fund Balance at Beginning of Year	300,405	300,405	300,405	0
Prior Year Encumbrances	331,256	331,256	331,256	0
Fund Balance at End of Year	<u>\$ 1,343,978</u>	<u>\$ 248,021</u>	<u>\$ (260,487)</u>	<u>\$ (508,508)</u>

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Capital Project Funds  
For the Year Ended December 31, 2008***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>CAPITAL IMPROVEMENT FUND</b>			
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 0	\$ 10,000	\$ 10,000
Investment Earnings	0	16,696	16,696
All Other Revenue	1,551	32,153	30,602
Total Revenues	1,551	58,849	57,298
<b>Expenditures:</b>			
Capital Outlay	3,475,170	3,367,886	107,284
Debt Service:			
Principal Retirement	550,000	550,000	0
Interest and Fiscal Charges	23,615	21,615	2,000
Total Expenditures	4,048,785	3,939,501	109,284
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,047,234)	(3,880,652)	166,582
<b>Other Financing Sources (Uses):</b>			
Other Financing Sources - Capital Lease	51,960	51,960	0
General Obligation Notes Issued	550,000	550,000	0
Transfers In	2,649,968	2,655,197	5,229
Transfers Out	(226,737)	(75,618)	151,119
Total Other Financing Sources (Uses)	3,025,191	3,181,539	156,348
Net Change in Fund Balance	(1,022,043)	(699,113)	322,930
Fund Balance at Beginning of Year	729,993	729,993	0
Prior Year Encumbrances	730,406	730,406	0
Fund Balance at End of Year	\$ 438,356	\$ 761,286	\$ 322,930



**CITY OF NEWARK, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2008**

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>STREET DEPARTMENT FUND</b>			
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 1,975,000	\$ 1,868,403	\$ (106,597)
All Other Revenue	9,500	52,721	43,221
Total Revenues	<u>1,984,500</u>	<u>1,921,124</u>	<u>(63,376)</u>
<b>Expenditures:</b>			
Transportation:			
Personal Services	1,888,599	1,775,036	113,563
Materials and Supplies	709,514	658,138	51,376
Contractual Services	564,397	504,625	59,772
Other Expenditures	145	145	0
Capital Outlay	5,360	5,001	359
Total Expenditures	<u>3,168,015</u>	<u>2,942,945</u>	<u>225,070</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,183,515)	(1,021,821)	161,694
<b>Other Financing Sources (Uses):</b>			
Transfers In	815,000	668,016	(146,984)
Total Other Financing Sources (Uses)	<u>815,000</u>	<u>668,016</u>	<u>(146,984)</u>
Net Change in Fund Balance	(368,515)	(353,805)	14,710
Fund Balance at Beginning of Year	398,781	398,781	0
Prior Year Encumbrances	78,424	78,424	0
Fund Balance at End of Year	<u>\$ 108,690</u>	<u>\$ 123,400</u>	<u>\$ 14,710</u>

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2008***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>CEMETERY FUND</b>			
<b>Revenues:</b>			
Charges for Services	\$ 70,958	\$ 70,084	\$ (874)
Investment Earnings	33,137	27,567	(5,570)
All Other Revenue	6,938	5,134	(1,804)
Total Revenues	<u>111,033</u>	<u>102,785</u>	<u>(8,248)</u>
<b>Expenditures:</b>			
Public Health and Welfare Services:			
Personal Services	138,548	135,628	2,920
Materials and Supplies	16,584	15,647	937
Contractual Services	40,206	32,734	7,472
Other Expenditures	224	224	0
Total Expenditures	<u>195,562</u>	<u>184,233</u>	<u>11,329</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(84,529)	(81,448)	3,081
<b>Other Financing Sources (Uses):</b>			
Transfers In	93,668	88,058	(5,610)
Transfers Out	<u>(23,000)</u>	<u>(23,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>70,668</u>	<u>65,058</u>	<u>(5,610)</u>
Net Change in Fund Balance	(13,861)	(16,390)	(2,529)
Fund Balance at Beginning of Year	358,969	358,969	0
Prior Year Encumbrances	11,961	11,961	0
Fund Balance at End of Year	<u>\$ 357,069</u>	<u>\$ 354,540</u>	<u>\$ (2,529)</u>

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2008***

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**PARKS AND RECREATION FUND**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Charges for Services	\$ 4,106	\$ 4,116	\$ 10
Licenses, Permits and Fees	9,795	9,795	0
All Other Revenue	10,150	12,044	1,894
Total Revenues	<u>24,051</u>	<u>25,955</u>	<u>1,904</u>
<b>Expenditures:</b>			
Leisure Time Activities:			
Personal Services	238,066	235,123	2,943
Materials and Supplies	44,840	41,237	3,603
Contractual Services	37,612	34,982	2,630
Other Expenditures	15	15	0
Total Expenditures	<u>320,533</u>	<u>311,357</u>	<u>9,176</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(296,482)	(285,402)	11,080
<b>Other Financing Sources (Uses):</b>			
Transfers In	291,196	280,116	(11,080)
Transfers Out	(3,334)	(3,334)	0
Total Other Financing Sources (Uses)	<u>287,862</u>	<u>276,782</u>	<u>(11,080)</u>
Net Change in Fund Balance	(8,620)	(8,620)	0
Fund Balance at Beginning of Year	(2)	(2)	0
Prior Year Encumbrances	8,622	8,622	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2008***

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Expenditures:</b>			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
<b>Other Financing Sources (Uses):</b>			
Transfers Out	<u>(1,132)</u>	<u>(1,132)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(1,132)</u>	<u>(1,132)</u>	<u>0</u>
Net Change in Fund Balance	(1,132)	(1,132)	0
Fund Balance at Beginning of Year	<u>1,132</u>	<u>1,132</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2008***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Charges for Services	\$ 1,121	\$ 0	\$ (1,121)
Total Revenues	<u>1,121</u>	<u>0</u>	<u>(1,121)</u>
<b>Expenditures:</b>			
Community Environment:			
Contractual Services	11,305	1,021	10,284
Other Expenditures	<u>931</u>	<u>931</u>	<u>0</u>
Total Expenditures	<u>12,236</u>	<u>1,952</u>	<u>10,284</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,115)	(1,952)	9,163
Fund Balance at Beginning of Year	9,878	9,878	0
Prior Year Encumbrances	<u>1,237</u>	<u>1,237</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 9,163</u>	<u>\$ 9,163</u>

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2008***

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Investment Earnings	\$ 3,200	\$ 3,204	\$ 4
All Other Revenue	<u>1,800</u>	<u>2,300</u>	<u>500</u>
Total Revenues	<u>5,000</u>	<u>5,504</u>	<u>504</u>
<b>Expenditures:</b>			
Leisure Time Activities:			
Contractual Services	<u>10,863</u>	<u>6,402</u>	<u>4,461</u>
Total Expenditures	<u>10,863</u>	<u>6,402</u>	<u>4,461</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,863)	(898)	4,965
Fund Balance at Beginning of Year	98,170	98,170	0
Prior Year Encumbrances	<u>813</u>	<u>813</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 93,120</u>	<u>\$ 98,085</u>	<u>\$ 4,965</u>

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2008***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Investment Earnings	\$ 97	\$ 97	\$ 0
Total Revenues	<u>97</u>	<u>97</u>	<u>0</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
Materials and Supplies	7,807	7,807	0
Contractual Services	<u>46</u>	<u>46</u>	<u>0</u>
Total Expenditures	<u>7,853</u>	<u>7,853</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,756)	(7,756)	0
Fund Balance at Beginning of Year	87	87	0
Prior Year Encumbrances	<u>7,669</u>	<u>7,669</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2008***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Taxes	\$ 510,107	\$ 450,264	\$ (59,843)
Intergovernmental Revenues	<u>0</u>	<u>60,083</u>	<u>60,083</u>
Total Revenues	<u>510,107</u>	<u>510,347</u>	<u>240</u>
<b>Expenditures:</b>			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	510,107	510,347	240
<b>Other Financing Sources (Uses):</b>			
Transfers Out	<u>(500,773)</u>	<u>(500,773)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(500,773)</u>	<u>(500,773)</u>	<u>0</u>
Net Change in Fund Balance	9,334	9,574	240
Fund Balance at Beginning of Year	<u>35,334</u>	<u>35,334</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 44,668</u>	<u>\$ 44,908</u>	<u>\$ 240</u>



**CITY OF NEWARK, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2008**

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Charges for Services	\$ 3,600	\$ 3,600	\$ 0
Total Revenues	<u>3,600</u>	<u>3,600</u>	<u>0</u>
<b>Expenditures:</b>			
General Government:			
Contractual Services	<u>4,200</u>	<u>2,130</u>	<u>2,070</u>
Total Expenditures	<u>4,200</u>	<u>2,130</u>	<u>2,070</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(600)	1,470	2,070
<b>Other Financing Sources (Uses):</b>			
Transfers Out	<u>(3,000)</u>	<u>0</u>	<u>3,000</u>
Total Other Financing Sources (Uses)	<u>(3,000)</u>	<u>0</u>	<u>3,000</u>
Net Change in Fund Balance	(3,600)	1,470	5,070
Fund Balance at Beginning of Year	<u>17,665</u>	<u>17,665</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 14,065</u>	<u>\$ 19,135</u>	<u>\$ 5,070</u>

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2008***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	<u>\$ 155,000</u>	<u>\$ 151,492</u>	<u>\$ (3,508)</u>
Total Revenues	<u>155,000</u>	<u>151,492</u>	<u>(3,508)</u>
<b>Expenditures:</b>			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	155,000	151,492	(3,508)
<b>Other Financing Sources (Uses):</b>			
Transfers Out	<u>(155,000)</u>	<u>(151,492)</u>	<u>3,508</u>
Total Other Financing Sources (Uses)	<u>(155,000)</u>	<u>(151,492)</u>	<u>3,508</u>
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**CITY OF NEWARK, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2008**

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>LAW ENFORCEMENT FUND</b>			
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 80,920	\$ 79,845	\$ (1,075)
Fines and Forfeitures	19,550	27,040	7,490
Total Revenues	100,470	106,885	6,415
<b>Expenditures:</b>			
Security of Persons and Property:			
Personal Services	7,920	7,920	0
Contractual Services	88,922	25,876	63,046
Capital Outlay	57,559	57,559	0
Total Expenditures	154,401	91,355	63,046
Excess (Deficiency) of Revenues Over (Under) Expenditures	(53,931)	15,530	69,461
<b>Other Financing Sources (Uses):</b>			
Transfers In	15,072	15,072	0
Total Other Financing Sources (Uses)	15,072	15,072	0
Net Change in Fund Balance	(38,859)	30,602	69,461
Fund Balance at Beginning of Year	73,239	73,239	0
Prior Year Encumbrances	19,043	19,043	0
Fund Balance at End of Year	\$ 53,423	\$ 122,884	\$ 69,461

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2008***

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
Materials and Supplies	<u>185</u>	<u>185</u>	<u>0</u>
Total Expenditures	<u>185</u>	<u>185</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(185)	(185)	0
Fund Balance at Beginning of Year	<u>185</u>	<u>185</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2008***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Fines and Forfeitures	\$ 143,000	\$ 162,911	\$ 19,911
Total Revenues	<u>143,000</u>	<u>162,911</u>	<u>19,911</u>
<b>Expenditures:</b>			
General Government:			
Personal Services	42,147	37,345	4,802
Materials and Supplies	14,216	11,977	2,239
Contractual Services	116,004	64,210	51,794
Capital Outlay	<u>128,486</u>	<u>125,895</u>	<u>2,591</u>
Total Expenditures	<u>300,853</u>	<u>239,427</u>	<u>61,426</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(157,853)	(76,516)	81,337
Fund Balance at Beginning of Year	226,144	226,144	0
Prior Year Encumbrances	<u>18,248</u>	<u>18,248</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 86,539</u>	<u>\$ 167,876</u>	<u>\$ 81,337</u>

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2008***

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
All Other Revenue	\$ 0	\$ 32	\$ 32
Total Revenues	<u>0</u>	<u>32</u>	<u>32</u>
<b>Expenditures:</b>			
Leisure Time Activities:			
Contractual Services	1,900	1,900	0
Debt Service:			
Principal Retirement	224,000	224,000	0
Interest and Fiscal Charges	<u>8,803</u>	<u>8,803</u>	<u>0</u>
Total Expenditures	<u>234,703</u>	<u>234,703</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(234,703)	(234,671)	32
<b>Other Financing Sources (Uses):</b>			
General Obligation Notes Issued	224,000	224,000	0
Transfers In	<u>10,703</u>	<u>10,671</u>	<u>(32)</u>
Total Other Financing Sources (Uses)	<u>234,703</u>	<u>234,671</u>	<u>(32)</u>
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2008***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 400,000	\$ 207,830	\$ (192,170)
Total Revenues	<u>400,000</u>	<u>207,830</u>	<u>(192,170)</u>
<b>Expenditures:</b>			
Transportation:			
Contractual Services	66,462	66,462	0
Capital Outlay	<u>316,473</u>	<u>316,473</u>	<u>0</u>
Total Expenditures	<u>382,935</u>	<u>382,935</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	17,065	(175,105)	(192,170)
Fund Balance at Beginning of Year	19,425	19,425	0
Prior Year Encumbrances	<u>264,435</u>	<u>264,435</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 300,925</u>	<u>\$ 108,755</u>	<u>\$ (192,170)</u>

**CITY OF NEWARK, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2008**

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>PROBATION GRANT FUND</b>			
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 80,734	\$ 81,330	\$ 596
Total Revenues	<u>80,734</u>	<u>81,330</u>	<u>596</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
Personal Services	54,894	48,487	6,407
Materials and Supplies	4,637	4,599	38
Contractual Services	39,327	38,300	1,027
Other Expenditures	18,748	18,748	0
Total Expenditures	<u>117,606</u>	<u>110,134</u>	<u>7,472</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(36,872)	(28,804)	8,068
<b>Other Financing Sources (Uses):</b>			
Transfers In	5,000	1,451	(3,549)
Total Other Financing Sources (Uses)	<u>5,000</u>	<u>1,451</u>	<u>(3,549)</u>
Net Change in Fund Balance	(31,872)	(27,353)	4,519
Fund Balance at Beginning of Year	48,896	48,896	0
Prior Year Encumbrances	11,177	11,177	0
Fund Balance at End of Year	<u>\$ 28,201</u>	<u>\$ 32,720</u>	<u>\$ 4,519</u>



**CITY OF NEWARK, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2008**

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	IMPOUND FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>			
Charges for Services	<u>\$ 80,000</u>	<u>\$ 78,730</u>	<u>\$ (1,270)</u>
Total Revenues	<u>80,000</u>	<u>78,730</u>	<u>(1,270)</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
Personal Services	38,112	33,166	4,946
Materials and Supplies	3,973	1,375	2,598
Contractual Services	<u>92,862</u>	<u>57,366</u>	<u>35,496</u>
Total Expenditures	<u>134,947</u>	<u>91,907</u>	<u>43,040</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(54,947)	(13,177)	41,770
<b>Other Financing Sources (Uses):</b>			
Sale of Capital Assets	<u>50,000</u>	<u>31,997</u>	<u>(18,003)</u>
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>31,997</u>	<u>(18,003)</u>
Net Change in Fund Balance	(4,947)	18,820	23,767
Fund Balance at Beginning of Year	31,474	31,474	0
Prior Year Encumbrances	<u>26,635</u>	<u>26,635</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 53,162</u>	<u>\$ 76,929</u>	<u>\$ 23,767</u>

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2008***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>FEDERAL TRANSIT ADMINISTRATION FUND</b>			
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 2,783,049	\$ 749,085	\$ (2,033,964)
Charges for Services	300,000	380,028	80,028
All Other Revenue	8,000	9,476	1,476
Total Revenues	<u>3,091,049</u>	<u>1,138,589</u>	<u>(1,952,460)</u>
<b>Expenditures:</b>			
Transportation:			
Personal Services	74,750	74,155	595
Materials and Supplies	90,876	80,613	10,263
Contractual Services	1,879,539	1,243,546	635,993
Other Expenditures	1,030	474	556
Capital Outlay	336,465	239,376	97,089
Total Expenditures	<u>2,382,660</u>	<u>1,638,164</u>	<u>744,496</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	708,389	(499,575)	(1,207,964)
Fund Balance at Beginning of Year	307,294	307,294	0
Prior Year Encumbrances	114,366	114,366	0
Fund Balance at End of Year	<u>\$ 1,130,049</u>	<u>\$ (77,915)</u>	<u>\$ (1,207,964)</u>

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2008***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>LITTER GRANT FUND</b>			
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 15,824	\$ 0	\$ (15,824)
All Other Revenue	3,990	2,869	(1,121)
Total Revenues	<u>19,814</u>	<u>2,869</u>	<u>(16,945)</u>
<b>Expenditures:</b>			
Community Environment:			
Personal Services	27,447	26,465	982
Materials and Supplies	2,481	1,043	1,438
Contractual Services	34,638	1,411	33,227
Other Expenditures	62	62	0
Total Expenditures	<u>64,628</u>	<u>28,981</u>	<u>35,647</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(44,814)	(26,112)	18,702
<b>Other Financing Sources (Uses):</b>			
Transfers In	13,206	0	(13,206)
Transfers Out	<u>(6,888)</u>	<u>0</u>	<u>6,888</u>
Total Other Financing Sources (Uses)	<u>6,318</u>	<u>0</u>	<u>(6,318)</u>
Net Change in Fund Balance	(38,496)	(26,112)	12,384
Fund Balance at Beginning of Year	36,267	36,267	0
Prior Year Encumbrances	<u>2,781</u>	<u>2,781</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 552</u>	<u>\$ 12,936</u>	<u>\$ 12,384</u>

**CITY OF NEWARK, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2008**

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	FEMA FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 48,527	\$ 48,527	\$ 0
Total Revenues	<u>48,527</u>	<u>48,527</u>	<u>0</u>
<b>Expenditures:</b>			
General Government:			
Contractual Services	<u>23,770</u>	<u>23,770</u>	<u>0</u>
Total Expenditures	<u>23,770</u>	<u>23,770</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	24,757	24,757	0
<b>Other Financing Sources (Uses):</b>			
Transfers Out	<u>(81,897)</u>	<u>(81,897)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(81,897)</u>	<u>(81,897)</u>	<u>0</u>
Net Change in Fund Balance	(57,140)	(57,140)	0
Fund Balance at Beginning of Year	81,897	81,897	0
Prior Year Encumbrances	<u>23,770</u>	<u>23,770</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 48,527</u>	<u>\$ 48,527</u>	<u>\$ 0</u>

**CITY OF NEWARK, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2008**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Expenditures:</b>			
Public Health and Welfare Services:			
Contractual Services	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,000)	(10,000)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2008***

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	<b>JUDICIAL FUND</b>		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>			
Fines and Forfeitures	\$ 80,000	\$ 94,240	\$ 14,240
Total Revenues	<u>80,000</u>	<u>94,240</u>	<u>14,240</u>
<b>Expenditures:</b>			
General Government:			
Contractual Services	26,950	0	26,950
Capital Outlay	<u>23,050</u>	<u>22,718</u>	<u>332</u>
Total Expenditures	<u>50,000</u>	<u>22,718</u>	<u>27,282</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	30,000	71,522	41,522
Fund Balance at Beginning of Year	<u>292,134</u>	<u>292,134</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 322,134</u>	<u>\$ 363,656</u>	<u>\$ 41,522</u>

**CITY OF NEWARK, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Debt Service Fund  
For the Year Ended December 31, 2008**

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>DEBT SERVICE FUND</b>			
<b>Revenues:</b>			
Special Assessments	\$ 219,500	\$ 7,198	\$ (212,302)
All Other Revenue	0	91	91
Total Revenues	<u>219,500</u>	<u>7,289</u>	<u>(212,211)</u>
<b>Expenditures:</b>			
General Government:			
Contractual Services	1,200	0	1,200
Debt Service:			
Principal Retirement	1,307,628	1,276,128	31,500
Interest and Fiscal Charges	<u>552,310</u>	<u>539,758</u>	<u>12,552</u>
Total Expenditures	<u>1,861,138</u>	<u>1,815,886</u>	<u>45,252</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,641,638)	(1,808,597)	(166,959)
<b>Other Financing Sources (Uses):</b>			
General Obligation Notes Issued	871,000	871,000	0
Transfers In	1,167,718	1,131,488	(36,230)
Transfers Out	<u>(46,954)</u>	<u>(46,954)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>1,991,764</u>	<u>1,955,534</u>	<u>(36,230)</u>
Net Change in Fund Balance	350,126	146,937	(203,189)
Fund Balance at Beginning of Year	<u>8,046</u>	<u>8,046</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 358,172</u>	<u>\$ 154,983</u>	<u>\$ (203,189)</u>

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2008***

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Expenditures:</b>			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	<u>3,800</u>	<u>3,800</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 3,800</u></u>	<u><u>\$ 3,800</u></u>	<u><u>\$ 0</u></u>



**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2008***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Taxes	\$ 110,000	\$ 111,174	\$ 1,174
All Other Revenue	<u>0</u>	<u>4,839</u>	<u>4,839</u>
Total Revenues	<u>110,000</u>	<u>116,013</u>	<u>6,013</u>
<b>Expenditures:</b>			
Capital Outlay	93,821	68,291	25,530
Debt Service:			
Principal Retirement	1,175,000	1,175,000	0
Interest and Fiscal Charges	<u>87,234</u>	<u>85,231</u>	<u>2,003</u>
Total Expenditures	<u>1,356,055</u>	<u>1,328,522</u>	<u>27,533</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,246,055)	(1,212,509)	33,546
<b>Other Financing Sources (Uses):</b>			
General Obligation Notes Issued	1,125,000	1,125,000	0
Transfers In	<u>50,315</u>	<u>41,919</u>	<u>(8,396)</u>
Total Other Financing Sources (Uses)	<u>1,175,315</u>	<u>1,166,919</u>	<u>(8,396)</u>
Net Change in Fund Balance	(70,740)	(45,590)	25,150
Fund Balance at Beginning of Year	258,706	258,706	0
Prior Year Encumbrances	<u>23,821</u>	<u>23,821</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 211,787</u>	<u>\$ 236,937</u>	<u>\$ 25,150</u>

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2008***

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**EAST MAIN ST. BRIDGE REPLACEMENT FUND**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Expenditures:</b>			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
<b>Other Financing Sources (Uses):</b>			
Transfers Out	<u>(395,113)</u>	<u>(395,113)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(395,113)</u>	<u>(395,113)</u>	<u>0</u>
Net Change in Fund Balance	(395,113)	(395,113)	0
Fund Balance at Beginning of Year	<u>395,113</u>	<u>395,113</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2008***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Fines and Forfeitures	<u>\$ 22,000</u>	<u>\$ 29,265</u>	<u>\$ 7,265</u>
Total Revenues	<u>22,000</u>	<u>29,265</u>	<u>7,265</u>
<b>Expenditures:</b>			
Capital Outlay	<u>50,000</u>	<u>41,859</u>	<u>8,141</u>
Total Expenditures	<u>50,000</u>	<u>41,859</u>	<u>8,141</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(28,000)	(12,594)	15,406
Fund Balance at Beginning of Year	<u>295,298</u>	<u>295,298</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 267,298</u>	<u>\$ 282,704</u>	<u>\$ 15,406</u>

**CITY OF NEWARK, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2008**

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Taxes	\$ 173,078	\$ 171,761	\$ (1,317)
All Other Revenue	<u>56,523</u>	<u>57,511</u>	<u>988</u>
Total Revenues	<u>229,601</u>	<u>229,272</u>	<u>(329)</u>
<b>Expenditures:</b>			
Capital Outlay	53,269	42,940	10,329
Debt Service:			
Principal Retirement	80,000	80,000	0
Interest and Fiscal Charges	<u>106,331</u>	<u>106,331</u>	<u>0</u>
Total Expenditures	<u>239,600</u>	<u>229,271</u>	<u>10,329</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,999)	1	10,000
<b>Other Financing Sources (Uses):</b>			
Transfers In	<u>0</u>	<u>46,954</u>	<u>46,954</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>46,954</u>	<u>46,954</u>
Net Change in Fund Balance	(9,999)	46,955	56,954
Fund Balance at Beginning of Year	<u>97,744</u>	<u>97,744</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 87,745</u>	<u>\$ 144,699</u>	<u>\$ 56,954</u>

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Permanent Fund  
For the Year Ended December 31, 2008***

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Charges for Services	\$ 0	\$ 9,380	\$ 9,380
Total Revenues	<u>0</u>	<u>9,380</u>	<u>9,380</u>
<b>Expenditures:</b>			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	9,380	9,380
Fund Balance at Beginning of Year	<u>609,132</u>	<u>609,132</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 609,132</u>	<u>\$ 618,512</u>	<u>\$ 9,380</u>

***Internal Service Funds***

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These funds are used to account for the financing of goods or services provided by one department to other departments of the City, on a cost-reimbursement basis.

**Insurance Fund**

To account for the accumulation and allocation of costs associated with insurance costs incurred by the City.

**Workers' Compensation Fund**

To account for the accumulation and allocation of costs associated with workers' compensation costs incurred by the City.

**CITY OF NEWARK, OHIO**

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**Combining Statement of Net Assets  
Internal Service Funds  
December 31, 2008**

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	<u>Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 2,809,752	\$ 1,717,653	\$ 4,527,405
Receivables:			
Accounts	1,485	0	1,485
Interest	2,560	0	2,560
Total Current Assets	<u>2,813,797</u>	<u>1,717,653</u>	<u>4,531,450</u>
<b>Total Assets</b>	<u>2,813,797</u>	<u>1,717,653</u>	<u>4,531,450</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	5,155	0	5,155
Accrued Wages and Benefits	0	481,963	481,963
Total Current Liabilities	<u>5,155</u>	<u>481,963</u>	<u>487,118</u>
<b>Total Liabilities</b>	<u>5,155</u>	<u>481,963</u>	<u>487,118</u>
<b>NET ASSETS</b>			
Unrestricted	<u>2,808,642</u>	<u>1,235,690</u>	<u>4,044,332</u>
Total Net Assets	<u>\$ 2,808,642</u>	<u>\$ 1,235,690</u>	<u>\$ 4,044,332</u>

**CITY OF NEWARK, OHIO**

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**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
Internal Service Funds  
For the Year Ended December 31, 2008**

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	<u>Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
<b>Operating Revenues:</b>			
Charges for Services	\$ 5,117,405	\$ 444,403	\$ 5,561,808
Other Operating Revenue	1,338	18,077	19,415
<b>Total Operating Revenues</b>	<u>5,118,743</u>	<u>462,480</u>	<u>5,581,223</u>
<b>Operating Expenses:</b>			
Personal Services	4,894,301	503,750	5,398,051
Contractual Services	0	10,047	10,047
<b>Total Operating Expenses</b>	<u>4,894,301</u>	<u>513,797</u>	<u>5,408,098</u>
Operating Income (Loss)	224,442	(51,317)	173,125
<b>Nonoperating Revenue (Expenses):</b>			
Investment Earnings	50,665	0	50,665
<b>Total Nonoperating Revenues (Expenses)</b>	<u>50,665</u>	<u>0</u>	<u>50,665</u>
Change in Net Assets	275,107	(51,317)	223,790
Net Assets Beginning of Year	2,533,535	1,287,007	3,820,542
Net Assets End of Year	<u>\$ 2,808,642</u>	<u>\$ 1,235,690</u>	<u>\$ 4,044,332</u>



**CITY OF NEWARK, OHIO****Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2008**

	<u>Insurance</u>	<u>Workers' Compensation</u>	<u>Totals</u>
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$5,117,258	\$477,800	\$5,595,058
Cash Payments for Goods and Services	0	(10,047)	(10,047)
Cash Payments for Employees	(4,889,863)	(474,081)	(5,363,944)
Net Cash Provided (Used) by Operating Activities	<u>227,395</u>	<u>(6,328)</u>	<u>221,067</u>
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	54,615	0	54,615
Net Cash Provided by Investing Activities	<u>54,615</u>	<u>0</u>	<u>54,615</u>
Net Increase (Decrease) in Cash and Cash Equivalents	282,010	(6,328)	275,682
Cash and Cash Equivalents at Beginning of Year	2,527,742	1,723,981	4,251,723
Cash and Cash Equivalents at End of Year	<u>\$2,809,752</u>	<u>\$1,717,653</u>	<u>\$4,527,405</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating (Used) Activities:</u>			
Operating Income (Loss)	\$224,442	(\$51,317)	\$173,125
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(1,485)	15,320	13,835
Increase in Accounts Payable	4,438	0	4,438
Increase in Accrued Wages and Benefits	0	29,669	29,669
Total Adjustments	<u>2,953</u>	<u>44,989</u>	<u>47,942</u>
Net Cash Provided by Operating Activities	<u>\$227,395</u>	<u>(\$6,328)</u>	<u>\$221,067</u>

***Fiduciary Funds***

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

***Agency Funds***

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**Municipal Court Fund**

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

**Fire Code Fund**

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

**Law Library Fund**

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

**Joint Economic Development Zone Fund**

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

**CITY OF NEWARK, OHIO**

**Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended December 31, 2008**

	Balance December 31, 2007	Additions	Deductions	Balance December 31, 2008
<b><u>Municipal Court Fund</u></b>				
Restricted Assets:				
Cash and Cash Equivalents	\$444,107	\$5,396,471	(\$5,322,507)	\$518,071
Total Assets	<u>\$444,107</u>	<u>\$5,396,471</u>	<u>(\$5,322,507)</u>	<u>\$518,071</u>
Liabilities:				
Intergovernmental Payable	\$173,637	\$2,779,543	(\$2,755,720)	\$197,460
Due to Others	270,470	2,616,928	(2,566,787)	320,611
Total Liabilities	<u>\$444,107</u>	<u>\$5,396,471</u>	<u>(\$5,322,507)</u>	<u>\$518,071</u>
<b><u>Fire Code Fund</u></b>				
Restricted Assets:				
Cash and Cash Equivalents	\$43,210	\$17,414	(\$46,400)	\$14,224
Total Assets	<u>\$43,210</u>	<u>\$17,414</u>	<u>(\$46,400)</u>	<u>\$14,224</u>
Liabilities:				
Due to Others	\$43,210	\$17,414	(\$46,400)	\$14,224
Total Liabilities	<u>\$43,210</u>	<u>\$17,414</u>	<u>(\$46,400)</u>	<u>\$14,224</u>
<b><u>Law Library Fund</u></b>				
Restricted Assets:				
Cash and Cash Equivalents	\$5,681	\$51,847	(\$45,476)	\$12,052
Total Assets	<u>\$5,681</u>	<u>\$51,847</u>	<u>(\$45,476)</u>	<u>\$12,052</u>
Liabilities:				
Due to Others	\$5,681	\$51,847	(\$45,476)	\$12,052
Total Liabilities	<u>\$5,681</u>	<u>\$51,847</u>	<u>(\$45,476)</u>	<u>\$12,052</u>
<b><u>Joint Economic Development Zone Fund</u></b>				
Receivables:				
Taxes	\$20,186	\$7,306	(\$20,186)	\$7,306
Restricted Assets:				
Cash and Cash Equivalents	109,153	173,838	(115,396)	167,595
Total Assets	<u>\$129,339</u>	<u>\$181,144</u>	<u>(\$135,582)</u>	<u>\$174,901</u>
Liabilities:				
Intergovernmental Payable	\$129,339	\$181,144	(\$135,582)	\$174,901
Total Liabilities	<u>\$129,339</u>	<u>\$181,144</u>	<u>(\$135,582)</u>	<u>\$174,901</u>
<b><u>Totals - All Agency Funds</u></b>				
Receivables:				
Taxes	\$20,186	\$7,306	(\$20,186)	\$7,306
Restricted Assets:				
Cash and Cash Equivalents	602,151	5,639,570	(5,529,779)	711,942
Total Assets	<u>\$622,337</u>	<u>\$5,646,876</u>	<u>(\$5,549,965)</u>	<u>\$719,248</u>
Liabilities:				
Intergovernmental Payable	\$302,976	\$2,960,687	(\$2,891,302)	\$372,361
Due to Others	319,361	2,686,189	(2,658,663)	346,887
Total Liabilities	<u>\$622,337</u>	<u>\$5,646,876</u>	<u>(\$5,549,965)</u>	<u>\$719,248</u>

*CAPITAL ASSETS USED IN THE  
OPERATION OF GOVERNMENTAL FUNDS*

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***CITY OF NEWARK, OHIO***

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***Capital Assets Used in the Operation of Governmental Funds  
Schedule by Source  
December 31, 2008***

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Capital Assets

Land	\$16,277,390
Construction in Progress	1,244,460
Buildings	18,115,507
Improvements other than Buildings	5,385,345
Infrastructure	54,811,587
Machinery and Equipment	14,570,560
	<hr/>
Total Capital Assets	<u><u>\$110,404,849</u></u>

Investment in Capital Assets

General Fund	\$9,119,328
Special Revenue Funds	5,276,650
Capital Projects Funds	93,154,297
Enterprise Funds	130,588
Bonds	982,580
Grants	496,699
Donated	1,244,707
	<hr/>
Total Investment in Capital Assets	<u><u>\$110,404,849</u></u>

**CITY OF NEWARK, OHIO**

**Capital Assets Used in the Operation of Governmental Funds  
Schedule by Function and Activity  
December 31, 2008**

<u>Function and Activity</u>	<u>Land</u>	<u>Construction in Progress</u>	<u>Buildings</u>	<u>Improvements other than Buildings</u>
<u>General Government:</u>				
Auditor	\$0	\$0	\$0	\$0
General Administration	449,237	0	2,171,307	0
Service	0	1,244,460	1,502,881	302,150
Engineer	0	0	0	515,738
Information System	0	0	0	793,998
Public Safety	0	0	0	0
Income Tax	0	0	0	0
Code Administration	0	0	0	0
Municipal Court	0	0	0	0
Adult Probation	0	0	0	0
Clerk of Court	0	0	0	0
Total	<u>449,237</u>	<u>1,244,460</u>	<u>3,674,188</u>	<u>1,611,886</u>
<u>Security of Persons and Property:</u>				
Police	535,816	0	8,410,762	129,550
Fire	315,901	0	3,227,251	7,351
Total	<u>851,717</u>	<u>0</u>	<u>11,638,013</u>	<u>136,901</u>
<u>Transportation:</u>				
Street	14,976,436	0	1,426,281	1,256,409
Traffic Control	0	0	0	0
Total	<u>14,976,436</u>	<u>0</u>	<u>1,426,281</u>	<u>1,256,409</u>
<u>Public Health and Welfare:</u>				
Health	0	0	0	0
Cemetery	0	0	718,335	571,024
Total	<u>0</u>	<u>0</u>	<u>718,335</u>	<u>571,024</u>
<u>Leisure Time Activities:</u>				
Recreation/Seniors	0	0	658,690	1,204,811
<u>Community Environment:</u>				
Economic and Community Development	0	0	0	604,314
Total Capital Assets	<u>\$16,277,390</u>	<u>\$1,244,460</u>	<u>\$18,115,507</u>	<u>\$5,385,345</u>

**CITY OF NEWARK, OHIO**

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<u>Infrastructure</u>	<u>Machinery and Equipment</u>	<u>Total</u>
\$0	\$25,057	\$25,057
0	568,892	3,189,436
0	186,049	3,235,540
0	180,875	696,613
0	195,118	989,116
0	18,979	18,979
0	68,674	68,674
0	296,380	296,380
0	212,746	212,746
0	7,200	7,200
0	77,880	77,880
<u>0</u>	<u>1,837,850</u>	<u>8,817,621</u>
0	1,908,793	10,984,921
<u>0</u>	<u>5,500,493</u>	<u>9,050,996</u>
<u>0</u>	<u>7,409,286</u>	<u>20,035,917</u>
54,811,587	3,220,174	75,690,887
<u>0</u>	<u>476,212</u>	<u>476,212</u>
<u>54,811,587</u>	<u>3,696,386</u>	<u>76,167,099</u>
0	313,663	313,663
<u>0</u>	<u>261,269</u>	<u>1,550,628</u>
<u>0</u>	<u>574,932</u>	<u>1,864,291</u>
<u>0</u>	<u>537,169</u>	<u>2,400,670</u>
0	514,937	1,119,251
<u>\$54,811,587</u>	<u>\$14,570,560</u>	<u>\$110,404,849</u>

**CITY OF NEWARK, OHIO****Capital Assets Used in the Operation of Governmental Funds  
Schedule of Changes by Function and Activity  
For Year Ended December 31, 2008**

<u>Function and Activity</u>	<u>December 31, 2007</u>	<u>Transfers</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 2008</u>
<b><u>General Government:</u></b>					
Auditor	\$25,057	\$0	\$0	\$0	\$25,057
General Administration	3,189,436	0	0	0	3,189,436
Service	3,170,151	13,429	51,960	0	3,235,540
Engineer	696,613	0	0	0	696,613
Information System	989,116	0	0	0	989,116
Public Safety	18,979	0	0	0	18,979
Income Tax	68,674	0	0	0	68,674
Code Administration	296,380	0	0	0	296,380
Municipal Court	212,746	0	0	0	212,746
Adult Probation	7,200	0	0	0	7,200
Clerk of Court	77,880	0	0	0	77,880
Total	<u>8,752,232</u>	<u>13,429</u>	<u>51,960</u>	<u>0</u>	<u>8,817,621</u>
<b><u>Security of Persons and Property:</u></b>					
Police	10,998,350	(13,429)	0	0	10,984,921
Fire	9,050,996	0	0	0	9,050,996
Total	<u>20,049,346</u>	<u>(13,429)</u>	<u>0</u>	<u>0</u>	<u>20,035,917</u>
<b><u>Transportation:</u></b>					
Street	74,533,384	11,599	1,408,124	(262,220)	75,690,887
Traffic Control	476,212	0	0	0	476,212
Total	<u>75,009,596</u>	<u>11,599</u>	<u>1,408,124</u>	<u>(262,220)</u>	<u>76,167,099</u>
<b><u>Public Health and Welfare:</u></b>					
Health	313,663	0	0	0	313,663
Cemetery	1,550,628	0	0	0	1,550,628
Total	<u>1,864,291</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,864,291</u>
<b><u>Leisure Time Activities:</u></b>					
Recreation/Seniors	<u>2,412,269</u>	<u>(11,599)</u>	<u>0</u>	<u>0</u>	<u>2,400,670</u>
<b><u>Community Environment:</u></b>					
Economic and Community Development	<u>1,034,791</u>	<u>0</u>	<u>84,460</u>	<u>0</u>	<u>1,119,251</u>
Total Capital Assets	<u>\$109,122,525</u>	<u>\$0</u>	<u>\$1,544,544</u>	<u>(\$262,220)</u>	<u>\$110,404,849</u>



*STATISTICAL SECTION*

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***STATISTICAL TABLES***

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

***Contents***

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<b>Financial Trends</b>	S 2 – S 13
These schedules contain trend information to help the reader understand how the City’s financial position has changed over time.	
<b>Revenue Capacity</b>	S 14 – S 17
These schedules contain information to help the reader understand and assess the factors affecting the city’s ability to generate its most significant local revenue sources, the income tax.	
<b>Debt Capacity</b>	S 18 – S 27
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
<b>Economic and Demographic Information</b>	S 28 – S 31
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
<b>Operating Information</b>	S 32 – S 37
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	
<b>Sources Note:</b>	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.	

## City of Newark

*Net Assets by Component  
Last Six Years  
(accrual basis of accounting)*

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Governmental Activities:</b>				
Invested in Capital Assets, Net of Related Debt	\$6,807,464	\$37,431,082	\$41,575,185	\$41,597,859
Restricted	19,007,739	9,738,644	8,985,105	10,001,298
Unrestricted (Deficit)	<u>(5,589,301)</u>	<u>6,235,271</u>	<u>3,917,313</u>	<u>7,065,973</u>
Total Governmental Activities Net Assets	<u>\$20,225,902</u>	<u>\$53,404,997</u>	<u>\$54,477,603</u>	<u>\$58,665,130</u>
<b>Business-type Activities:</b>				
Invested in Capital Assets, Net of Related Debt	\$17,091,247	\$16,562,270	\$16,658,851	\$16,901,941
Unrestricted	<u>8,713,277</u>	<u>7,793,616</u>	<u>7,622,732</u>	<u>7,692,238</u>
Total Business-type Activities Net Assets	<u>\$25,804,524</u>	<u>\$24,355,886</u>	<u>\$24,281,583</u>	<u>\$24,594,179</u>
<b>Primary Government:</b>				
Invested in Capital Assets, Net of Related Debt	\$23,898,711	\$53,993,352	\$58,234,036	\$58,499,800
Restricted	19,007,739	9,738,644	8,985,105	10,001,298
Unrestricted	<u>3,123,976</u>	<u>14,028,887</u>	<u>11,540,045</u>	<u>14,758,211</u>
Total Primary Government Net Assets	<u>\$46,030,426</u>	<u>\$77,760,883</u>	<u>\$78,759,186</u>	<u>\$83,259,309</u>

Source: City Auditor's Office

*City of Newark*

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<u>2007</u>	<u>2008</u>
\$42,336,454	\$41,686,127
10,651,987	11,110,542
8,161,990	6,404,496
<u>\$61,150,431</u>	<u>\$59,201,165</u>

\$17,699,290	\$17,410,047
7,143,040	8,035,281
<u>\$24,842,330</u>	<u>\$25,445,328</u>

\$60,035,744	\$59,096,174
10,651,987	11,110,542
15,305,030	14,439,777
<u>\$85,992,761</u>	<u>\$84,646,493</u>

# City of Newark

## Changes in Net Assets Last Six Years (accrual basis of accounting)

	2003	2004	2005
<b>Expenses</b>			
Governmental Activities:			
Security of Persons and Property	\$17,393,870	\$17,852,605	\$18,253,664
Leisure Time Activities	834,761	779,879	1,967,952
Community Environment	2,774,565	3,060,056	2,852,477
Public Health and Welfare Services	2,680,401	2,984,327	2,889,892
Transportation	3,557,307	5,512,403	5,212,238
General Government	8,922,846	8,342,604	7,628,709
Interest and Fiscal Charges	371,806	769,524	745,884
<i>Total Governmental Activities Expenses</i>	<u>36,535,556</u>	<u>39,301,398</u>	<u>39,550,816</u>
Business-type Activities:			
Water	6,419,205	6,211,742	6,052,567
Sewer	5,029,926	5,505,242	5,064,620
Storm Water	0	0	548,172
<i>Total Business-type Activities Expenses</i>	<u>11,449,131</u>	<u>11,716,984</u>	<u>11,665,359</u>
<i>Total Primary Government Expenses</i>	<u>\$47,984,687</u>	<u>\$51,018,382</u>	<u>\$51,216,175</u>
<b>Program Revenues</b>			
Governmental Activities:			
Charges for Services			
Security of Persons and Property	\$1,765,820	\$1,491,784	\$1,488,751
Leisure Time Activities	329,323	152,957	134,677
Community Environment	260,582	10,970	13,881
Public Health and Welfare Services	775,763	653,762	760,013
Transportation	367,474	387,563	346,262
General Government	1,440,995	1,573,899	1,598,486
Operating Grants and Contributions	4,059,634	5,355,416	7,002,350
Capital Grants and Contributions	3,605,567	1,462,515	1,584,213
<i>Total Governmental Activities Program Revenues</i>	<u>12,605,158</u>	<u>11,088,866</u>	<u>12,928,633</u>

*City of Newark*

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<u>2006</u>	<u>2007</u>	<u>2008</u>
\$17,480,448	\$18,150,460	\$19,619,726
765,014	524,374	321,313
3,167,222	2,921,535	3,059,820
2,395,607	2,375,792	599,601
4,323,012	5,927,546	6,060,496
7,467,121	9,020,333	10,635,436
973,340	900,691	800,191
<u>36,571,764</u>	<u>39,820,731</u>	<u>41,096,583</u>
6,269,588	7,006,340	6,650,976
5,226,934	5,161,535	5,291,774
574,598	323,709	614,380
<u>12,071,120</u>	<u>12,491,584</u>	<u>12,557,130</u>
<u>\$48,642,884</u>	<u>\$52,312,315</u>	<u>\$53,653,713</u>
\$1,799,406	\$2,412,289	\$3,411,136
14,944	17,489	16,428
8,338	59,808	55,384
785,037	749,119	190,593
737,628	408,675	411,174
1,605,988	1,450,658	1,011,575
5,054,184	6,773,027	4,730,482
470,643	490,142	10,000
<u>10,476,168</u>	<u>12,361,207</u>	<u>9,836,772</u>

(Continued)

## City of Newark

### Changes in Net Assets Last Six Years (accrual basis of accounting)

	2003	2004	2005
<b>Business-type Activities:</b>			
Charges for Services			
Water	5,661,890	5,417,300	5,553,973
Sewer	5,061,304	5,063,317	5,594,568
Storm Water	0	0	0
Operating Grants and Contributions	0	0	0
Capital Grants and Contributions	0	0	617,135
<i>Total Business-type Activities Program Revenues</i>	10,723,194	10,480,617	11,765,676
<i>Total Primary Government Program Revenues</i>	23,328,352	21,569,483	24,694,309
<b>Net (Expense)/Revenue</b>			
Governmental Activities	(23,930,398)	(28,212,532)	(26,622,183)
Business-type Activities	(725,937)	(1,236,367)	100,317
<i>Total Primary Government Net (Expense)/Revenue</i>	(\$24,656,335)	(\$29,448,899)	(\$26,521,866)
<b>General Revenues and Other Changes in Net Assets</b>			
Governmental Activities:			
Property Taxes Levied for:			
General Purposes	\$2,097,778	\$2,104,016	\$2,085,941
Special Purposes	394,819	395,123	409,649
Capital Purposes	349,731	424,309	437,843
Income Taxes	17,760,950	18,301,809	19,033,478
Other Local Taxes	333,667	357,786	366,456
Intergovernmental, Unrestricted	5,258,628	3,093,804	3,406,457
Investment Earnings	363,604	322,867	433,890
Miscellaneous	622,613	732,231	1,297,389
Transfers	234,050	234,050	223,686
<i>Total Governmental Activities</i>	27,415,840	25,965,995	27,694,789
Business-type Activities:			
Investment Earnings	13,187	21,779	49,066
Transfers	(234,050)	(234,050)	(223,686)
<i>Total Business-type Activities</i>	(220,863)	(212,271)	(174,620)
<i>Total Primary Government</i>	\$27,194,977	\$25,753,724	\$27,520,169
<b>Change in Net Assets</b>			
Governmental Activities	\$3,485,442	(\$2,246,537)	\$1,072,606
Business-type Activities	(946,800)	(1,448,638)	(74,303)
<i>Total Primary Government Change in Net Assets</i>	\$2,538,642	(\$3,695,175)	\$998,303

Source: City Auditor's Office



*City of Newark*

2006	2007	2008
6,001,796	6,034,022	5,998,709
5,965,994	5,836,149	5,880,392
512,738	1,843,164	2,168,753
0	0	0
258,709	0	0
<u>12,739,237</u>	<u>13,713,335</u>	<u>14,047,854</u>
<u>23,215,405</u>	<u>26,074,542</u>	<u>23,884,626</u>
(26,095,596)	(27,459,524)	(31,259,811)
668,117	1,221,751	1,490,724
<u>(\$25,427,479)</u>	<u>(\$26,237,773)</u>	<u>(\$29,769,087)</u>
\$2,458,710	\$2,306,500	\$2,189,609
457,463	457,534	436,568
479,445	284,487	282,935
19,802,040	20,312,181	20,899,162
360,964	433,007	366,551
3,634,841	3,794,607	3,264,236
880,326	1,077,750	636,922
1,500,256	751,758	431,212
264,680	834,314	924,993
<u>29,838,725</u>	<u>30,252,138</u>	<u>29,432,188</u>
97,179	93,819	37,267
(264,680)	(834,314)	(924,993)
<u>(167,501)</u>	<u>(740,495)</u>	<u>(887,726)</u>
<u>\$29,671,224</u>	<u>\$29,511,643</u>	<u>\$28,544,462</u>
\$3,743,129	\$2,792,614	(\$1,827,623)
500,616	481,256	602,998
<u>\$4,243,745</u>	<u>\$3,273,870</u>	<u>(\$1,224,625)</u>

## *City of Newark*

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

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
General Fund					
Reserved	\$421,342	\$385,433	\$501,281	\$634,867	\$1,395,063
Unreserved	<u>1,764,471</u>	<u>2,903,345</u>	<u>1,169,716</u>	<u>2,677,438</u>	<u>792,041</u>
<i>Total General Fund</i>	<u>2,185,813</u>	<u>3,288,778</u>	<u>1,670,997</u>	<u>3,312,305</u>	<u>2,187,104</u>
All Other Governmental Funds					
Reserved	4,266,914	7,140,691	4,004,611	4,606,077	10,474,790
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	(1,124,244)	(1,483,505)	(769,124)	(789,461)	(175,460)
Capital Projects Funds	<u>253,084</u>	<u>(1,378,125)</u>	<u>(2,469,407)</u>	<u>(3,183,244)</u>	<u>3,007,832</u>
Total All Other Governmental Funds	<u>3,395,754</u>	<u>4,279,061</u>	<u>766,080</u>	<u>633,372</u>	<u>13,307,162</u>
<i>Total Governmental Funds</i>	<u>\$5,581,567</u>	<u>\$7,567,839</u>	<u>\$2,437,077</u>	<u>\$3,945,677</u>	<u>\$15,494,266</u>

Source: City Auditor's Office

NOTE: Years 1999-2002 do not include the Cemetery Endowment Fund or Mary E. Barnes Trust Fund which were classified as Fiduciary Funds prior to implementing GASB 34 in 2003.

*City of Newark*

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<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$487,274	\$307,378	\$739,920	\$848,097	\$470,901
<u>970,399</u>	<u>528,313</u>	<u>1,114,748</u>	<u>2,717,746</u>	<u>2,608,161</u>
<u>1,457,673</u>	<u>835,691</u>	<u>1,854,668</u>	<u>3,565,843</u>	<u>3,079,062</u>
4,689,768	2,546,268	4,515,664	2,531,396	2,867,626
4,371,326	4,428,725	4,891,038	4,329,307	3,774,340
<u>(2,213,005)</u>	<u>(2,889,968)</u>	<u>(1,997,460)</u>	<u>(849,552)</u>	<u>(4,972)</u>
<u>6,848,089</u>	<u>4,085,025</u>	<u>7,409,242</u>	<u>6,011,151</u>	<u>6,636,994</u>
<u>\$8,305,762</u>	<u>\$4,920,716</u>	<u>\$9,263,910</u>	<u>\$9,576,994</u>	<u>\$9,716,056</u>

# City of Newark

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

	1999	2000	2001	2002
<b>Revenues:</b>				
Taxes	\$13,672,911	\$14,460,762	\$14,473,914	\$19,361,211
Intergovernmental Revenues	8,718,932	10,529,901	8,665,294	9,722,122
Charges for Services	1,137,543	1,230,212	1,150,907	1,068,884
Licenses, Permits and Fees	1,395,993	1,422,641	1,565,619	1,773,593
Investment Earnings	941,367	1,139,430	818,298	460,223
Special Assessments	37,013	41,321	32,609	18,807
Fines and Forfeitures	1,393,728	1,686,475	1,627,706	1,611,441
All Other Revenue	480,820	469,901	556,491	472,350
<b>Total Revenue</b>	<b>27,778,307</b>	<b>30,980,643</b>	<b>28,890,838</b>	<b>34,488,631</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	12,060,959	12,401,045	13,314,367	14,331,955
Public Health and Welfare Services	1,987,846	2,028,556	2,326,795	2,400,745
Leisure Time Activities	781,835	774,609	849,014	857,314
Community Environment	2,496,316	2,518,321	2,571,544	2,745,924
Transportation	3,009,431	2,711,224	3,357,894	3,047,974
General Government	6,136,903	6,150,877	6,301,536	6,756,970
Capital Outlay	3,054,466	2,244,604	5,733,268	3,178,884
Debt Service:				
Principal Retirement	23,093	123,093	128,095	125,000
Interest and Fiscal Charges	197,566	247,845	229,860	276,391
<b>Total Expenditures</b>	<b>29,748,415</b>	<b>29,200,174</b>	<b>34,812,373</b>	<b>33,721,157</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,970,108)	1,780,469	(5,921,535)	767,474

*City of Newark*

2003	2004	2005	2006	2007	2008
\$20,584,344	\$20,867,126	\$21,765,717	\$22,853,652	\$23,795,166	\$24,141,533
10,505,105	11,438,931	10,751,711	9,577,436	10,137,168	8,458,536
1,158,161	1,195,072	1,143,484	1,432,375	1,615,096	2,341,997
1,724,167	1,647,136	1,628,325	1,549,917	1,343,140	672,053
363,604	322,867	433,890	880,326	1,034,943	582,307
43,758	123,112	48,518	25,230	71,218	7,198
1,758,405	1,520,015	1,556,778	1,975,088	2,092,652	2,072,203
622,613	732,231	1,297,389	1,500,256	755,691	431,212
<u>36,760,157</u>	<u>37,846,490</u>	<u>38,625,812</u>	<u>39,794,280</u>	<u>40,845,074</u>	<u>38,707,039</u>
17,017,236	17,238,670	17,422,539	17,248,660	18,093,642	18,603,640
2,591,268	2,895,378	2,957,320	2,418,915	2,464,530	622,243
753,238	690,045	1,842,136	673,150	468,478	297,683
2,899,829	2,978,113	2,791,767	3,162,051	2,790,461	2,823,629
3,266,226	4,004,744	3,754,392	3,281,101	4,880,029	4,161,938
7,097,236	7,307,835	7,761,611	7,728,635	8,769,728	10,243,203
3,496,371	9,965,693	7,095,408	2,980,071	4,222,928	2,915,007
130,000	300,000	425,000	544,000	475,000	530,000
331,057	781,949	733,591	775,132	765,960	748,092
<u>37,582,461</u>	<u>46,162,427</u>	<u>44,783,764</u>	<u>38,811,715</u>	<u>42,930,756</u>	<u>40,945,435</u>
(822,304)	(8,315,937)	(6,157,952)	982,565	(2,085,682)	(2,238,396)

(Continued)

## City of Newark

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

	1999	2000	2001	2002
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	34,975	34,578	43,292	52,057
Other Financing Sources - Capital Lease	406,800	0	181,886	0
Special Assessment Bonds Issued	0	0	0	0
General Obligation Bonds Issued	3,200,000	0	0	0
Refunding General Obligation Bonds Issued	0	0	0	0
Discount on General Obligation Bonds Issued	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Transfers In	14,751,258	14,036,821	14,726,342	19,183,191
Transfers Out	(14,484,489)	(13,837,271)	(14,529,965)	(18,536,149)
<b>Total Other Financing Sources (Uses)</b>	<u>3,908,544</u>	<u>234,128</u>	<u>421,555</u>	<u>699,099</u>
<b>Net Change in Fund Balance</b>	<u>\$1,938,436</u>	<u>\$2,014,597</u>	<u>(\$5,499,980)</u>	<u>\$1,466,573</u>
 <b>Debt Service as a Percentage of Noncapital Expenditures</b>	 0.83%	 1.38%	 1.23%	 1.31%

Source: City Auditor's Office

NOTE: Years 1999-2002 do not include the Cemetery Endowment Fund or Mary E. Barnes Trust Fund which were classified as Fiduciary Funds prior to implementing GASB 34 in 2003.

*City of Newark*

2003	2004	2005	2006	2007	2008
58,092	103,027	237,727	74,790	81,510	43,321
0	0	1,698,762	1,097,605	1,413,634	402,087
0	0	0	0	0	0
10,994,991	0	0	1,609,000	0	1,180,000
0	0	0	2,645,000	0	0
0	0	0	(23,223)	0	0
0	0	0	(2,555,973)	0	0
18,514,967	21,796,392	21,261,231	21,394,511	24,517,996	23,984,004
(18,307,917)	(20,774,982)	(20,420,361)	(20,949,831)	(23,714,241)	(23,059,011)
11,260,133	1,124,437	2,777,359	3,291,879	2,298,899	2,550,401
<u>\$10,437,829</u>	<u>(\$7,191,500)</u>	<u>(\$3,380,593)</u>	<u>\$4,274,444</u>	<u>\$213,217</u>	<u>\$312,005</u>
1.29%	2.93%	3.24%	3.80%	3.19%	3.24%

## *City of Newark*

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

<b>Tax year</b>	1999	2000	2001	2002	2003
Income Tax Rate	1.25%	1.25%	1.25%	1.75%	1.75%
Total Tax Collected	\$11,653,088	\$11,995,005	\$12,103,631	\$16,420,774	\$17,371,837
Income Tax Receipts					
Withholding	9,304,576	9,609,444	9,936,227	13,422,267	13,948,507
Percentage	79.85	80.11	82.09	81.74	80.29
Corporate	761,593	851,867	1,469,348	858,596	975,996
Percentage	6.54	7.10	12.14	5.23	5.62
Individuals	1,586,840	1,533,695	698,056	2,139,911	2,447,334
Percentage	13.61	12.79	5.77	13.03	14.09

Source: City Income Tax Department



*City of Newark*

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2004	2005	2006	2007	2008
1.75%	1.75%	1.75%	1.75%	1.75%
\$17,850,043	\$18,657,251	\$20,337,124	\$20,420,533	\$20,708,589
14,210,186	14,790,929	16,103,101	15,928,540	15,761,577
79.61	79.28	79.18	78.00	76.11
1,070,876	1,235,602	1,555,677	1,850,596	2,399,014
6.00	6.62	7.65	9.06	11.59
2,568,982	2,630,720	2,678,345	2,641,397	2,547,998
14.39	14.10	13.17	12.94	12.30



# City of Newark

## Income Tax Statistics Current Year and Nine Years Ago

### Calendar Year 2008

<u>Income Tax Filers</u>	<u>Number of Filers</u>	<u>Percent of Total</u>	<u>Taxable Income</u>	<u>Percent of Income</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	10	0.06%	\$33,567,482	5.06%	\$587,431	5.06%
All Others	16,798	99.94%	629,812,384	94.94%	11,021,717	94.94%
Total	16,808	100.00%	\$663,379,866	100.00%	\$11,609,148	100.00%

### Calendar Year 1999

<u>Income Tax Filers</u>	<u>Number of Filers</u>	<u>Percent of Total</u>	<u>Taxable Income</u>	<u>Percent of Income</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	10	0.04%	\$20,849,929	3.28%	\$260,624	3.28%
All Others	22,223	99.96%	615,643,429	96.72%	7,695,543	96.72%
Total	22,233	100.00%	\$636,493,358	100.00%	\$7,956,167	100.00%

Source: City Income Tax Department

## City of Newark

### Ratio of Outstanding Debt By Type Last Ten Years

	1999	2000	2001	2002
<b>Governmental Activities</b> (1)				
Special Assessment Bonds	\$166,188	\$143,095	\$120,000	\$105,000
General Obligation Bonds Payable	3,200,000	3,100,000	2,995,000	2,885,000
Capital Leases	557,382	372,623	443,508	310,923
Accrued Pension Liability	2,279,000	2,250,558	2,220,894	2,189,956
<b>Business-type Activities</b> (1)				
General Obligation Bonds Payable	\$16,707,486	\$15,656,860	\$14,329,016	\$12,705,888
Ohio Water Development Authority Loans Payable	8,980,516	8,577,181	8,142,990	7,675,584
Ohio Public Works Commission Loan Payable	0	0	0	0
Special Assessment Bonds	0	0	0	0
Capital Leases	0	0	0	0
Total Primary Government	<u>\$31,890,572</u>	<u>\$30,100,317</u>	<u>\$28,251,408</u>	<u>\$25,872,351</u>
<b>Population</b> (2)				
City of Newark	47,450	46,279	46,279	46,279
Outstanding Debt Per Capita	\$672	\$650	\$610	\$559
<b>Income</b> (3)				
Personal (in thousands)	1,212,253	1,241,203	1,262,028	1,284,474
Percentage of Personal Income	2.63%	2.43%	2.24%	2.01%

**Sources:**

- (1) City Auditor's Office
- (2) U.S. Bureau of Census, Population Division
- (3) U.S. Department of Commerce, Bureau of Economic Analysis
  - (a) Per Capita Income is only available by County, Total Personal Income is a calculation

*City of Newark*

2003	2004	2005	2006	2007	2008
\$85,000	\$65,000	\$45,000	\$25,000	\$0	\$0
13,769,991	13,489,991	13,084,991	14,409,991	14,115,868	14,816,117
173,021	133,235	1,748,827	2,464,526	3,255,703	2,904,221
2,157,690	2,124,038	2,088,940	2,052,336	2,014,158	1,974,342
\$11,537,306	\$10,711,128	\$9,887,329	\$9,069,717	\$8,252,069	\$6,925,411
7,172,421	6,630,766	6,912,121	9,006,413	10,754,578	11,845,846
0	0	0	568,655	554,439	526,007
0	51,284	46,156	41,028	35,900	30,772
0	0	0	43,517	418,364	398,080
<u>\$34,895,429</u>	<u>\$33,205,442</u>	<u>\$33,813,364</u>	<u>\$37,681,183</u>	<u>\$39,401,079</u>	<u>\$39,420,796</u>
46,279	46,279	46,279	46,279	46,279	46,279
\$754	\$718	\$731	\$814	\$851	\$852
1,307,243	1,373,792	1,411,926	1,483,242	1,569,876	1,569,876
2.67%	2.42%	2.39%	2.54%	2.51%	2.51%

## *City of Newark*

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

Year	1999	2000	2001	2002
<b>Population</b> (1)	47,450	46,279	46,279	46,279
<b>Personal Income</b> (2)	\$1,212,252,600	\$1,241,202,780	\$1,262,028,330	\$1,284,473,645
<b>General Bonded Debt</b>				
General Obligation Bonds	\$19,907,486	\$18,756,860	\$17,324,016	\$15,590,888
<b>Resources Available to Pay Principal</b>	\$67,437	\$72,182	\$9,889	\$6,765
<b>Net General Bonded Debt</b>	\$19,840,049	\$18,684,678	\$17,314,127	\$15,584,123
<b>Ratio of Net Bonded Debt to Personal Income</b>	1.64%	1.51%	1.37%	1.21%
<b>Net Bonded Debt per Capita</b>	\$418.13	\$403.74	\$374.12	\$336.74

**Source:**

- (1) U.S. Bureau of Census of Population
- (2) Licking County Auditor

*City of Newark*

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2003	2004	2005	2006	2007	2008
46,279	46,279	46,279	46,279	46,279	46,279
\$1,307,242,913	\$1,373,792,115	\$1,411,926,011	\$1,483,241,950	\$1,569,876,238	\$1,569,876,238
\$25,307,297	\$24,201,119	\$22,972,320	\$23,479,708	\$22,367,937	\$21,741,528
\$31,546	\$128,603	\$145,622	\$137,693	\$6,126	\$154,983
\$25,275,751	\$24,072,516	\$22,826,698	\$23,342,015	\$22,361,811	\$21,586,545
1.93%	1.75%	1.62%	1.57%	1.42%	1.38%
\$546.16	\$520.16	\$493.24	\$504.38	\$483.20	\$466.44





## *City of Newark*

*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
December 31, 2008*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Newark</u>	<u>Amount Applicable to the City of Newark</u>
<b>Direct:</b>			
City of Newark	\$12,619,991	100.00%	\$12,619,991
<b>Overlapping:</b>			
Licking County	11,657,730	21.66%	<u>2,525,064</u>
		Subtotal	<u>2,525,064</u>
		Total	<u><u>\$15,145,055</u></u>

Source: Licking County Auditor

## City of Newark

### Debt Limitations Last Ten Years

Collection Year	1999	2000	2001	2002
<u>Total Debt</u>				
Net Assessed Valuation	\$562,805,780	\$631,518,960	\$654,701,680	\$658,882,190
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	59,094,607	66,309,491	68,743,676	69,182,630
City Debt Outstanding (2)	890,000	795,000	2,804,000	12,189,000
Less: Applicable Debt Service Fund Amounts	<u>(67,437)</u>	<u>(72,182)</u>	<u>(8,359)</u>	<u>(1,924)</u>
Net Indebtedness Subject to Limitation	<u>822,563</u>	<u>722,818</u>	<u>2,795,641</u>	<u>12,187,076</u>
Overall Legal Debt Margin	<u>\$58,272,044</u>	<u>\$65,586,673</u>	<u>\$65,948,035</u>	<u>\$56,995,554</u>
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$562,805,780	\$631,518,960	\$654,701,680	\$658,882,190
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	30,954,318	34,733,543	36,008,592	36,238,520
City Debt Outstanding (2)	890,000	795,000	2,804,000	12,189,000
Less: Applicable Debt Service Fund Amounts	<u>(67,437)</u>	<u>(72,182)</u>	<u>(8,359)</u>	<u>(1,924)</u>
Net Indebtedness Subject to Limitation	<u>822,563</u>	<u>722,818</u>	<u>2,795,641</u>	<u>12,187,076</u>
Overall Legal Debt Margin	<u>\$30,131,755</u>	<u>\$34,010,725</u>	<u>\$33,212,951</u>	<u>\$24,051,444</u>

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

(2) City Debt Outstanding includes Non Self-Supporting General Obligation Bonds and Notes only.  
The East Main Street Improvement and Bridge 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*

2003	2004	2005	2006	2007	2008
\$718,973,460	\$736,438,580	\$742,972,970	\$828,435,710	\$810,786,940	\$799,331,100
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
75,492,213	77,326,051	78,012,162	86,985,750	85,132,629	83,929,766
14,258,991	15,015,991	15,377,491	13,465,991	12,744,991	12,619,991
(17,864)	(125,902)	(145,622)	(137,693)	(6,126)	(154,983)
<u>14,241,127</u>	<u>14,890,089</u>	<u>15,231,869</u>	<u>13,328,298</u>	<u>12,738,865</u>	<u>12,465,008</u>
<u>\$61,251,086</u>	<u>\$62,435,962</u>	<u>\$62,780,293</u>	<u>\$73,657,452</u>	<u>\$72,393,764</u>	<u>\$71,464,758</u>
\$718,973,460	\$736,438,580	\$742,972,970	\$828,435,710	\$810,786,940	\$799,331,100
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
39,543,540	40,504,122	40,863,513	45,563,964	44,593,282	43,963,211
14,258,991	15,015,991	15,377,491	13,465,991	12,744,991	12,619,991
(17,864)	(125,902)	(145,622)	(137,693)	(6,126)	(154,983)
<u>14,241,127</u>	<u>14,890,089</u>	<u>15,231,869</u>	<u>13,328,298</u>	<u>12,738,865</u>	<u>12,465,008</u>
<u>\$25,302,413</u>	<u>\$25,614,033</u>	<u>\$25,631,644</u>	<u>\$32,235,666</u>	<u>\$31,854,417</u>	<u>\$31,498,203</u>

**City of Newark**

*Pledged Revenue Coverage  
Last Ten Years*

	1999	2000	2001	2002	2003
<b>Special Assessment Bonds (1)</b>					
Special Assessment Collections	\$37,013	\$41,321	\$32,609	\$18,807	\$43,758
Debt Service					
Principal	23,093	23,093	23,095	15,000	20,000
Interest	9,989	8,650	7,312	5,963	5,963
Coverage	1.12	1.30	1.07	0.90	1.69
<b>Special Assessment Bonds (2)</b>					
Special Assessment Collections	\$0	\$0	\$0	\$0	\$0
Debt Service					
Principal	0	0	0	0	0
Interest	0	0	0	0	0
Coverage	0.00	0.00	0.00	0.00	0.00
<b>Tax Increment Financing (TIF) (3)</b>					
Payment in Lieu of Taxes	\$0	\$355,400	\$353,135	\$396,527	\$349,731
Debt Service					
Principal	0	100,000	105,000	110,000	110,000
Interest	0	204,609	159,838	155,428	150,698
Coverage	0.00	1.17	1.33	1.49	1.34
<b>Tax Increment Financing (TIF) (4)</b>					
Payment in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0
Debt Service					
Principal	0	0	0	0	0
Interest	0	0	0	0	0
Coverage	0.00	0.00	0.00	0.00	0.00

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

(2) Morgan Manor Sewer, Business-type Activities

(3) East Main Street Improvement, Governmental Activities

(4) Deo Drive Improvement, Governmental Activities

Source: City Auditor's Office

*City of Newark*

2004	2005	2006	2007	2008
\$123,112	\$48,518	\$25,230	\$24,264	\$0
20,000	20,000	20,000	25,000	0
4,230	3,942	2,250	1,250	0
5.08	2.03	1.13	0.92	0.00
\$15,864	\$25,741	\$16,479	\$6,725	\$7,198
0	5,128	5,128	5,128	5,128
609	2,436	2,192	1,948	1,706
26.05	3.40	2.25	0.95	1.05
\$346,398	\$346,814	\$369,806	\$172,892	\$171,761
115,000	125,000	130,000	60,000	80,000
145,858	140,682	136,325	125,645	106,332
1.33	1.31	1.39	0.93	0.92
\$0	\$0	\$0	\$0	\$111,174
0	0	0	0	50,000
0	0	0	0	41,919
0.00	0.00	0.00	0.00	1.21

## *City of Newark*

### *Demographic and Economic Statistics Last Ten Years*

Calendar Year	1999	2000	2001	2002	2003
<b>Population</b> (1)					
City of Newark	47,450	46,279	46,279	46,279	46,279
Licking County	128,300	145,491	145,491	145,491	145,491
<b>Income</b> (2) (a)					
Total Personal (in thousands)	1,212,253	1,241,203	1,262,028	1,284,474	1,307,243
Per Capita	25,548	26,820	27,270	27,755	28,247
<b>Unemployment Rate</b> (3)					
Federal	4.5%	4.2%	3.8%	4.8%	5.8%
State	4.3%	4.3%	3.7%	4.3%	5.7%
Licking County	3.6%	3.6%	3.6%	4.7%	5.3%
<b>Civilian Work Force Estimates</b> (3)					
State	5,749,000	5,900,400	5,857,000	5,828,000	5,915,000
Licking County	72,500	73,100	75,100	77,800	78,800

**Sources:**

- (1) U.S. Bureau of Census of Population.
- (2) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2007, for the presentation of 2008 statistics, the City is using the latest information available.
- (a) Per Capita Income is only available by County, Total Personal Income is a calculation.
- (3) State Department of Labor Statistics.

*City of Newark*

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2004	2005	2006	2007	2008
46,279	46,279	46,279	46,279	46,279
145,491	154,806	154,806	154,806	154,806
1,373,792	1,411,926	1,483,242	1,569,876	1,569,876
29,685	30,509	32,050	33,922	33,922
6.0%	5.5%	5.0%	4.6%	5.8%
6.1%	6.0%	5.9%	5.6%	6.6%
5.9%	5.8%	5.1%	5.2%	6.1%
5,875,300	5,900,400	5,934,000	5,976,500	5,986,400
80,500	81,100	82,700	84,500	85,600





# City of Newark

## Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2008		
		Number of Employees	Rank	Percentage of Total Employment
State Farm Insurance	Insurance	1,416	1	7.41%
Newark City Schools	School District	1,314	2	6.88%
Licking County Government	Government	1,288	3	6.74%
Licking Memorial Hospital	Hospital	1,280	4	6.70%
Anomatic Corp.	Metal Finishings	1,002	5	5.24%
Owens Corning, Inc.	Fiberglass Insulation	800	6	4.19%
OSUN/COTC	Education	669	7	3.50%
Park National Bank	Financial	612	8	3.20%
City of Newark	Government	486	9	2.54%
Longaberger Corp.	Decorative Basket Manufacturer	400	10	2.09%
Total		<u>9,267</u>		
Total Employment within the City		<u>19,111</u>		

Employer	Nature of Business	1999		
		Number of Employees	Rank	Percentage of Total Employment
Owens Corning Fiberglass	Fiberglass Insulation	1,850	1	9.36%
Newark City Schools	School District	949	2	4.80%
State Farm Insurance	Insurance	900	3	4.55%
Licking Memorial Hospital	Hospital	1,128	4	5.70%
Licking County Government	Government	1,150	5	5.82%
Kelly Services	Temporary Agency	800	6	4.05%
Anomatic Corporation	Metal Finishings	959	7	4.85%
OSUN/COTC	Education	903	8	4.57%
Holophane	Lighting Products	520	9	2.63%
Meijer, Inc.	Retail	902	10	4.56%
Total		<u>10,061</u>		
Total Employment within the City		<u>19,773</u>		

Source: City Auditor's Office

## City of Newark

### Full Time Equivalent Employees by Function Last Ten Years

	1999	2000	2001	2002	2003
<b>Governmental Activities</b>					
General Government					
Finance	19.00	19.00	19.00	20.00	20.00
Legal/Court	52.00	52.00	52.00	53.00	51.00
Administration	29.00	29.00	31.00	31.00	33.00
Maintenance	20.00	20.00	21.00	19.00	19.00
Security of Persons and Property					
Police	101.00	101.00	100.00	100.00	101.00
Fire	82.00	82.00	82.00	82.00	85.00
Transportation					
Street	35.00	35.00	35.00	34.00	34.00
Leisure Time Activities					
Recreation/Seniors	20.00	20.00	20.00	20.00	20.00
Community Environment					
Community Development	6.00	6.00	6.00	6.00	7.00
<b>Business-Type Activities</b>					
Utilities					
Water	43.00	43.00	44.00	44.00	44.00
Sewer	26.00	24.00	24.00	25.00	25.00
Storm Water	0.00	0.00	0.00	0.00	0.00
<i>Total Employees</i>	<u>477.00</u>	<u>475.00</u>	<u>464.00</u>	<u>476.00</u>	<u>483.00</u>

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

Source: City Auditor's Office

*City of Newark*

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<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
20.00	20.00	20.00	20.00	20.00
51.00	52.00	52.00	52.00	52.00
32.00	32.00	31.00	31.00	30.00
20.00	19.00	18.00	18.00	18.00
103.00	104.00	106.00	106.00	106.00
85.00	85.00	85.00	86.00	88.00
34.00	32.00	32.00	32.00	32.00
20.00	20.00	20.00	20.00	18.00
43.00	43.00	42.00	42.00	42.00
6.00	6.00	7.00	7.00	7.00
45.00	45.00	45.00	45.00	45.00
26.00	26.00	26.00	26.00	26.00
1.00	1.00	1.00	1.00	2.00
<u>486.00</u>	<u>485.00</u>	<u>485.00</u>	<u>486.00</u>	<u>486.00</u>

## *City of Newark*

### *Operating Indicators by Function Last Ten Years*

	1999	2000	2001	2002	2003
<b>Governmental Activities</b>					
General Government					
Court					
Number of Traffic Cases	3,193	3,434	3,519	3,601	3,612
Licenses and Permits					
Number of Building Permits	499	524	500	573	777
Security of Persons and Property					
Police					
Number of Citations Issued	1,699	1,732	1,902	1,818	1,845
Number of Arrests	1,618	1,599	1,520	1,667	1,629
Fire					
Number of Fire Calls	5,412	5,361	5,416	5,420	5,583
Number of EMS Runs	6,567	6,434	6,567	6,999	7,095
Transportation					
Street					
Number of Streets Resurfaced	30	24	20	13	16
Leisure Time Activities					
Recreation/Seniors					
Number of Programs Offered	9	9	9	9	9
Number of Pool Passes Issued	224	265	277	290	199
Community Environment					
Number of Code Violations	N/A	N/A	N/A	N/A	N/A
<b>Business-Type Activities</b>					
Water					
Number of Service Connections	17,373	18,021	18,970	19,322	19,867
Water Main Breaks	13	21	20	19	26
Daily Average Consumption (thousands of gallons)	8.1M	8.4M	8.5M	8.7M	8.7M
Sewer					
Number of Service Connections	15,602	16,332	16,899	17,477	17,777
Daily Average Sewage Treatment (thousands of gallons)	8.2M	8.2M	8.3M	8.3M	8.3M

Source: City Auditor's Office

*City of Newark*

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2004	2005	2006	2007	2008
3,498	3,544	3,571	3,602	3,777
568	581	534	521	501
2,096	2,112	2,001	2,213	2,322
1,882	1,723	1,750	1,797	1,832
5,764	5,870	6,146	6,204	6,220
6,949	7,228	7,672	7,737	7,839
20	31	33	33	35
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	3	7	8
19,993	20,212	20,342	20,408	20,543
24	27	18	29	28
8.8M	8.9M	8.9M	8.9M	9.0M
17,936	18,243	18,657	18,687	18,703
8.3M	8.3M	8.4M	8.4M	8.5M

# City of Newark

## Capital Asset Statistics by Function Last Ten Years

	1999	2000	2001	2002	2003
<b>Governmental Activities</b>					
General Government					
Public Land and Buildings					
Land (acres)	457	457	457	458	458
Buildings	27	27	28	28	28
Security of Persons and Property					
Police					
Stations	1	1	1	1	1
Vehicles	19	19	19	21	21
Fire					
Stations	4	4	4	4	4
Vehicles	16	16	16	17	17
Transportation					
Street					
Streets (lane miles)	217	217	218	218	220
Traffic Signals	3,319	3,319	3,326	3,326	3,334
Vehicles	34	34	35	35	36
Leisure Time Activities					
Recreation/Seniors					
Land (acres)					
Buildings	14	14	16	16	16
Parks	38	38	38	39	39
Playgrounds	12	14	14	14	14
Swimming Pools	1	1	1	1	1
Baseball/Softball Diamonds	12	12	12	12	12
<b>Business-Type Activities</b>					
Utilities					
Water					
Waterlines (Miles)	195	196	196	197	197
Number of Hydrants	256	256	266	268	277
Sewer					
Sewerlines (Miles)	179	179	181	182	185
Lift Stations	7	7	7	7	7
Storm Water Drainage					
Storm Drains (Miles)	86	86	86	86	93
Number of Catch Basins	3,955	3,955	3,955	3,999	4,144

Source: City Auditor's Office

*City of Newark*

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2004	2005	2006	2007	2008
459	459	459	459	459
29	29	29	29	29
1	1	1	1	1
21	22	22	22	22
4	4	4	4	4
17	18	18	19	20
220	221	226	228	228
3,334	3,338	3,338	3,342	3,342
36	37	37	39	39
16	16	16	16	16
39	39	39	39	39
14	14	14	14	14
1	1	1	1	1
12	12	12	12	12
197	199	199	201	203
281	281	281	284	290
185	187	187	189	191
7	7	7	7	7
96	100	102	108	110
4,144	4,167	4,485	4,490	4,494

