



Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

www.bhscpas.com

CITY OF NEWARK
LICKING COUNTY, OHIO

SINGLE AUDIT

January 1, 2011 through December 31, 2011
Fiscal Year Audited Under GAGAS: 2011



Dave Yost • Auditor of State

City Council
City of Newark
40 West Main Street
Newark, Ohio 43055

We have reviewed the *Independent Auditor's Report* of the City of Newark, Licking County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2011 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Newark is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

January 9, 2013

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City of Newark
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City of Newark, Ohio
Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2011

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
U.S. Department of Housing and Urban Development			
<i>Passed through the Ohio Department of Development:</i>			
Community Development Block Grant - Entitlement Grants Cluster:			
Community Development Block Grants/Entitlement Grants	B10-MC-39-00024/B-11-MC-39-0024	14.218	884,306
Community Development Block Grants ARRA Entitlement Grants	B-09-MY-39-0024	14.253	20,419
Community Development Block Grant - Entitlement Grants Cluster Total			904,725
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	A-2-08-2HX-1/A-Z-08-293-1	14.228	379,696
HOME Investment Partnerships Program	A-C-09-2HX-2	14.239	259,251
<i>Total Passed through the Ohio Department of Development</i>			1,543,672
<i>Direct from Federal Government</i>			
Lead Based Paint Hazard Control in Privately-Owned Housing	OHLHB-0370-07	14.900	97,572
Lead Based Paint Hazard Control in Privately-Owned Housing	OHLHB-0438-09	14.900	881,063
<i>Total Direct from Federal Government</i>			978,635
Total U.S. Department of Housing and Urban Development			2,522,307
U.S. Department of Transportation			
<i>Federal Highway Administration</i>			
<i>Passed through the Ohio Department of Transportation:</i>			
Highway Planning and Construction	N/A	20.205	149,624
Federal Transit Formula Grants	OH-90-X699-00	20.507	189,803
Federal Transit Formula Grants	OH-90-X722-00	20.507	287,122
Federal Transit Formula Grants	OH-90-X723-00	20.507	320,241
Federal Transit Formula Grants	OH-95-X073-00	20.507	35,082
Federal Transit Formula Grants	OH-90-X660-01	20.507	43,523
Total U.S. Department of Transportation			1,025,395
U.S. Department of Criminal Justice			
<i>Passed through the Ohio Department of Public Safety:</i>			
Edward Byrne Memorial Justice Assistance Grant Program	2009-DJ-BX-0346	16.738	2,468
Edward Byrne Memorial Justice Assistance Grant Program	2010-DJ-BX-0172	16.738	7,770
Edward Byrne Memorial Justice Assistance Grant Program	2011-DJ-BX-3171	16.738	7,500
Edward Byrne Memorial Justice Assistance Grant Program	2010-JG-E01-6587	16.738	45,330
Recovery Act-Eduard Byrne Memorial Justice Assistance Grant (JAG) Program/Grants To Unit Of Local Government	2009-SB-B9-0989	16.804	5,433
Bulletproof Vest Partnership Program	N/A	16.607	1,267
Total U.S. Department of Criminal Justice			69,768
U.S. Department of Homeland Security			
<i>Passed through the Ohio Emergency Management Agency:</i>			
Assistance to Firefighters Grant	EMW-2010-FO-09330	97.044	16,054
Staffing for Adequate Fire and Emergency Response (SAFER)	EMW-2008-FF-00624	97.083	97,934
Total U.S. Department of Homeland Security			113,988
Total Federal Expenditures			\$3,731,458
N/A - pass through entity number not available			

See accompanying notes to the schedule of federal awards expenditures.

CITY OF NEWARK
LICKING COUNTY, OHIO
NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 1 – GENERAL

The accompanying Schedule of Federal Awards Expenditures (the Schedule) presents the activity of all federal financial programs of the City of Newark, Ohio. The City reporting entity is defined in Note 1 of the City's basic financial statements. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other governmental agencies is included in the Schedule.

NOTE 2 – BASIS OF ACCOUNTING

The accompanying Schedule of Federal Awards Expenditures has been prepared on a basis of cash disbursements; consequently, expenditures are recognized when paid rather than when the obligation is incurred.



Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

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

To the Members of Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Newark, Licking County, (the City), as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 29, 2012, wherein we noted the City implemented GASB Statement 54. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings that we considered a significant deficiency in internal control over financial reporting. We consider finding 2011-01 to be a significant deficiency. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Members of Council

City of Newark

Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Required by *Government Auditing Standards*

Page 2

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated June 29, 2012.

The City's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the City's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of management, Members of Council, federal awarding agencies and pass-through agencies, and others within the City. We intend it for no one other than these specified parties.

Balestra, Harr & Scherer, CPAs

Balestra, Harr & Scherer, CPAs, Inc.

June 29, 2012



Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133, and Federal Awards Expenditure Schedule

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

Compliance

We have audited the compliance of the City of Newark (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the City of Newark's major federal programs for the year ended December 31, 2011. The summary of auditor's results section of the accompanying schedule of findings identifies the City's major federal programs. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the City's compliance based on our audit.

Our compliance audit followed auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the City's compliance with these requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with these requirements.

In our opinion, the City of Newark complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2011. However, the results of our auditing procedures disclosed an instance of noncompliance with these requirements that, while not affecting our opinion on compliance, OMB Circular A-133 requires us to report. The accompanying schedule of findings lists this instance as Finding 2011-02.

Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

bhs

Circleville

Ironton

Piketon

Wheelersburg

Worthington

Members of Council

City of Newark

Report on Compliance with Requirements Applicable to Each Major

Federal Program, Internal Control Over Compliance Required by OMB Circular A-133, and

Federal Awards Expenditure Schedule

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, we cannot assure we have identified all deficiencies, significant deficiencies, or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider a material weakness.

A *deficiency in internal control* over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2011-02 to be a material weakness.

Schedule of Federal Awards Expenditures

We have also audited and issued our unqualified opinion on the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Newark (the City) as of and for the year ended December 31, 2011, and have issued our report thereon dated June 29, 2012. Our audit was performed to form opinions on the financial statements that collectively comprise the City's basic financial statements taken as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to June 29, 2012, wherein we noted the City adopted *Governmental Accounting Standard No. 54* during the year. The accompanying Schedule of Federal Awards Expenditures provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The City's response to the finding we identified is described in the accompanying schedule of findings. We did not audit the City's response and accordingly, we express no opinion on it.

We intend this report solely for the information and use of management, Members of Council, others within the entity, federal awarding agencies and pass-through entities. It is not intended for anyone other than these specified parties.

Balestra, Harr & Scherer, CPAs

Balestra, Harr & Scherer, CPAs, Inc.

August 30, 2012

City of Newark
Schedule of Findings
OMB Circular A-133 Section .505
For the Year Ended December 31, 2011

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses reported for major federal programs?	Yes
(d)(1)(iv)	Were there any other significant deficiencies reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs	Unqualified
(d)(1)(vi)	Are there any reportable findings under section .510?	Yes
(d)(1)(vii)	Major Programs (list):	Community Development Block Grant – Entitlement Grants Cluster: CFDA #14.218, Community Development Block Grants/Entitlement Grants CFDA #14.253, Community Development Block Grants – R-ARRA CFDA #14.900, Lead Based Paint Hazard Control in Privately-Owned Housing CFDA #20.205 Highway Planning and Construction
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

City of Newark
Schedule of Findings
OMB Circular A-133 Section .505
For the Year Ended December 31, 2011

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2011-01

Significant Deficiency – Financial Reporting

Sound financial reporting is the responsibility of the City's Auditor and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. The City had a prior period adjustment to correct errors in accounting for loans receivable. The accompanying financial statements were adjusted to reflect the correction of the fund balance in the Community Development Fund associated with the loans receivable.

The City should implement application and monitoring controls over financial reporting to ensure that all financial statement transactions are accurately and completely reported.

Client's response:

The City will follow the Auditor's request.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

FINDING NUMBER 2011-02

Finding Number	2011-02
CFDA Title and Number	Community Development Block Grant – Entitlement Grants Cluster: CFDA #14.218, Community Development Block Grants/Entitlement Grants CFDA #14.253, Community Development Block Grants – R-ARRA CFDA #14.900, Lead Based Paint Hazard Control in Privately-Owned Housing CFDA #20.205 Highway Planning and Construction
Federal Award Year	2011
Federal Agency	United States Department of Housing and Urban Development, United States Department of Transportation

Material Weakness/Noncompliance Citation – Reporting

OMB Circular A-133 Section 200 (b) state that non-Federal entities that expend \$500,000 or more in a year in Federal awards shall have a single audit conducted in accordance with Section 500 except when they elect to have a program-specific audit conducted in accordance with paragraph (c) of this section.

OMB Circular A-133 Section 320 (a) state that the audit shall be completed and the data collection form described in paragraph (b) of this section and reporting package described in paragraph (c) of this section shall be submitted within the earlier of 30 days after receipt of the auditor's report(s), or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for the audit. Unless restricted by law or regulation, the auditee shall make copies available for public inspection.

City of Newark
Schedule of Findings
OMB Circular A-133 Section .505
For the Year Ended December 31, 2011

FINDING NUMBER 2011-02 (Continued)

Material Weakness/Noncompliance Citation – Reporting (continued)

The City filed its December 31, 2010 data collection form and reporting package with the federal audit clearinghouse on July 31, 2012.

We recommend the District submit its data collection form and reporting package within the time frame as required by OMB Circular A-133 Section 320.

Official's Response:

The City will file the report on time in the future.

City of Newark
Corrective Action Plan
OMB Circular A-133 §315(c)
For the Year Ended December 31, 2011

Corrective Action Plan for Finding 2011-02:

Finding Control Number: 2011-02

Summary of Finding: The City did not submit the data collection form and reporting package within the required time frame for fiscal year 2010.

Statement of Concurrence: The City is aware of Finding 2011-02 and agrees that the finding as stated is correct.

Corrective Action: The Data Collection Form for 2010 has been filed.

Contact Person: The official responsible for completing the corrective action is listed below:

Stephen Johnson
Auditor
Phone: (740) 670 -7562
Fax: (740) 670-7561
Email: sjohnson@newarkohio.net

City of Newark, Ohio

Licking County



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2011



CITY OF NEWARK, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2011**

Prepared by the Auditor's Office

**Stephen E. Johnson
City Auditor**

CITY OF NEWARK, OHIO



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LICKING COUNTY, OHIO**

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INTRODUCTORY SECTION





CITY OF NEWARK

40 West Main Street • Newark, Ohio 43055

Stephen E. Johnson, City Auditor

phone (740) 670-7560 fax (740) 670-7561

June 29, 2012

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, 2011. 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 auditor.

The Reporting Entity:

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

Based on the foregoing, the reporting entity of the City has no component units but includes the following services: police and fire protection, parks and recreation, planning, zoning, street maintenance and other governmental services. In addition, the City owns and operates 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.

CITY OF NEWARK, OHIO

Letter of Transmittal ***For the Year Ended December 31, 2011***

Historical Information:

The hub of a metropolitan area with in excess of 150,000 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 2010 census show that Newark exhibited continued and steady growth throughout the decade of 2000 through 2010. The 2010 census placed the population at 47,537.

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 fourth term, the Law Director is serving in his third term, and the Mayor and Treasurer are serving in their 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.

CITY OF NEWARK, OHIO

Letter of Transmittal For the Year Ended December 31, 2011

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 47,537. The City's elevation is approximately 830 feet above sea level. Its median temperatures are 75 degrees in summer and 30.2 degrees in winter. State highways 79, 13 and 16 serve as the City's major transportation arteries. The City is also served by the east-west interstate highway I-70 which lies approximately 9 miles to the south.

As part of the Columbus metropolitan area, in particular, its closeness to 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.

CITY OF NEWARK, OHIO

Letter of Transmittal ***For the Year Ended December 31, 2011***

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 a stable economy but unemployment rates, as in many places, increased during 2011. 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.

CITY OF NEWARK, OHIO

Letter of Transmittal ***For the Year Ended December 31, 2011***

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

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

CITY OF NEWARK, OHIO

Letter of Transmittal ***For the Year Ended December 31, 2011***

Unemployment Rates:

The Ohio Bureau of Employment Services does not maintain statistics for the City of Newark, but unemployment within the City was estimated to be 8.2%.

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 2011 through 2013.

MAJOR INITIATIVES

During 2011, continuing efforts were made to upgrade services and improve the quality of life for the citizens of Newark through the following projects:

Infrastructure Improvements

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

Construction has begun 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.

CITY OF NEWARK, OHIO

Letter of Transmittal ***For the Year Ended December 31, 2011***

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 2011, 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.

CITY OF NEWARK, OHIO

Letter of Transmittal* *For the Year Ended December 31, 2011

Long-Term Financial Planning

The City has become increasingly aware of a declining cash reserve balance. During fiscal year 2007 the City began charging for EMS transport services. Legislation has been passed 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 which is dedicated to infrastructure upgrades and improvements. As a result of these fees, the City has been able to increase the number of firefighters and medics and has been able to increase the replacement of EMS transport vehicles.

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.

CITY OF NEWARK, OHIO

Letter of Transmittal* *For the Year Ended December 31, 2011

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: Principal Interest
* Transfers	

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

OTHER INFORMATION

Independent Audit:

The basic financial statements of the City of Newark were audited by Balestra, Harr and Scherer, Certified Public Accountants Incorporated. The independent auditor's 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, 2010. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards in state and local government financial reporting. To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents satisfy all program standards. The report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements respective to the reporting entity.

A Certificate of Achievement is valid for a period of one year only. The City of Newark has received a Certificate of Achievement for twenty consecutive years (1991 - 2010). 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.

CITY OF NEWARK, OHIO

Letter of Transmittal
For the Year Ended December 31, 2011

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.

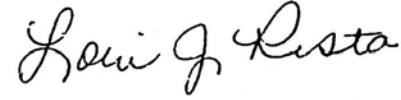
Respectfully,



Stephen E. Johnson
City Auditor



Jacqueline S. Prince
Accounting Manager



Lori J. Resta
Deputy City Auditor

CITY OF NEWARK, OHIO

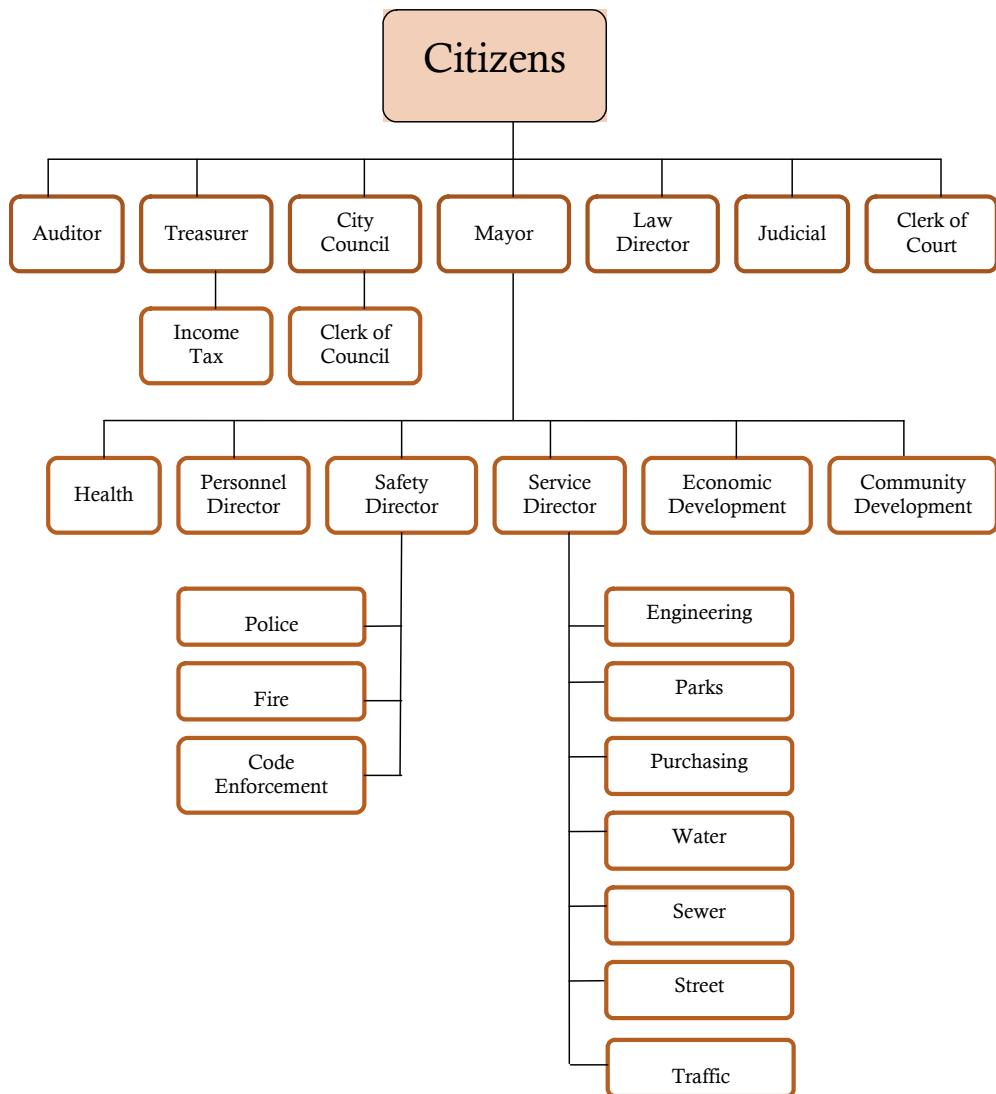
List of Principal Officials
For the Year Ended December 31, 2011

NAME	TITLE	TERM OF OFFICE	SURETY DATA *
Jeff Hall	Mayor	01/01/12 to 12/31/15	
Stephen E. Johnson	Auditor	01/01/12 to 12/31/15	\$5,000 01/01/08 to 12/31/11
Michael F. Higgins	Judge	01/01/08 to 12/31/13	
David Stansberry	Judge	01/01/12 to 12/31/17	
Douglas Sassen	Law Director	01/01/12 to 12/31/15	
Tim Mercer	Treasurer	01/01/12 to 12/31/13	\$30,000 01/01/05 to 12/31/13
Don Ellington	President of Council	01/01/12 to 12/31/15	
Ryan T. Bubb	Council-at-Large	01/01/12 to 12/31/15	
Bill Cost Jr.	Council-at-Large	01/01/12 to 12/31/15	
Marc Guthrie	Council-at-Large	01/01/12 to 12/31/15	
Clyde Edgar Houdeshell	Council 1st Ward	01/01/10 to 12/31/13	
Shirley Stare	Council 2nd Ward	01/01/10 to 12/31/13	
Jeff Rath	Council 3rd Ward	01/01/10 to 12/31/13	
Rhonda Loomis	Council 4th Ward	09/01/10 to 12/31/13	
Duke Frost	Council 5th Ward	01/11/12 to 12/31/15	
Douglas Marmie	Council 6th Ward	01/01/10 to 12/31/13	
Carol Floyd	Council 7th Ward	01/01/10 to 12/31/13	
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 OF NEWARK, OHIO

City Organizational Chart For the Year Ended December 31, 2011



CITY OF NEWARK, OHIO

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

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

Presented to

**City of Newark
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Davidson

President

Jeffrey P. Evans

Executive Director

CITY OF NEWARK, OHIO



FINANCIAL SECTION





Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

www.bhscpas.com

Independent Auditor's Report

Members of Council
City of Newark
Licking County, Ohio
40 West Main Street
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, Licking County, Ohio, (the City), as of and for the year ended December 31, 2011, which collectively comprise the City's basic 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 opinions 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 the 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Newark, Licking County, Ohio as of December 31, 2011, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the general fund and community development fund 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 our report dated June 29, 2012, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in considering the results of our audit.

City of Newark
Licking County, Ohio
Independent Auditor's Report
Page 2

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

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepared the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

As described in Note 3 to the basic financial statements, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.


Balestra, Harr & Scherer, CPAs, Inc.
June 29, 2012

CITY OF NEWARK, OHIO

Management's Discussion and Analysis For the Year Ended December 31, 2011

Unaudited

This discussion and analysis of the City of Newark's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2011. 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 2011 are as follows:

- In total, net assets increased \$6,183,909. Net assets of governmental activities increased \$4,962,466, which represents a 9% change from 2010. Net assets of business-type activities increased \$1,221,443 or 5% from 2010.
- General revenues accounted for \$27,075,977 in revenue or 48% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$29,622,232, or 52% of total revenues of \$56,698,209.
- The City had \$36,580,836 in expenses related to governmental activities; only \$14,338,439 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$27,073,575 were adequate to provide for these programs.
- Among major funds, the general fund had \$29,671,412 in revenues and other financing sources and \$30,088,606 in expenditures and other financing uses. The general fund's fund balance decreased from \$4,826,508 to \$4,402,961.

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.

CITY OF NEWARK, OHIO

Management's Discussion and Analysis For the Year Ended December 31, 2011

Unaudited

Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net 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, 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.

CITY OF NEWARK, OHIO

Management's Discussion and Analysis For the Year Ended December 31, 2011

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 2011 compared to 2010.

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$27,372,290	\$25,662,126	\$12,561,676	\$12,380,882	\$39,933,966	\$38,043,008
Capital assets, Net	61,318,812	58,912,220	54,241,869	51,383,733	115,560,681	110,295,953
Total assets	88,691,102	84,574,346	66,803,545	63,764,615	155,494,647	148,338,961
Long-term debt outstanding	24,624,668	25,205,986	38,916,888	35,896,640	63,541,556	61,102,626
Other liabilities	5,393,465	5,657,857	771,931	1,974,692	6,165,396	7,632,549
Total liabilities	30,018,133	30,863,843	39,688,819	37,871,332	69,706,952	68,735,175
Net assets						
Invested in capital assets, net of related debt	42,258,279	40,274,220	20,600,700	21,621,744	62,858,979	61,895,964
Restricted	14,149,111	11,967,071	0	0	14,149,111	11,967,071
Unrestricted	2,265,579	1,469,212	6,514,026	4,271,539	8,779,605	5,740,751
Total net assets	\$58,672,969	\$53,710,503	\$27,114,726	\$25,893,283	\$85,787,695	\$79,603,786

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CITY OF NEWARK, OHIO

Management's Discussion and Analysis
For the Year Ended December 31, 2011

Unaudited

Changes in Net Assets – The following table shows the changes in net assets for the fiscal year 2011 compared with 2010:

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
Program Revenues:						
Charges for Services and Sales	\$4,222,838	\$4,337,451	\$15,283,793	\$15,170,911	\$19,506,631	\$19,508,362
Operating Grants and Contributions	7,222,698	5,745,895	0	0	7,222,698	5,745,895
Capital Grants and Contributions	2,892,903	295,531	0	750,445	2,892,903	1,045,976
Total Program Revenues	14,338,439	10,378,877	15,283,793	15,921,356	29,622,232	26,300,233
General Revenues:						
Property Taxes	3,320,869	2,813,772	0	0	3,320,869	2,813,772
Income Taxes	19,440,371	18,880,522	0	0	19,440,371	18,880,522
Other Local Taxes	496,040	361,444	0	0	496,040	361,444
Intergovernmental, Unrestricted	3,099,985	3,554,614	0	0	3,099,985	3,554,614
Investment Earnings	175,826	219,412	2,402	3,247	178,228	222,659
Miscellaneous	540,484	658,189	0	0	540,484	658,189
Total General Revenues	27,073,575	26,487,953	2,402	3,247	27,075,977	26,491,200
Total Revenues	41,412,014	36,866,830	15,286,195	15,924,603	56,698,209	52,791,433
Program Expenses						
Security of Persons and Property	17,438,065	18,825,824	0	0	17,438,065	18,825,824
Community Environment	1,958,987	2,666,668	0	0	1,958,987	2,666,668
Public Health and Welfare Services	217,140	157,745	0	0	217,140	157,745
Transportation	5,364,963	5,686,444	0	0	5,364,963	5,686,444
General Government	10,843,803	12,247,040	0	0	10,843,803	12,247,040
Interest and Fiscal Charges	757,878	787,437	0	0	757,878	787,437
Water	0	0	6,444,744	6,120,509	6,444,744	6,120,509
Sewer	0	0	5,568,346	5,238,347	5,568,346	5,238,347
Storm Water	0	0	1,920,374	2,122,819	1,920,374	2,122,819
Total Expenses	36,580,836	40,371,158	13,933,464	13,481,675	50,514,300	53,852,833
Change in Net Assets before transfers	4,831,178	(3,504,328)	1,352,731	2,442,928	6,183,909	(1,061,400)
Transfers	131,288	82,637	(131,288)	(82,637)	0	0
Total Change in Net Assets	4,962,466	(3,421,691)	1,221,443	2,360,291	6,183,909	(1,061,400)
Beginning Net Assets	53,710,503	57,132,194	25,893,283	23,532,992	79,603,786	80,665,186
Ending Net Assets	\$58,672,969	\$53,710,503	\$27,114,726	\$25,893,283	\$85,787,695	\$79,603,786

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CITY OF NEWARK, OHIO

Management's Discussion and Analysis For the Year Ended December 31, 2011

Unaudited

Governmental Activities

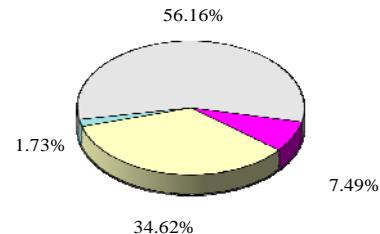
Net assets of the City's governmental activities increased \$4,962,466. This represents a 9% change from 2010. Increases in community development block grants resulted in an increase in operating grants and contributions. A substantial increase in capital grants and contributions can be attributed to Ohio Department of Transportation grants for improvements to Waterworks Road.

Recognition of a pollution remediation liability in the previous year resulted in a subsequent decrease in general government in the current year. Security of persons and property decreased due to reduced overtime pay as well as unfilled positions in the police and fire departments.

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 47% and 8% respectively of revenues for governmental activities for the City in fiscal year 2011. The City's reliance upon tax revenues is demonstrated by the following graph indicating 56% of total revenues from general tax revenues:

Revenue Sources	2011	Percent of Total
General Tax Revenues	\$23,257,280	56.16%
Intergovernmental, Unrestricted	3,099,985	7.49%
Program Revenues	14,338,439	34.62%
General Other	716,310	1.73%
Total Revenue	\$41,412,014	100.00%



Business-Type Activities

Net assets of the business-type activities increased \$1,221,443. This represents a 5% change from the previous year. Grants received in the form of Ohio Water Development Authority Loan forgiveness in 2010 resulted in a subsequent decrease in capital grants in the current year.

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CITY OF NEWARK, OHIO**Management's Discussion and Analysis
For the Year Ended December 31, 2011****Unaudited****FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

The City's governmental funds reported a combined fund balance of \$16,593,293, which is an increase from last year's balance of \$14,624,331. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2011 and 2010:

	Fund Balance December 31, 2011	Restated Fund Balance December 31, 2010	Increase (Decrease)
General	\$4,402,961	\$4,826,508	(\$423,547)
Community Development	4,977,255	4,068,668	908,587
Capital Improvement	1,965,570	1,173,807	791,763
Other Governmental	5,247,507	4,555,348	692,159
Total	\$16,593,293	\$14,624,331	\$1,968,962

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

	2011 Revenues	2010 Revenues	Restated Increase (Decrease)
Taxes	\$21,920,742	\$21,456,990	\$463,752
Intergovernmental Revenues	3,460,597	3,840,260	(379,663)
Charges for Services	2,021,145	2,152,166	(131,021)
Licenses, Permits and Fees	136,677	63,204	73,473
Investment Earnings	167,786	168,616	(830)
Special Assessments	18,166	16,355	1,811
Fines and Forfeitures	1,457,495	1,551,666	(94,171)
All Other Revenue	265,097	286,223	(21,126)
Total	\$29,447,705	\$29,535,480	(\$87,775)

Overall General Fund revenues in 2011 remained stable, decreasing \$87,775 or less than 1% when compared with the previous year. Modest improvements in the economy resulted in an increase in income taxes while the decrease in intergovernmental revenue can be attributed to a decrease in estate taxes.

	2011 Expenditures	2010 Expenditures	Restated Increase (Decrease)
Security of Persons and Property	\$16,377,377	\$17,821,397	(\$1,444,020)
Public Health and Welfare Services	2,684	27,829	(25,145)
Community Environment	99,650	86,571	13,079
General Government	9,968,157	10,079,679	(111,522)
Total	\$26,447,868	\$28,015,476	(\$1,567,608)

CITY OF NEWARK, OHIO

Management's Discussion and Analysis
For the Year Ended December 31, 2011

Unaudited

General Fund expenditures decreased \$1,567,608 or approximately 6% when compared with the prior year. Security of persons and property decreased due to reduced overtime pay as well as unfilled positions in the police and fire departments.

Community Development Fund – The Community Development Fund balance increased due to increases in community development block grants.

Capital Improvement Fund – The City's Capital Improvement Fund balance reported an increase in fund balance of \$791,763. Capital grants for street improvements resulted in an increase in revenues while expenditures remained stable with the prior year.

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 2011 the City amended its General Fund budget several times, none significant.

For the General Fund, the difference between actual receipts, final budgeted receipts and original budgeted receipts was insignificant. The difference between original and final budgeted expenditures was insignificant. Actual expenditures for Security of Persons and Property were lower than final estimates due to vacancies in the police and fire departments. Actual expenditures for General Government were lower than final estimates due to a controlling of costs across all departments.

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CITY OF NEWARK, OHIO**Management's Discussion and Analysis
For the Year Ended December 31, 2011****Unaudited****CAPITAL ASSETS AND DEBT ADMINISTRATION*****Capital Assets***

At the end of fiscal 2011 the City had \$115,560,681 net of accumulated depreciation invested in land, construction in progress, buildings, improvements, infrastructure, equipment and vehicles. Of this total, \$61,318,812 was related to governmental activities and \$54,241,869 to the business-type activities. The following table shows fiscal year 2011 and 2010 balances:

	Governmental Activities		Increase (Decrease)
	2011	2010	
Land	\$17,272,958	\$16,259,070	\$1,013,888
Construction In Progress	2,022,551	1,464,652	557,899
Buildings	18,030,435	17,995,435	35,000
Improvements Other than Buildings	5,364,643	5,195,884	168,759
Infrastructure	59,200,558	56,798,367	2,402,191
Machinery and Equipment	13,623,903	12,802,714	821,189
Less: Accumulated Depreciation	(54,196,236)	(51,603,902)	(2,592,334)
Totals	\$61,318,812	\$58,912,220	\$2,406,592

The increase in infrastructure and land was the result of improvements to Waterworks Road.

	Business-Type Activities		Increase (Decrease)
	2011	2010	
Land	\$161,800	\$161,800	\$0
Construction in Progress	20,681,391	22,045,580	(1,364,189)
Buildings and Improvements	36,330,185	31,542,020	4,788,165
Infrastructure	13,072,457	12,608,961	463,496
Machinery and Equipment	30,863,963	30,522,296	341,667
Less: Accumulated Depreciation	(46,867,927)	(45,496,924)	(1,371,003)
Totals	\$54,241,869	\$51,383,733	\$2,858,136

Significant additions to business-type activities capital assets consisted of a standby power generator project at the water treatment plant, a high rate treatment system project at the waste water treatment plant, and a combined sewer overflow project. Additional information on the City's capital assets can be found in Note 9.

CITY OF NEWARK, OHIO

Management's Discussion and Analysis For the Year Ended December 31, 2011

Unaudited

Debt

At December 31, 2011, the City had \$27.5 million in General Obligation bonds outstanding, \$1.5 million due within one year. The following table summarizes the City's debt outstanding as of December 31, 2011 and 2010:

	2011	2010
Governmental Activities:		
General Obligation Bonds	\$16,157,918	\$15,561,303
ODOT State Infrastructure Bank Loan	1,299,147	1,184,313
Capital Leases	2,001,395	2,218,696
Accrued Pension Liability	1,844,336	1,889,506
Pollution Remediation Liability	526,089	1,215,577
Compensated Absences	2,795,783	3,136,591
Total Governmental Activities	24,624,668	25,205,986
Business-Type Activities:		
General Obligation Bonds	\$11,377,441	\$10,961,630
Special Assessment Bonds	15,388	20,516
OWDA Loans	25,580,376	22,899,357
OPWC Loans	980,393	1,049,964
Capital Leases	275,901	319,995
Compensated Absences	687,389	645,178
Total Business-Type Activities	38,916,888	35,896,640
Totals	\$63,541,556	\$61,102,626

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, 2011, 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 has received a State Infrastructure Bank loan (SIB) for the project and construction was completed in 2010. With the completion of these projects additional commercial development began in 2011.

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 near the national average.

CITY OF NEWARK, OHIO

Management's Discussion and Analysis
For the Year Ended December 31, 2011

Unaudited

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. With the additional income tax along with a fee charged for Emergency Medical Service (EMS) transports a replacement for the central downtown fire station will break ground during the third quarter 2012. The 2012 city budget is projected to increase due in part to a 3.2% increase in income tax collections during 2011. 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 funded with a dedicated portion of EMS fees. The cash carry over at year end 2010 was nearly equal to 2009 but 2011 showed an increase over 2010 due to increased cash reserves.

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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



CITY OF NEWARK, OHIO

Statement of Net Assets
December 31, 2011

	Governmental Activities	Business-Type Activities	Total
Assets:			
Pooled Cash and Investments	\$ 11,053,797	\$ 9,119,710	\$ 20,173,507
Investments	625,219	0	625,219
Receivables:			
Taxes	6,233,485	0	6,233,485
Accounts	379,456	2,027,697	2,407,153
Intergovernmental	3,075,483	0	3,075,483
Interest	6,996	0	6,996
Special Assessments	3,233	0	3,233
Loans	4,521,172	0	4,521,172
Internal Balance	(775,932)	775,932	0
Inventory of Supplies at Cost	455,252	591,820	1,047,072
Prepaid Items	42,867	20,449	63,316
Deferred Charge	0	12,011	12,011
Restricted Assets:			
Cash and Cash Equivalents	715,255	0	715,255
Cash and Cash Equivalents with Fiscal Agent	8,930	14,057	22,987
Investments	627,500	0	627,500
Investments with Fiscal Agent	399,577	0	399,577
Non-Depreciable Capital Assets	19,295,509	20,843,191	40,138,700
Depreciable Capital Assets, Net	42,023,303	33,398,678	75,421,981
Total Assets	88,691,102	66,803,545	155,494,647
Liabilities:			
Accounts Payable	176,290	312,559	488,849
Accrued Wages and Benefits	1,664,000	323,939	1,987,939
Claims Payable	336,061	0	336,061
Retainage Payable	4,806	0	4,806
Matured Bonds and Interest Payable	0	14,057	14,057
Unearned Revenue	3,111,952	0	3,111,952
Accrued Interest Payable	100,356	121,376	221,732
Noncurrent liabilities:			
Due within one year	3,185,076	2,413,500	5,598,576
Due in more than one year	21,439,592	36,503,388	57,942,980
Total Liabilities	30,018,133	39,688,819	69,706,952

CITY OF NEWARK, OHIO

	Governmental Activities	Business-Type Activities	Total
Net Assets:			
Invested in Capital Assets, Net of Related Debt	42,258,279	20,600,700	62,858,979
Restricted For:			
Capital Projects	2,313,456	0	2,313,456
Debt Service	788,778	0	788,778
Security of Persons	482,342	0	482,342
Street Improvement	2,709,065	0	2,709,065
Community Environment	5,477,432	0	5,477,432
Transportation	68,266	0	68,266
Judiciary	1,012,319	0	1,012,319
Cemetery Maintenance	1,201,391	0	1,201,391
Other Purposes	96,062	0	96,062
Unrestricted	2,265,579	6,514,026	8,779,605
Total Net Assets	\$ 58,672,969	\$ 27,114,726	\$ 85,787,695

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

Statement of Activities
For the Year Ended December 31, 2011

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 17,438,065	\$ 3,346,407	\$ 669,595	\$ 0
Community Environment	1,958,987	62,801	2,912,693	0
Public Health and Welfare Services	217,140	138,358	30,916	0
Transportation	5,364,963	89,514	3,609,494	2,892,903
General Government	10,843,803	585,758	0	0
Interest and Fiscal Charges	757,878	0	0	0
Total Governmental Activities	36,580,836	4,222,838	7,222,698	2,892,903
Business-Type Activities:				
Water	6,444,744	6,027,520	0	0
Sewer	5,568,346	6,600,685	0	0
Storm Water	1,920,374	2,655,588	0	0
Total Business-Type Activities	13,933,464	15,283,793	0	0
Totals	\$ 50,514,300	\$ 19,506,631	\$ 7,222,698	\$ 2,892,903

General Revenues and Transfers

Property Taxes Levied for:

General Purposes

Special Purposes

Capital Purposes

Income Tax

Other Local Taxes

Intergovernmental, Unrestricted

Investment Earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (13,422,063)	\$ 0	\$ (13,422,063)
1,016,507	0	1,016,507
(47,866)	0	(47,866)
1,226,948	0	1,226,948
(10,258,045)	0	(10,258,045)
(757,878)	0	(757,878)
<u>(22,242,397)</u>	<u>0</u>	<u>(22,242,397)</u>
0	(417,224)	(417,224)
0	1,032,339	1,032,339
0	735,214	735,214
0	1,350,329	1,350,329
<u>(22,242,397)</u>	<u>1,350,329</u>	<u>(20,892,068)</u>
2,003,214	0	2,003,214
398,173	0	398,173
919,482	0	919,482
19,440,371	0	19,440,371
496,040	0	496,040
3,099,985	0	3,099,985
175,826	2,402	178,228
540,484	0	540,484
131,288	(131,288)	0
<u>27,204,863</u>	<u>(128,886)</u>	<u>27,075,977</u>
4,962,466	1,221,443	6,183,909
<u>53,710,503</u>	<u>25,893,283</u>	<u>79,603,786</u>
<u>\$ 58,672,969</u>	<u>\$ 27,114,726</u>	<u>\$ 85,787,695</u>

CITY OF NEWARK, OHIO

Balance Sheet
Governmental Funds
December 31, 2011

	General	Community Development	Capital Improvement
Assets:			
Pooled Cash and Investments	\$ 2,514,556	\$ 326,197	\$ 1,678,361
Investments	0	0	303,938
Receivables:			
Taxes	5,276,247	0	0
Accounts	342,088	0	0
Intergovernmental	1,342,785	259,251	0
Interest	6,676	0	0
Special Assessments	0	0	0
Loans	0	4,521,172	0
Interfund Loans Receivable	930,649	0	0
Inventory of Supplies, at Cost	73,120	0	0
Prepaid Items	42,867	0	0
Restricted Assets:			
Cash and Cash Equivalents	0	0	0
Cash and Cash Equivalents with Fiscal Agent	0	0	0
Investments	0	0	0
Investments with Fiscal Agent	0	0	0
Total Assets	\$ 10,528,988	\$ 5,106,620	\$ 1,982,299
Liabilities:			
Accounts Payable	\$ 26,403	\$ 76,129	\$ 11,923
Accrued Wages and Benefits Payable	1,500,178	53,236	0
Retainage Payable	0	0	4,806
Interfund Loans Payable	0	0	0
Deferred Revenue	4,599,446	0	0
Total Liabilities	6,126,027	129,365	16,729
Fund Balance:			
Nonspendable	115,987	4,521,172	0
Restricted	0	456,083	1,965,570
Assigned	534,701	0	0
Unassigned	3,752,273	0	0
Total Fund Balance	4,402,961	4,977,255	1,965,570
Total Liabilities and Fund Balance	\$ 10,528,988	\$ 5,106,620	\$ 1,982,299

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 4,166,798	\$ 8,685,912
75,000	378,938
957,238	6,233,485
37,368	379,456
1,473,447	3,075,483
320	6,996
3,233	3,233
0	4,521,172
0	930,649
382,132	455,252
0	42,867
715,255	715,255
8,930	8,930
627,500	627,500
399,577	399,577
<hr/> \$ 8,846,798	<hr/> \$ 26,464,705
\$ 61,835	\$ 176,290
110,586	1,664,000
0	4,806
930,649	930,649
<hr/> 2,496,221	<hr/> 7,095,667
<hr/> 3,599,291	<hr/> 9,871,412
382,132	5,019,291
5,620,796	8,042,449
0	534,701
<hr/> (755,421)	<hr/> 2,996,852
<hr/> 5,247,507	<hr/> 16,593,293
<hr/> \$ 8,846,798	<hr/> \$ 26,464,705

CITY OF NEWARK, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
December 31, 2011***

Total Governmental Fund Balances	\$ 16,593,293
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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.	61,318,812
---------------------------------------------------------------------------------------------------------------	------------

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	3,983,715
--------------------------------------------------------------------------------------------------------------------------	-----------

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.	1,502,173
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
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General Obligation Bonds Payable	(16,157,918)
ODOT State Infrastructure Bank Loan	(1,299,147)
Capital Leases Payable	(2,001,395)
Accrued Pension Liability	(1,844,336)
Compensated Absences Payable	(2,795,783)
Pollution Remediation Liability	(526,089)
Accrued Interest Payable	<u>(100,356)</u>
	<u>(24,725,024)</u>

<i>Net Assets of Governmental Activities</i>	<u><u>\$ 58,672,969</u></u>
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See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO



CITY OF NEWARK, OHIO

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2011

	General	Community Development	Capital Improvement
Revenues:			
Taxes	\$ 21,920,742	\$ 0	\$ 0
Intergovernmental Revenues	3,460,597	2,389,514	816,508
Charges for Services	2,021,145	0	0
Licenses, Permits and Fees	136,677	0	0
Investment Earnings	167,786	168	2,699
Special Assessments	18,166	0	0
Fines and Forfeitures	1,457,495	0	0
All Other Revenue	265,097	393	2,800
Total Revenue	29,447,705	2,390,075	822,007
Expenditures:			
Current:			
Security of Persons and Property	16,377,377	0	0
Public Health and Welfare Services	2,684	0	0
Community Environment	99,650	1,481,488	0
Transportation	0	0	0
General Government	9,968,157	0	0
Capital Outlay	0	0	2,421,115
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	5,515
Total Expenditures	26,447,868	1,481,488	2,426,630
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	2,999,837	908,587	(1,604,623)
Other Financing Sources (Uses):			
Other Financing Sources - Capital Lease	0	0	319,820
Loan Issuance	0	0	0
General Obligation Bond Issuance	0	0	0
Transfers In	223,707	0	2,522,695
Transfers Out	(3,640,738)	0	(446,129)
Total Other Financing Sources (Uses)	(3,417,031)	0	2,396,386
Net Change in Fund Balance	(417,194)	908,587	791,763
Fund Balance at Beginning of Year - Restated (see Note 3)	4,826,508	4,068,668	1,173,807
Increase (Decrease) in Inventory	(6,353)	0	0
Fund Balance End of Year	\$ 4,402,961	\$ 4,977,255	\$ 1,965,570

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 1,314,837	\$ 23,235,579
4,445,481	11,112,100
93,655	2,114,800
0	136,677
(582)	170,071
7,273	25,439
490,511	1,948,006
272,194	540,484
<hr/> 6,623,369	<hr/> 39,283,156
 1,204,854	 17,582,231
197,360	200,044
359,572	1,940,710
3,981,510	3,981,510
1,342,877	11,311,034
561,962	2,983,077
 751,726	 751,726
660,285	665,800
<hr/> 9,060,146	<hr/> 39,416,132
 (2,436,777)	 (132,976)
 0	 319,820
191,560	191,560
1,200,000	1,200,000
1,723,356	4,469,758
(26,786)	(4,113,653)
<hr/> 3,088,130	<hr/> 2,067,485
 651,353	 1,934,509
4,555,348	14,624,331
40,806	34,453
<hr/> \$ 5,247,507	<hr/> \$ 16,593,293

CITY OF NEWARK, OHIO

***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, 2011***

Net Change in Fund Balances - Total Governmental Funds \$ 1,934,509

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital Outlay	3,145,605	
Depreciation Expense	(2,789,876)	355,729

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

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	2,076,395
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The statement of activities reports losses arising from the disposal of capital assets. Conversely, the governmental funds do not report any loss on the disposal of capital assets.	(25,532)
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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.	46,708
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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.

ODOT State Infrastructure Bank Loan	(191,560)	
General Obligation Bond Issuance	(1,200,000)	
Capital Leases Issued	(319,820)	(1,711,380)

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	(71,615)	
General Obligation Bond Principal Payment	675,000	
ODOT State Infrastructure Bank Loan Retirement	76,726	
Pollution Remediation Liability Retirement	689,488	
Capital Lease Principal Payment	537,121	
Pension Liability Principal Payment	45,170	1,951,890

CITY OF NEWARK, OHIO

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (20,463)

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	340,808
Change in Inventory	<u>34,453</u>
	375,261

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.

(20,651)

Change in Net Assets of Governmental Activities

\$ 4,962,466

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, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 21,192,157	\$ 21,855,255	\$ 21,883,399	\$ 28,144
Intergovernmental Revenue	2,977,495	3,740,501	3,394,675	(345,826)
Charges for Services	1,942,380	1,973,052	1,898,217	(74,835)
Licenses, Permits and Fees	41,905	41,905	75,334	33,429
Investment Earnings	118,940	118,940	145,685	26,745
Special Assessments	21,000	21,000	18,166	(2,834)
Fines and Forfeitures	1,500,350	1,505,406	1,486,719	(18,687)
All Other Revenue	242,877	362,943	288,404	(74,539)
Total Revenues	<u>28,037,104</u>	<u>29,619,002</u>	<u>29,190,599</u>	<u>(428,403)</u>
Expenditures:				
Current:				
Security of Persons and Property	17,597,599	16,930,292	16,492,434	437,858
Public Health and Welfare Services	56,108	36,613	12,636	23,977
Community Environment	126,875	188,371	148,312	40,059
General Government	<u>10,710,936</u>	<u>11,116,080</u>	<u>10,515,519</u>	<u>600,561</u>
Total Expenditures	<u>28,491,518</u>	<u>28,271,356</u>	<u>27,168,901</u>	<u>1,102,455</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(454,414)	1,347,646	2,021,698	674,052
Other Financing Sources (Uses):				
Transfers In	35,580,740	35,115,114	34,728,387	(386,727)
Transfers Out	(37,278,781)	(38,167,622)	(37,949,826)	217,796
Advances In	0	399,081	399,081	0
Advances Out	0	(564,310)	(564,310)	0
Total Other Financing Sources (Uses):	<u>(1,698,041)</u>	<u>(3,217,737)</u>	<u>(3,386,668)</u>	<u>(168,931)</u>
Net Change in Fund Balance	(2,152,455)	(1,870,091)	(1,364,970)	505,121
Fund Balance at Beginning of Year, Restated (see Note 3)	2,606,266	2,606,266	2,606,266	0
Prior Year Encumbrances	742,623	742,623	742,623	0
Fund Balance at End of Year	<u>\$ 1,196,434</u>	<u>\$ 1,478,798</u>	<u>\$ 1,983,919</u>	<u>\$ 505,121</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 – Community Development Fund
For the Year Ended December 31, 2011***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 6,726,318	\$ 6,806,318	\$ 2,251,122	\$ (4,555,196)
Investment Earnings	219	219	168	(51)
All Other Revenue	774,593	774,593	259,009	(515,584)
Total Revenues	<u>7,501,130</u>	<u>7,581,130</u>	<u>2,510,299</u>	<u>(5,070,831)</u>
Expenditures:				
Current:				
Community Environment	7,101,072	7,181,072	2,672,947	4,508,125
Total Expenditures	<u>7,101,072</u>	<u>7,181,072</u>	<u>2,672,947</u>	<u>4,508,125</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	400,058	400,058	(162,648)	(562,706)
Fund Balance at Beginning of Year	(411,275)	(411,275)	(411,275)	0
Prior Year Encumbrances	437,972	437,972	437,972	0
Fund Balance at End of Year	<u>\$ 426,755</u>	<u>\$ 426,755</u>	<u>\$ (135,951)</u>	<u>\$ (562,706)</u>

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

Statement of Net Assets
Proprietary Funds
December 31, 2011

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
ASSETS:			
Current Assets:			
Pooled Cash and Investments	\$ 2,458,602	\$ 4,453,726	\$ 2,207,382
Investments	0	0	0
Receivables:			
Accounts	874,041	870,302	283,354
Inventory of Supplies at Cost	398,599	193,221	0
Prepaid Items	10,667	9,062	720
Total Current Assets	<u>3,741,909</u>	<u>5,526,311</u>	<u>2,491,456</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	12,011	0	0
Non Depreciable Capital Assets	161,800	18,750,951	1,930,440
Depreciable Capital Assets, Net	<u>18,533,368</u>	<u>13,037,486</u>	<u>1,827,824</u>
Total Noncurrent Assets	<u>18,707,531</u>	<u>31,802,142</u>	<u>3,758,264</u>
Total Assets	<u>22,449,440</u>	<u>37,328,453</u>	<u>6,249,720</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable	83,932	172,530	56,097
Accrued Wages and Benefits	195,035	120,714	8,190
Claims Payable	0	0	0
Compensated Absences Payable - Current	143,216	86,633	6,965
Accrued Interest Payable	0	109,934	11,442
Capital Leases Payable - Current	45,851	0	0
General Obligation Bonds Payable - Current	729,934	0	100,000
Special Assessment Bonds Payable - Current	0	5,128	0
OWDA Loans Payable - Current	0	1,226,202	0
OPWC Loans Payable - Current	0	69,571	0
Total Current Liabilities	<u>1,197,968</u>	<u>1,790,712</u>	<u>182,694</u>

CITY OF NEWARK, OHIO

Governmental-
Activities
Total Internal Services

\$ 9,119,710	\$ 2,367,885
0	246,281
2,027,697	0
591,820	0
20,449	0
<u>11,759,676</u>	<u>2,614,166</u>

14,057	0
14,057	0
12,011	0
20,843,191	0
33,398,678	0
54,267,937	0
<u>66,027,613</u>	<u>2,614,166</u>

312,559	0
323,939	0
0	336,061
236,814	0
121,376	0
45,851	0
829,934	0
5,128	0
1,226,202	0
69,571	0
<u>3,171,374</u>	<u>336,061</u>

(Continued)

CITY OF NEWARK, OHIO

Statement of Net Assets
Proprietary Funds
December 31, 2011

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
Noncurrent Liabilities:			
Matured Bonds and Interest Payable	352	13,705	0
Capital Leases Payable	230,050	0	0
General Obligation Bonds Payable	7,522,507	0	3,025,000
Special Assessment Bonds Payable	0	10,260	0
OWDA Loans Payable	2,359,220	21,335,505	659,449
OPWC Loans Payable	0	910,822	0
Compensated Absences Payable	272,490	164,833	13,252
Total Noncurrent Liabilities	10,384,619	22,435,125	3,697,701
Total Liabilities	11,582,587	24,225,837	3,880,395
NET ASSETS:			
Invested in Capital Assets, Net of Related Debt	11,736,487	8,230,949	633,264
Unrestricted	(869,634)	4,871,667	1,736,061
Total Net Assets	\$ 10,866,853	\$ 13,102,616	\$ 2,369,325

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

Governmental- Activities	
<u>Total</u>	<u>Internal Services</u>
14,057	0
230,050	0
10,547,507	0
10,260	0
24,354,174	0
910,822	0
450,575	0
<u>36,517,445</u>	<u>0</u>
39,688,819	336,061
20,600,700	0
5,738,094	2,278,105
<u>\$ 26,338,794</u>	<u>\$ 2,278,105</u>
<u>775,932</u>	
<u>\$ 27,114,726</u>	

CITY OF NEWARK, OHIO

Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2011

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
Operating Revenues:			
Charges for Services	\$ 5,960,606	\$ 6,043,886	\$ 2,637,679
Other Operating Revenues	66,914	556,799	17,909
Total Operating Revenues	6,027,520	6,600,685	2,655,588
Operating Expenses:			
Personal Services	1,968,097	1,384,837	191,597
Contractual Services	1,396,044	2,816,596	1,455,882
Materials and Supplies	1,724,961	536,772	83,717
Depreciation	803,065	582,018	30,793
Total Operating Expenses	5,892,167	5,320,223	1,761,989
Operating Income	135,353	1,280,462	893,599
Non-Operating Revenue (Expenses):			
Interest Income	1,247	969	186
Interest and Fiscal Charges	(583,116)	(244,806)	(158,385)
Loss on Disposal of Capital Assets	0	(2,362)	0
Other Nonoperating Expense	(10,595)	(955)	0
Total Non-Operating Revenues (Expenses)	(592,464)	(247,154)	(158,199)
Income (Loss) Before Transfers	(457,111)	1,033,308	735,400
Transfers:			
Transfers In	16,366	15,612	892
Transfers Out	(75,175)	0	(88,983)
Total Transfers	(58,809)	15,612	(88,091)
Change in Net Assets	(515,920)	1,048,920	647,309
Net Assets Beginning of Year	11,382,773	12,053,696	1,722,016
Net Assets End of Year	\$ 10,866,853	\$ 13,102,616	\$ 2,369,325

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

Governmental- Activities	
<u>Total</u>	<u>Internal Services</u>
\$ 14,642,171	\$ 5,215,647
641,622	0
<u>15,283,793</u>	<u>5,215,647</u>
3,544,531	4,965,981
5,668,522	10,121
2,345,450	0
1,415,876	0
<u>12,974,379</u>	<u>4,976,102</u>
2,309,414	239,545
2,402	5,755
(986,307)	0
(2,362)	0
(11,550)	0
<u>(997,817)</u>	<u>5,755</u>
1,311,597	245,300
32,870	0
(164,158)	(224,817)
<u>(131,288)</u>	<u>(224,817)</u>
1,180,309	20,483
25,158,485	2,257,622
<u>\$ 26,338,794</u>	<u>\$ 2,278,105</u>
\$ 1,180,309	
	41,134
	<u>\$ 1,221,443</u>

CITY OF NEWARK, OHIO

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2011

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$5,926,647	\$6,501,498	\$2,623,294
Cash Payments for Goods and Services	(2,781,883)	(3,215,881)	(1,599,912)
Cash Payments to Employees	(1,859,666)	(1,378,401)	(180,043)
Net Cash Provided (Used) by Operating Activities	1,285,098	1,907,216	843,339
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	16,366	15,612	892
Transfers Out to Other Funds	(75,175)	0	(88,983)
Net Cash Provided (Used) by Noncapital Financing Activities	(58,809)	15,612	(88,091)
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(66,802)	(4,169,425)	(1,373,394)
General Obligation Bonds Issued	0	0	1,500,000
Principal Paid on Capital Lease	(44,094)	0	0
Principal Paid on General Obligation Bonds	(774,290)	0	(130,000)
Principal Paid on Special Assessment Bonds	0	(5,128)	0
Ohio Water Development Authority Loans Issued	559,452	3,601,149	0
Principal Paid on Ohio Water Development Authority Loans	(38,128)	(1,389,651)	(51,803)
Principal Paid on Ohio Public Works Commission Loan	0	(69,571)	0
Interest Paid on All Debt	(758,680)	(270,141)	(153,756)
Net Cash Used by			
Capital and Related Financing Activities	(1,122,542)	(2,302,767)	(208,953)
<u>Cash Flows from Investing Activities:</u>			
Sale (Purchase) of Investments	0	0	0
Receipts of Interest	1,247	969	186
Net Cash Provided (Used) by Investing Activities	1,247	969	186
Net Increase (Decrease) in Cash and Cash Equivalents	104,994	(378,970)	546,481
Cash and Cash Equivalents at Beginning of Year	2,353,960	4,846,401	1,660,901
Cash and Cash Equivalents at End of Year	\$2,458,954	\$4,467,431	\$2,207,382
<u>Reconciliation of Cash and</u>			
<u>Cash Equivalents per the Statement of Net Assets:</u>			
Cash and Cash Equivalents	\$2,458,602	\$4,453,726	\$2,207,382
Restricted Cash with Fiscal Agent	352	13,705	0
Cash and Cash Equivalents at End of Year	\$2,458,954	\$4,467,431	\$2,207,382

CITY OF NEWARK, OHIO

Governmental- Activities	
<u>Totals</u>	<u>Internal Services</u>
\$15,051,439	\$5,215,647
(7,597,676)	(10,121)
<u>(3,418,110)</u>	<u>(5,393,795)</u>
<u>4,035,653</u>	<u>(188,269)</u>
32,870	0
<u>(164,158)</u>	<u>(224,817)</u>
<u>(131,288)</u>	<u>(224,817)</u>
(5,609,621)	0
1,500,000	0
(44,094)	0
(904,290)	0
(5,128)	0
4,160,601	0
(1,479,582)	0
(69,571)	0
<u>(1,182,577)</u>	<u>0</u>
<u>(3,634,262)</u>	<u>0</u>
0	(6,281)
<u>2,402</u>	<u>5,755</u>
<u>2,402</u>	<u>(526)</u>
272,505	(413,612)
<u>8,861,262</u>	<u>2,781,497</u>
<u>\$9,133,767</u>	<u>\$2,367,885</u>
\$9,119,710	\$2,367,885
14,057	0
<u>\$9,133,767</u>	<u>\$2,367,885</u>

(Continued)

CITY OF NEWARK, OHIO

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2011

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
<u>Reconciliation of Operating Income to Net Cash</u>			
<u>Provided (Used) by Operating Activities:</u>			
Operating Income	\$135,353	\$1,280,462	\$893,599
Adjustments to Reconcile Operating Income (Loss) to			
Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	803,065	582,018	30,793
Nonoperating Expense	(10,595)	(955)	0
Changes in Assets and Liabilities:			
Increase in Accounts Receivable	(100,873)	(99,187)	(32,294)
Decrease in Inventory	346,971	14,656	0
Increase in Prepaid Items	(102)	(87)	(574)
Increase (Decrease) in Accounts Payable	2,848	123,873	(59,739)
Increase (Decrease) in Accrued Wages and Benefits	53,971	29,913	326
Increase in Claims Payable	0	0	0
Increase (Decrease) in Compensated Absences	54,460	(23,477)	11,228
Total Adjustments	<u>1,149,745</u>	<u>626,754</u>	<u>(50,260)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$1,285,098</u>	<u>\$1,907,216</u>	<u>\$843,339</u>

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2011 the Sewer and Storm Water Funds had outstanding liabilities of \$19,998, and \$28,564, respectively, for the purchase of certain capital assets.

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

	Governmental- Activities
<u>Totals</u>	<u>Internal Services</u>
\$2,309,414	\$239,545
1,415,876	0
(11,550)	0
(232,354)	0
361,627	0
(763)	0
66,982	(3,438)
84,210	(474,053)
0	49,677
42,211	0
<hr/>	<hr/>
1,726,239	(427,814)
<hr/>	<hr/>
\$4,035,653	(\$188,269)

CITY OF NEWARK, OHIO

Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2011

	<u>Agency Funds</u>
Assets:	
Receivables:	
Taxes	\$ 5,664
Restricted Assets:	
Cash and Cash Equivalents	<u>742,097</u>
Total Assets	<u>747,761</u>
Liabilities:	
Intergovernmental Payable	513,311
Due to Others	<u>234,450</u>
Total Liabilities	<u>\$ 747,761</u>

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2011

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, 2011 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

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

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

B. Basis of Presentation - Fund Accounting

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

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

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2011

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.

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.

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2011

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.

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2011

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.

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2011

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, 2011 but are not intended to finance 2011 operations, and delinquent property taxes whose availability is indeterminate, are recorded as deferred revenue as further described in Note 6.

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

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.

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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

1. Tax Budget

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

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2011.

3. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the department and object code level. The appropriation ordinance may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified by the County Budget Commission. During the year, several supplemental appropriations were necessary to budget contingency funds, intergovernmental grants and proceeds of debt issues. The allocation of appropriations among departments and objects within a

CITY OF NEWARK, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

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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CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

5. Budgetary Basis of Accounting

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

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

	Net Change in Fund Balances	
	General Fund	Community Development Fund
GAAP Basis (as reported)	(\$417,194)	\$908,587
Increase (Decrease):		
Accrued Revenues at December 31, 2011 received during 2012	(3,290,013)	(4,780,423)
Accrued Revenues at December 31, 2010 received during 2011	2,604,243	4,220,121
Accrued Expenditures at December 31, 2011 paid during 2012	1,526,581	129,365
Accrued Expenditures at December 31, 2010 paid during 2011	(1,453,381)	(178,150)
2010 Prepays for 2011	41,974	0
2011 Prepays for 2012	(42,867)	0
Outstanding Encumbrances	(539,623)	(462,148)
Perspective Difference:		
Activity of Funds Reclassified for GAAP Reporting Purposes	205,310	0
Budget Basis	<u>(\$1,364,970)</u>	<u>(\$162,648)</u>

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

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

G. Investments

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

The City had invested funds in the STAR Ohio during 2011. 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, 2011.

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, 2011, 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.

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2011

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 \$10,000.

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:

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

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Long-Term Obligations

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

Obligation	Fund
General Obligation Bonds	Water Fund, Storm Water Fund Tax Increment Financing Fund Debt Service 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 Community Development Fund Court Computerization Fund Probation Grant Fund Water Fund Sewer Fund Storm Water Fund
Accrued Pension Liability	General Fund
Pollution Remediation Liability	Landfill Reclamation Fund
ODOT SIB Loan	Tax Increment Financing Fund

L. Compensated Absences

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

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

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2011

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.

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2011

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. Fund Balances

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

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

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

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

Assigned – Assigned fund balance consists of amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed.

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

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

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Restricted Assets

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

R. Operating Revenues and Expenses

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City and that are either unusual in nature or infrequent in occurrence. The City had no special or extraordinary items to report during 2011.

NOTE 2 - COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Equities – The fund deficits at December 31, 2011 of \$95,077 in the American Recovery and Reinvestment Act/Housing and Economic Recovery Act (ARRA/HERA) Fund, \$10,338 in the Safety Grants Fund, \$122,437 in the Federal Transit Administration Fund, \$4,634 in the Ohio Department of Natural Resources Grants Fund, \$156,596 in the Brownfield Cleanup Fund (special revenue funds) and \$366,339 in the Local Public Agency Fund (capital projects fund) arise from the recognition of expenditures on the modified accrual basis which are greater than expenditures recognized on the budgetary/cash basis. The General Fund provides transfers when cash is required, not when accruals occur.

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2011

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLE – RESTATEMENT OF FUND BALANCE/NET ASSETS

For 2011 the City implemented GASB Statement No. 54, “*Fund Balance Reporting and Governmental Fund Type Definitions*”. Statement No. 54 provides more clearly defined categories to make the nature and extent of the constraints placed on a governments fund balances more transparent. It also clarifies the existing governmental fund type definitions.

In addition, adjustments were necessary to correct errors in accounting for loans receivable. The application of GASB 54 and correction of loans receivable resulted in the changes to beginning of year balances as detailed below:

	General Fund	Income Tax Fund	Community Development Fund	Other Governmental Funds
Fund Balance/Net Assets				
at December 31, 2010	\$2,345,055	\$2,277,645	(\$30,594)	\$4,759,156
GASB 54 Fund Reclassification	2,481,453	(2,277,645)	0	(203,808)
Loans Receivable Correction	0	0	4,099,262	0
Net Assets, as Restated	<u>\$4,826,508</u>	<u>\$0</u>	<u>\$4,068,668</u>	<u>\$4,555,348</u>

The implementation of GASB 54 also resulted in the restatement of beginning of year budgetary basis fund balance in the General Fund. The balance was restated \$815,036 to a restated balance of \$2,606,266.

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CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

NOTE 4 – FUND BALANCE CLASSIFICATION

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

Fund Balances	General Fund	Community Development Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Loans Receivable	\$0	\$4,521,172	\$0	\$0	\$4,521,172
Supplies Inventory	73,120	0	0	382,132	455,252
Prepaid Items	42,867	0	0	0	42,867
Total Nonspendable	115,987	4,521,172	0	382,132	5,019,291
Restricted:					
Community Development	0	456,083	0	5,028	461,111
Capital Acquisition and Improvement	0	0	1,965,570	361,725	2,327,295
Cemetery Maintenance	0	0	0	1,201,391	1,201,391
Memorial Sidewalk Program	0	0	0	91,034	91,034
Street Maintenance	0	0	0	1,163,953	1,163,953
Adult Probation Program	0	0	0	81,142	81,142
Court Improvements	0	0	0	1,012,319	1,012,319
Law Enforcement	0	0	0	336,747	336,747
Pollution Remediation	0	0	0	581,912	581,912
Debt Retirement	0	0	0	785,545	785,545
Total Restricted	0	456,083	1,965,570	5,620,796	8,042,449
Assigned:					
Other Purposes	534,701	0	0	0	534,701
Total Assigned	534,701	0	0	0	534,701
Unassigned (Deficits):					
	3,752,273	0	0	(755,421)	2,996,852
Total Fund Balances	\$4,402,961	\$4,977,255	\$1,965,570	\$5,247,507	\$16,593,293

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CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2011

NOTE 5 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

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

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

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

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

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

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2011

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

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

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

A. Deposits

At year end the carrying amount of the City's deposits was \$11,915,795 and the bank balance was \$10,734,127. Federal depository insurance covered \$1,149,117 of the bank balance and \$9,585,010 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	Balance
Uninsured and collateralized with securities held by the pledging institution's trust department not in the City's name	\$9,585,010
Total Balance	<u><u>\$9,585,010</u></u>

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2011

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

B. Investments

The City's investments at December 31, 2011 are summarized below:

	Fair Value	Rating	Investment Maturities (in Years)		
			less than 1	1-3	3-5
Repurchase Agreement	\$2,352,550	N/A	\$2,352,550	\$0	\$0
STAR Ohio	3,889,183	AAAm ¹	3,889,183	0	0
Government Agency MM	246,281	AAAm ¹	246,281	0	0
Corporate Equities	358,966	N/A	358,966	0	0
Corporate Notes/Bonds	10,000	Ba1 ²	0	10,000	0
FHLB	1,520,958	Aaa ²	510,400	0	1,010,558
FFCB	10,479	Aaa ²	0	10,479	0
FHLMC	3,001,930	Aaa ²	1,001,860	0	2,000,070
Total Investments	<u>\$11,390,347</u>		<u>\$8,359,240</u>	<u>\$20,479</u>	<u>\$3,010,628</u>

¹ Standard & Poor's

² Moody's Investor Service

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.

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.

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2011

NOTE 6 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property located in the City. Real property taxes (other than public utility) collected during 2011 were levied after October 1, 2010 on assessed values as of January 1, 2010, the lien date. Assessed values are established by the county auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments are made in the third year following reappraisal. The last reappraisal was completed in 2011. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

House Bill No. 66 was signed into law on June 30, 2005. House Bill NO.66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business a railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the City due to the phasing out of the tax. In calendar years 2006-2010, the City will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

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

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

The full tax rate for the City's operations for the year ended December 31, 2011 was \$3.70 per \$1,000 of assessed value. The assessed value upon which the 2011 collections were based was \$803,775,990. This amount constitutes \$780,871,860 in real property assessed value and \$22,904,130 in public utility assessed value.

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

CITY OF NEWARK, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 6 - TAXES (Continued)

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 7 - RECEIVABLES

Receivables at December 31, 2011 consisted of taxes, interest, accounts, loans, special assessments and intergovernmental receivables arising from shared revenues.

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CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2011

NOTE 8 – INTERFUND ACTIVITY

A. Transfers

Following is a summary of transfers in and out for all funds for 2011:

Fund	Transfer In	Transfer Out
General Fund	\$223,707	\$3,640,738
Capital Improvement Fund	2,522,695	446,129
Other Governmental Funds	1,723,356	26,786
Total Governmental Funds	4,469,758	4,113,653
Water Fund	16,366	75,175
Sewer Fund	15,612	0
Storm Water Fund	892	88,983
Total Proprietary Funds	32,870	164,158
Internal Service Funds	0	224,817
Totals	\$4,502,628	\$4,502,628

Transfers for the year ended December 31, 2011 included a \$525,920 transfer from the General Fund to Capital Improvement Fund which were EMS receipts dedicated to capital improvements. \$446,129 was transferred from the Capital Improvement Fund to the Debt Service Fund for debt payments. Transfers from Other Governmental funds of \$26,786 were the result of closing out funds and the reclass of debt retirement. The transfer out of the Storm Water Fund in the amount of \$88,983 was the result of a reclass of debt retirement. The Water Fund transferred \$75,175 to the Other Governmental Funds which was related to reimbursements for costs incurred for the Landfill Reclamation Project. Transfers out of the Internal Service funds were the result of the closing out of certain funds.

B. Interfund Receivables/Payables

The following is a summary of interfund loans receivable and payable for all funds for 2011:

Fund	Interfund Loans Receivable	Interfund Loans Payable
General Fund	\$930,649	\$0
Other Governmental Funds	0	930,649
Totals	\$930,649	\$930,649

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

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

NOTE 9 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2011:

Historical Cost:

Class	December 31, 2010	Additions	Deletions	December 31, 2011
<i>Capital assets not being depreciated:</i>				
Land	\$16,259,070	\$1,013,888	\$0	\$17,272,958
Construction in Progress	1,464,652	557,899	0	2,022,551
Sub-Total	17,723,722	1,571,787	0	19,295,509
<i>Capital assets being depreciated:</i>				
Buildings	17,995,435	35,000	0	18,030,435
Improvements Other than Buildings	5,195,884	168,759	0	5,364,643
Infrastructure	56,798,367	2,538,343	(136,152)	59,200,558
Machinery and Equipment	12,802,714	908,111	(86,922)	13,623,903
Total Cost	<u>\$110,516,122</u>	<u>\$5,222,000</u>	<u>(\$223,074)</u>	<u>\$115,515,048</u>

Accumulated Depreciation:

Class	December 31, 2010	Additions	Deletions	December 31, 2011
Buildings	(\$5,699,769)	(\$364,315)	\$0	(\$6,064,084)
Improvements Other than Buildings	(3,466,300)	(128,553)	0	(3,594,853)
Infrastructure	(32,078,356)	(1,659,967)	110,620	(33,627,703)
Machinery and Equipment	(10,359,477)	(637,041)	86,922	(10,909,596)
Total Depreciation	<u>(\$51,603,902)</u>	<u>(\$2,789,876)</u> *	<u>\$197,542</u>	<u>(\$54,196,236)</u>
<i>Net Value:</i>	<u><u>\$58,912,220</u></u>			<u><u>\$61,318,812</u></u>

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$428,565
Community Environment	134,684
Public Health and Welfare Services	17,096
Transportation	1,819,078
General Government	390,453
Total Depreciation Expense	<u>\$2,789,876</u>

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2011

NOTE 9 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2011:

Historical Cost:

Class	December 31, 2010	Additions	Deletions	December 31, 2011
<i>Capital assets not being depreciated:</i>				
Land	\$161,800	\$0	\$0	\$161,800
Construction in Progress	22,045,580	3,021,369	(4,385,558)	20,681,391
Sub-Total	22,207,380	3,021,369	(4,385,558)	20,843,191
<i>Capital assets being depreciated:</i>				
Buildings and Improvements	31,542,020	4,788,165	0	36,330,185
Infrastructure	12,608,961	463,496	0	13,072,457
Machinery and Equipment	30,522,296	388,902	(47,235)	30,863,963
Total Cost	<u>\$96,880,657</u>	<u>\$8,661,932</u>	<u>(\$4,432,793)</u>	<u>\$101,109,796</u>

Accumulated Depreciation:

Class	December 31, 2010	Additions	Deletions	December 31, 2011
Buildings and Improvements	(\$12,382,762)	(\$973,166)	\$0	(\$13,355,928)
Infrastructure	(3,846,930)	(192,191)	0	(4,039,121)
Machinery and Equipment	(29,267,232)	(250,519)	44,873	(29,472,878)
Total Depreciation	<u>(\$45,496,924)</u>	<u>(\$1,415,876)</u>	<u>\$44,873</u>	<u>(\$46,867,927)</u>
<i>Net Value:</i>	<u>\$51,383,733</u>			<u>\$54,241,869</u>

NOTE 10 – 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.”

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2011

NOTE 10 – 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 2011, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 10.0%. The 2011 employer contribution rate for local government employer units was 14.00%, of covered payroll which is the maximum contribution rate set by State statutes. Employer contribution rates are actuarially determined. A portion of the City's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. The portion of employer contributions allocated to pension obligations for members in the Traditional Plan was 10.0% for calendar year 2011. The portion of employer contributions allocated to pension obligations for members in the Combined Plan was 7.95% for calendar year 2011. 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, 2011, 2010, and 2009 were \$1,009,776, \$837,846 and \$907,495, respectively, which were equal to the required contributions for each year. Contributions to the member-directed plan for 2011 were \$23,207 made by the City and \$16,577 made by the plan members.

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2011

NOTE 10 – 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 2011, 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, 2011, 2010, and 2009 were \$574,601, \$589,430 and \$599,294 for police and \$874,598, \$875,359 and \$897,510 for firefighters, respectively, which were equal to the required contributions for each year.

NOTE 11 - POSTEMPLOYMENT BENEFITS

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

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

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.

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2011

NOTE 11 - 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 2011, 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. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0% for calendar year 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% for calendar year 2011. 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, 2011, 2010, and 2009 were \$403,910, \$477,650 and \$651,471, 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.

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2011

NOTE 11 - 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 2011, 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, 2011, 2010, and 2009 were \$303,994, \$312,051 and \$317,273 for police and \$341,811, \$342,532 and \$351,200 for firefighters, respectively, which were equal to the required contributions for each year.

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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

Long-term debt and other long-term obligations of the City at December 31, 2011 were as follows:

			Balance December 31, 2010			Balance December 31, 2011	Amount Due Within One Year
Governmental Activities:							
General Obligation Bonds:							
East Main Street							
Improvement Refunding (TIF) 4.0%-4.25%	2028	\$2,335,000	\$0	(\$90,000)	\$2,245,000	\$95,000	
East Main Street Bridge	4.50%	2021	1,100,000	0	(100,000)	1,000,000	100,000
Police and Fire Facilities	2.0%-4.75%	2031	9,049,991	0	(330,000)	8,719,991	340,000
Police and Fire Facilities	1.0%-4.00%	2030	905,000	0	(35,000)	870,000	35,000
Ice Arena Renovations	1.0%-4.00%	2030	235,000	0	(10,000)	225,000	10,000
Evans Boulevard Construction	1.0%-2.70%	2020	570,000	0	(55,000)	515,000	55,000
Deo Drive Improvement (TIF)	3.75%-4.38%	2027	1,040,000	0	(55,000)	985,000	55,000
Landfill Reclamation		0	1,200,000	0	1,200,000	30,000	
		15,234,991	1,200,000	(675,000)	15,759,991	720,000	
Interest Accretion		326,312	71,615	0	397,927	0	
Total General Obligation Bonds		15,561,303	1,271,615	(675,000)	16,157,918	720,000	
ODOT State Infrastructure Bank Loan:							
Waterworks Road Improvements 3.00%	2018	1,184,313	191,560	(76,726)	1,299,147	156,921	
Capital Leases		2,218,696	319,820	(537,121)	2,001,395	557,208	
Accrued Pension Liability		1,889,506	0	(45,170)	1,844,336	47,112	
Pollution Remediation Liability		1,215,577	0	(689,488)	526,089	526,089	
Compensated Absences Payable		3,136,591	1,130,052	(1,470,860)	2,795,783	1,177,746	
Total Governmental Activities		\$25,205,986	\$2,913,047	(\$3,494,365)	\$24,624,668	\$3,185,076	

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CITY OF NEWARK, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

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

			Balance December 31, 2010			Balance December 31, 2011	Amount Due Within One Year
				Additions	Deductions		
Business-Type Activities:							
General Obligation Bonds:							
Water System Improvement Refunding	3.75%-4.50%	2018	\$5,097,850	\$0	(\$774,290)	\$4,323,560	\$729,934
Deferred Loss on Early Retirement of Debt			(346,730)	0	43,342	(303,388)	0
			4,751,120	0	(730,948)	4,020,172	729,934
Interest Accretion			4,455,510	497,469	(720,710)	4,232,269	0
			9,206,630	497,469	(1,451,658)	8,252,441	729,934
Storm Water Improvement	2.50%-5.50%	2034	1,755,000	0	(45,000)	1,710,000	45,000
Storm Water Improvement	1.70%-5.25%	2030	0	1,500,000	(85,000)	1,415,000	55,000
Total General Obligation Bonds			10,961,630	1,997,469	(1,581,658)	11,377,441	829,934
Special Assessment Bond:							
(with governmental commitment)							
Morgan Manor	4.75%	2015	20,516	0	(5,128)	15,388	5,128
Ohio Water Development:							
Authority Loan (OWDA):							
Sewer Improvements	7.00%	2012	2,390,833	0	(907,447)	1,483,386	976,866
Licking River Interceptor Construction	3.25%	2026	2,228,531	0	(108,170)	2,120,361	111,714
Stormwater Utility Planning	3.36%	2028	711,252	0	(51,803)	659,449	0
Wastewater Electrical Improvements	0.61%	2027	2,415,764	0	(109,994)	2,305,770	137,622
Wastewater High Rate Treatment System	4.67%	2013	11,966,233	2,063,957	(245,094)	13,785,096	0
CSO Sewer Separation	3.36%	2028	846,704	0	(18,946)	827,758	0
Water Plant Generator	3.53%	2030	1,030,331	38,387	(38,128)	1,030,590	0
CSO Sewer Separation	3.25%	2031	502,143	1,537,192	0	2,039,335	0
Automated Meter Reading	3.53%	2031	807,566	521,065	0	1,328,631	0
Total OWDA Loans			22,899,357	4,160,601	(1,479,582)	25,580,376	1,226,202
Ohio Public Works:							
Commission Loan (OPWC):							
Licking River Interceptor Construction	0.00%	2026	469,141	0	(28,433)	440,708	28,433
Sewer Improvements	0.00%	2022	51,813	0	(4,318)	47,495	4,318
Idlewilde Park Sewer Phase I	0.00%	2022	42,369	0	(3,259)	39,110	3,259
Idlewilde Park Sewer Phase II	0.00%	2024	486,641	0	(33,561)	453,080	33,561
Total OPWC Loans			1,049,964	0	(69,571)	980,393	69,571
Capital Leases			319,995	0	(44,094)	275,901	45,851
Compensated Absences			645,178	258,757	(216,546)	687,389	236,814
Total Business-Type Activities			\$35,896,640	\$6,416,827	(\$3,396,579)	\$38,916,888	\$2,413,500

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2011

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, 2011, \$15,388, 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, 2011 was \$2,931,874 in principal and interest payments through the year 2035. Only the principal amount of \$1,844,336 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. In 2010, \$905,000 of additional bonds were issued to fund cost overruns for this project.

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

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

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

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

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

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

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

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2011

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

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

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

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

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

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%.

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.

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2011

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

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

Wastewater High Rate Treatment System - In 2007 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for installation of a wastewater high rate treatment system. The 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, 2011, the City had received \$18,750,951 from OWDA. In total, \$5,000,000 of the loan balance has been forgiven through American Recovery and Reinvestment Act monies received. Subsequent amounts will be received in future years. An estimate of future financing requirements has been made based on the \$13,785,096 loan balance at December 31, 2011.

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

Water Plant Generator - In 2008 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for installation of a back up power generator at the water plant. The 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, 2011, the City had received \$1,068,718 from OWDA. Subsequent amounts will be received in future years. An estimate of future financing requirements has been made based on the \$1,030,590 loan balance at December 31, 2011.

Combined Sewer Overflow (CSO) Separation - In 2010 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for a combined sewer overflow separation project. The total amount is subject to change and has not been finalized. The interest rate on the loan is 3.25%, 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, 2011, the City had received \$2,039,335 from OWDA. Subsequent amounts will be received in future years. An estimate of future financing requirements has been made based on the \$2,039,335 loan balance at December 31, 2011.

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2011

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

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

Automated Meter Reading - In 2010 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for an automated meter reading system. The 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, 2011, the City had received \$1,328,631 from OWDA. Subsequent amounts will be received in future years. An estimate of future financing requirements has been made based on the \$1,328,631 loan balance at December 31, 2011.

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, 2011 follows:

Years	Business-Type Activities			
	General Obligation Bonds		Special Assessment Bond	
	Principal	Interest	Principal	Interest
2012	\$829,934	\$907,100	\$5,128	\$730
2013	786,920	943,052	5,128	488
2014	755,176	982,739	5,132	244
2015	724,804	1,015,924	0	0
2016	687,003	1,045,856	0	0
2017-2021	1,674,723	2,530,170	0	0
2022-2026	760,000	456,066	0	0
2027-2031	880,000	201,454	0	0
2032-2035	350,000	39,326	0	0
Totals	<u>\$7,448,560</u>	<u>\$8,121,687</u>	<u>\$15,388</u>	<u>\$1,462</u>
Years	OWDA Loans		OPWC Loans	
	Principal	Interest	Principal	Interest
2012	\$1,226,202	\$185,705	\$69,571	\$0
2013	1,444,984	873,993	69,571	0
2014	970,285	806,810	69,571	0
2015	1,003,325	773,770	69,571	0
2016	1,037,631	739,463	69,571	0
2017-2021	5,750,691	3,134,788	347,855	0
2022-2026	6,980,316	2,055,945	270,464	0
2027-2031	5,945,493	846,350	14,219	0
2032	1,221,449	26,711	0	0
Totals	<u>\$25,580,376</u>	<u>\$9,443,535</u>	<u>\$980,393</u>	<u>\$0</u>

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2011

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		ODOT SIB Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$720,000	\$680,402	\$47,112	\$77,888	\$156,921	\$37,806
2013	755,000	638,939	49,134	75,866	161,664	33,063
2014	775,000	612,219	51,244	73,756	166,551	28,177
2015	501,476	878,161	53,446	71,554	171,585	23,143
2016	506,285	874,898	55,742	69,258	176,770	17,956
2017-2021	3,952,230	2,821,787	316,746	308,254	465,656	21,162
2022-2026	4,250,000	1,598,475	390,868	234,132	0	0
2027-2031	4,300,000	588,321	482,338	142,662	0	0
2032-2035	0	0	397,706	34,168	0	0
Totals	\$15,759,991	\$8,693,202	\$1,844,336	\$1,087,538	\$1,299,147	\$161,307

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 \$8,520,000 at December 31, 2011 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 \$1,660,000 at December 31, 2011 are not included in the City’s outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2011

NOTE 13 – POLLUTION REMEDIATION

At December 31, 2011, the City recognized an estimated liability of \$526,089 for pollution remediation activities due to violation of an Ohio EPA National Pollutant Discharge Elimination System permit. The liability, which is reported in the Government-wide Statement of Net Assets, was recorded at the current value of the costs the City expects to incur to perform the work.

NOTE 14 - CAPITALIZED LEASES

The City leases several assets under capital leases. The original cost of equipment of \$3,749,878, 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, 2011:

Year Ending December 31,	Governmental Activities	Business-Type Activities
2012	\$639,956	\$56,302
2013	439,822	56,302
2014	439,822	56,302
2015	311,992	56,302
2016	311,992	56,302
2017	76,112	28,151
Minimum Lease Payments	2,219,696	309,661
Less amount representing interest at the City's incremental borrowing rate of interest	(218,301)	(33,760)
Present value of minimum lease payments	<u><u>\$2,001,395</u></u>	<u><u>\$275,901</u></u>

NOTE 15 - INSURANCE AND RISK MANAGEMENT

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

A. Shared Risk Pool

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

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2011

NOTE 15 - INSURANCE AND RISK MANAGEMENT (Continued)

A. Shared Risk Pool (Continued)

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

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

To protect the Pool against the unexpected, the Pool has joined with other public entity pools as a participant in the American Public Entity Excess Pool. This contractual relationship spreads the effects of any loss in excess of \$350,000 for casualty claims and \$150,000 for property losses and additionally guarantees funds to the Pool in the unlikely event that the Pool's funds are exhausted in any year. This joint reinsurance arrangement currently has assets in excess of \$49,500,000.

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

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

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.

B. Self Insurance

The City established a Self-Insurance Fund (internal service fund) to account for and finance its health and dental uninsured risks of loss. Under this program, the Self-Insurance Fund provides coverage for up to a maximum of \$75,000 for health insurance claims per individual and \$1,000 for dental claims per individual. The plan is administered by a third party administrator, MedBen which monitors all claim payments. The dental care program is administered by The Guardian. The City purchases insurance for claims in excess of health insurance coverage provided by the Self-Insurance Fund. All departments of the City participate in the program and make payments to the Self-Insurance Fund based on participation of employees and their dependents.

CITY OF NEWARK, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2011

NOTE 15 - INSURANCE AND RISK MANAGEMENT (Continued)

B. Self Insurance (Continued)

A liability of unpaid claims cost of \$336,061 is based on the requirements of GASB 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Interfund premiums are based primarily upon the insured funds' claims experience.

Changes in the fund's claims liability in 2010 and 2011 were:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year		Balance at Fiscal Year End
		Claims and Changes in Estimates	Claims Payments	
2010	\$271,096	\$5,033,525	(\$5,018,237)	\$286,384
2011	286,384	4,959,194	(4,909,517)	336,061

NOTE 16 - CONTINGENCIES

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

NOTE 17 - CONSTRUCTION COMMITMENTS

The City had the following contractual commitments at December 31, 2011:

Project	Remaining Contractual Commitment	Expected Date of Completion
Raccoon Creek Interceptor	\$9,000,000	2013
Country Club Waterline	1,200,000	2012
High Rate Treatment System	589,867	2012
Combined Sewer Overflow Project	2,700,000	2012
Automated Meter Reader Project	1,138,000	2012
Garfield-McKinley Storm Sewer Project	658,362	2012
Aeration Energy Project	3,000,000	2012
Channel/Postal Street Improvements	1,850,000	2012
Harlech/Howell Drive Waterline	650,000	2012

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

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

CITY OF NEWARK, OHIO

Nonmajor Governmental Funds

Special Revenue Funds

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

Special Improvement District Fund

To account for funds received through a voluntary assessment for improvements to properties located on the downtown square.

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.

American Recovery and Reinvestment Act/

Housing and Economic Recovery Act (ARRA/HERA) Fund

To account for funds received through the American Recovery and Reinvestment Act of 2009 (ARRA) and Housing and Economic Recovery Act of 2008 (HERA) including the Neighborhood Stabilization Act (NSP).

Safety Grants Fund

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

Police/Fire Pension Fund

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

(Continued)

CITY OF NEWARK, OHIO

Special Revenue Funds

Cemetery Rental Fund

To account for monies received and expenditures incurred for the rental properties located on Manning and Buena Vista Streets. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the General Fund on a GAAP basis.)

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.

Landfill Reclamation Fund

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

Court Computerization Fund

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

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. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the General Fund on a GAAP basis.)

(Continued)

CITY OF NEWARK, OHIO

Special Revenue Funds

Federal Transit Administration (FTA) Fund

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

Ohio Department of Natural Resources (ODNR) Grants Fund

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

Federal Emergency Management Act (FEMA) Fund

To account for federal monies awarded the City in response to storm damages. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Mary E. Barnes Trust Fund

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

Brownfield Cleanup Fund

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

Judicial Fund

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

Debt Service Fund

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

Tax Increment Financing Fund

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

(Continued)

CITY OF NEWARK, OHIO

Capital Projects Funds

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

Deo Drive Improvement Fund

To account for the costs related to the Deo Drive improvement project. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Local Public Agency (LPA) Projects Fund

To account for Local Public Agency funds received through the state of Ohio for transportation infrastructure projects.

Court Capital Improvement Fund

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

CITY OF NEWARK, OHIO

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Pooled Cash and Investments	\$ 3,016,071	\$ 785,545	\$ 365,182	\$ 4,166,798
Investments	75,000	0	0	75,000
Receivables:				
Taxes	468,644	488,594	0	957,238
Accounts	35,438	0	1,930	37,368
Intergovernmental	1,473,447	0	0	1,473,447
Interest	320	0	0	320
Special Assessments	0	3,233	0	3,233
Inventory of Supplies, at Cost	382,132	0	0	382,132
Restricted Assets:				
Cash and Cash Equivalents	715,255	0	0	715,255
Cash and Cash Equivalents with Fiscal Agent	8,930	0	0	8,930
Investments	627,500	0	0	627,500
Investments with Fiscal Agent	399,577	0	0	399,577
Total Assets	\$ 7,202,314	\$ 1,277,372	\$ 367,112	\$ 8,846,798
Liabilities:				
Accounts Payable	\$ 56,448	\$ 0	\$ 5,387	\$ 61,835
Accrued Wages and Benefits Payable	110,586	0	0	110,586
Interfund Loans Payable	564,310	0	366,339	930,649
Deferred Revenue	2,004,394	491,827	0	2,496,221
Total Liabilities	2,735,738	491,827	371,726	3,599,291
Fund Balance:				
Nonspendable	382,132	0	0	382,132
Restricted	4,473,526	785,545	361,725	5,620,796
Unassigned	(389,082)	0	(366,339)	(755,421)
Total Fund Balance	4,466,576	785,545	(4,614)	5,247,507
Total Liabilities and Fund Balance	\$ 7,202,314	\$ 1,277,372	\$ 367,112	\$ 8,846,798

CITY OF NEWARK, OHIO

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 395,355	\$ 919,482	\$ 0	\$ 1,314,837
Intergovernmental Revenues	4,445,481	0	0	4,445,481
Charges for Services	93,655	0	0	93,655
Investment Earnings	(582)	0	0	(582)
Special Assessments	5,189	2,084	0	7,273
Fines and Forfeitures	464,592	0	25,919	490,511
All Other Revenue	212,028	60,166	0	272,194
Total Revenue	5,615,718	981,732	25,919	6,623,369
Expenditures:				
Current:				
Security of Persons and Property	1,204,854	0	0	1,204,854
Public Health and Welfare Services	197,360	0	0	197,360
Community Environment	359,572	0	0	359,572
Transportation	3,981,510	0	0	3,981,510
General Government	1,043,406	299,471	0	1,342,877
Capital Outlay	0	6,248	555,714	561,962
Debt Service:				
Principal Retirement	0	751,726	0	751,726
Interest and Fiscal Charges	0	660,285	0	660,285
Total Expenditures	6,786,702	1,717,730	555,714	9,060,146
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,170,984)	(735,998)	(529,795)	(2,436,777)
Other Financing Sources (Uses):				
Loan Issuance	0	0	191,560	191,560
General Obligation Bond Issuance	1,200,000	0	0	1,200,000
Transfers In	524,709	1,198,647	0	1,723,356
Transfers Out	(5,941)	(6,102)	(14,743)	(26,786)
Total Other Financing Sources (Uses)	1,718,768	1,192,545	176,817	3,088,130
Net Change in Fund Balance	547,784	456,547	(352,978)	651,353
Fund Balance at Beginning of Year - Restated	3,877,986	328,998	348,364	4,555,348
Increase (Decrease) in Inventory	40,806	0	0	40,806
Fund Balance (Deficit) End of Year	\$ 4,466,576	\$ 785,545	\$ (4,614)	\$ 5,247,507

CITY OF NEWARK, OHIO

Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011

	Street Department	Cemetery	Special Improvement District	Veterans Memorial Sidewalk
Assets:				
Pooled Cash and Investments	\$ 382,172	\$ 311,557	\$ 5,028	\$ 15,890
Investments	0	0	0	75,000
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	841,952	0	0	0
Interest	0	0	0	144
Inventory of Supplies, at Cost	382,132	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	7,884	0	0
Cash and Cash Equivalents with Fiscal Agent	0	2,115	0	0
Investments	0	627,500	0	0
Investments with Fiscal Agent	0	252,335	0	0
Total Assets	\$ 1,606,256	\$ 1,201,391	\$ 5,028	\$ 91,034
Liabilities:				
Accounts Payable	\$ 4,429	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	103,618	0	0	0
Interfund Loans Payable	0	0	0	0
Deferred Revenue	561,301	0	0	0
Total Liabilities	669,348	0	0	0
Fund Balance:				
Nonspendable	382,132	0	0	0
Restricted	554,776	1,201,391	5,028	91,034
Unassigned	0	0	0	0
Total Fund Balance	936,908	1,201,391	5,028	91,034
Total Liabilities and Fund Balance	\$ 1,606,256	\$ 1,201,391	\$ 5,028	\$ 91,034

CITY OF NEWARK, OHIO

ARRA/HERA	Safety Grants	Police/Fire Pension	State Highway	Law Enforcement	Landfill Reclamation
\$ 0	\$ 0	\$ 33	\$ 0	\$ 163,375	\$ 595,957
0	0	0	0	0	0
0	0	468,644	0	0	0
0	0	0	0	5,079	0
0	0	25,599	68,266	14,203	0
0	0	0	0	0	176
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
\$ 0	\$ 0	\$ 494,276	\$ 68,266	\$ 182,657	\$ 596,133
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 14,221
0	0	0	0	0	0
95,077	10,338	0	0	0	0
0	0	494,243	45,511	0	0
95,077	10,338	494,243	45,511	0	14,221
0	0	0	0	0	0
0	0	33	22,755	182,657	581,912
(95,077)	(10,338)	0	0	0	0
(95,077)	(10,338)	33	22,755	182,657	581,912
\$ 0	\$ 0	\$ 494,276	\$ 68,266	\$ 182,657	\$ 596,133

(Continued)

CITY OF NEWARK, OHIO

Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011

	Court Computerization	Permissive License Tax	Probation Grant	Federal Transit Administration
Assets:				
Pooled Cash and Investments	\$ 204,060	\$ 489,588	\$ 48,927	\$ 0
Investments	0	0	0	0
Receivables:				
Taxes	0	0	0	0
Accounts	16,637	0	0	373
Intergovernmental	0	293,952	47,164	56,099
Interest	0	0	0	0
Inventory of Supplies, at Cost	0	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	707,371	0	0
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
Investments	0	0	0	0
Investments with Fiscal Agent	0	0	0	0
Total Assets	\$ 220,697	\$ 1,490,911	\$ 96,091	\$ 56,472
Liabilities:				
Accounts Payable	\$ 20,145	\$ 1,150	\$ 13,470	\$ 1,500
Accrued Wages and Benefits Payable	1,066	0	1,479	4,423
Interfund Loans Payable	0	0	0	172,986
Deferred Revenue	0	903,339	0	0
Total Liabilities	21,211	904,489	14,949	178,909
Fund Balance:				
Nonspendable	0	0	0	0
Restricted	199,486	586,422	81,142	0
Unassigned	0	0	0	(122,437)
Total Fund Balance	199,486	586,422	81,142	(122,437)
Total Liabilities and Fund Balance	\$ 220,697	\$ 1,490,911	\$ 96,091	\$ 56,472

CITY OF NEWARK, OHIO

ODNR Grants	Mary E. Barnes Trust	Brownfield Cleanup	Judicial	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 799,484	\$ 3,016,071
0	0	0	0	75,000
0	0	0	0	468,644
0	0	0	13,349	35,438
126,212	0	0	0	1,473,447
0	0	0	0	320
0	0	0	0	382,132
0	0	0	0	715,255
0	6,815	0	0	8,930
0	0	0	0	627,500
0	147,242	0	0	399,577
\$ 126,212	\$ 154,057	\$ 0	\$ 812,833	\$ 7,202,314
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 1,533	\$ 0	\$ 0	\$ 0	\$ 56,448
0	0	0	0	110,586
129,313	0	156,596	0	564,310
0	0	0	0	2,004,394
130,846	0	156,596	0	2,735,738
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
0	0	0	0	382,132
0	154,057	0	812,833	4,473,526
(4,634)	0	(156,596)	0	(389,082)
(4,634)	154,057	(156,596)	812,833	4,466,576
\$ 126,212	\$ 154,057	\$ 0	\$ 812,833	\$ 7,202,314

CITY OF NEWARK, OHIO

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011

	Street Department	Cemetery	Special Improvement District	Veterans Memorial Sidewalk
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	1,760,742	0	0	0
Charges for Services	0	3,972	0	0
Investment Earnings	0	(2,890)	0	675
Special Assessments	0	0	5,189	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	56,780	0	0	4,350
Total Revenue	1,817,522	1,082	5,189	5,025
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Public Health and Welfare Services	0	9,848	0	0
Community Environment	0	0	161	0
Transportation	2,028,224	0	0	0
General Government	0	0	0	5,874
Total Expenditures	2,028,224	9,848	161	5,874
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(210,702)	(8,766)	5,028	(849)
Other Financing Sources (Uses):				
General Obligation Bonds Issued	0	0	0	0
Transfers In	368,576	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	368,576	0	0	0
Net Change in Fund Balance	157,874	(8,766)	5,028	(849)
Fund Balance (Deficit)				
at Beginning of Year - Restated	738,228	1,210,157	0	91,883
Increase in Inventory Reserve	40,806	0	0	0
Fund Balance (Deficit) End of Year	\$ 936,908	\$ 1,201,391	\$ 5,028	\$ 91,034

CITY OF NEWARK, OHIO

ARRA/HERA	Safety Grants	Police/Fire Pension	State Highway	Law Enforcement	Landfill Reclamation
\$ 0	\$ 0	\$ 395,355	\$ 0	\$ 0	\$ 0
353,232	146,562	92,412	142,762	27,750	0
0	0	0	0	0	169
45	(35)	0	0	0	880
0	0	0	0	0	0
0	0	0	0	68,536	0
0	0	0	0	0	0
<hr/> 353,277	<hr/> 146,527	<hr/> 487,767	<hr/> 142,762	<hr/> 96,286	<hr/> 1,049
142	303,956	534,483	0	148,785	0
0	0	0	0	0	0
184,830	0	0	0	0	0
0	0	0	143,830	0	0
0	0	0	0	0	703,709
<hr/> 184,972	<hr/> 303,956	<hr/> 534,483	<hr/> 143,830	<hr/> 148,785	<hr/> 703,709
168,305	(157,429)	(46,716)	(1,068)	(52,499)	(702,660)
0	0	0	0	0	1,200,000
0	65,608	0	0	0	75,175
0	0	0	0	0	0
0	65,608	0	0	0	1,275,175
<hr/> 168,305	<hr/> (91,821)	<hr/> (46,716)	<hr/> (1,068)	<hr/> (52,499)	<hr/> 572,515
(263,382)	81,483	46,749	23,823	235,156	9,397
0	0	0	0	0	0
<hr/> \$ (95,077)	<hr/> \$ (10,338)	<hr/> \$ 33	<hr/> \$ 22,755	<hr/> \$ 182,657	<hr/> \$ 581,912

(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, 2011

	Court Computerization	Permissive License Tax	Probation Grant	Federal Transit Administration
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	627,339	191,737	902,082
Charges for Services	0	0	0	89,514
Investment Earnings	0	0	0	0
Special Assessments	0	0	0	0
Fines and Forfeitures	220,329	0	0	0
All Other Revenue	111,350	544	0	4
Total Revenue	331,679	627,883	191,737	991,600
Expenditures:				
Current:				
Security of Persons and Property	0	0	216,587	0
Public Health and Welfare Services	0	0	0	0
Community Environment	0	0	0	0
Transportation	0	494,373	0	1,315,083
General Government	324,268	0	0	0
Total Expenditures	324,268	494,373	216,587	1,315,083
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	7,411	133,510	(24,850)	(323,483)
Other Financing Sources (Uses):				
General Obligation Bonds Issued	0	0	0	0
Transfers In	0	0	15,350	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	15,350	0
Net Change in Fund Balance	7,411	133,510	(9,500)	(323,483)
Fund Balance (Deficit)				
at Beginning of Year - Restated	192,075	452,912	90,642	201,046
Increase in Inventory Reserve	0	0	0	0
Fund Balance (Deficit) End of Year	\$ 199,486	\$ 586,422	\$ 81,142	\$ (122,437)

CITY OF NEWARK, OHIO

ODNR Grants	FEMA	Mary E. Barnes Trust	Brownfield Cleanup	Judicial	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 395,355
169,947	0	0	30,916	0	4,445,481
0	0	0	0	0	93,655
0	0	743	0	0	(582)
0	0	0	0	0	5,189
0	0	0	0	175,727	464,592
0	0	0	0	39,000	212,028
169,947	0	743	30,916	214,727	5,615,718
0	0	901	0	0	1,204,854
0	0	0	187,512	0	197,360
174,581	0	0	0	0	359,572
0	0	0	0	0	3,981,510
0	0	0	0	9,555	1,043,406
174,581	0	901	187,512	9,555	6,786,702
(4,634)	0	(158)	(156,596)	205,172	(1,170,984)
0	0	0	0	0	1,200,000
0	0	0	0	0	524,709
0	(5,941)	0	0	0	(5,941)
0	(5,941)	0	0	0	1,718,768
(4,634)	(5,941)	(158)	(156,596)	205,172	547,784
0	5,941	154,215	0	607,661	3,877,986
0	0	0	0	0	40,806
\$ (4,634)	\$ 0	\$ 154,057	\$ (156,596)	\$ 812,833	\$ 4,466,576

CITY OF NEWARK, OHIO

Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2011

	Debt Service	Tax Increment Financing	Total Nonmajor Debt Service Funds
Assets:			
Pooled Cash and Investments	\$ 166,935	\$ 618,610	\$ 785,545
Receivables:			
Taxes	0	488,594	488,594
Special Assessments	3,233	0	3,233
Total Assets	\$ 170,168	\$ 1,107,204	\$ 1,277,372
Liabilities:			
Deferred Revenue	\$ 3,233	\$ 488,594	\$ 491,827
Total Liabilities	\$ 3,233	\$ 488,594	\$ 491,827
Fund Balance:			
Restricted	166,935	618,610	785,545
Total Fund Balance	166,935	618,610	785,545
Total Liabilities and Fund Balance	\$ 170,168	\$ 1,107,204	\$ 1,277,372

CITY OF NEWARK, OHIO

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended December 31, 2011

	Debt Service	Tax Increment Financing	Total Nonmajor Debt Service Funds
Revenues:			
Taxes	\$ 0	\$ 919,482	\$ 919,482
Special Assessments	2,084	0	2,084
All Other Revenue	0	60,166	60,166
Total Revenue	2,084	979,648	981,732
Expenditures:			
Current:			
General Government	0	299,471	299,471
Capital Outlay	0	6,248	6,248
Debt Service:			
Principal Retirement	530,000	221,726	751,726
Interest and Fiscal Charges	501,700	158,585	660,285
Total Expenditures	1,031,700	686,030	1,717,730
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(1,029,616)	293,618	(735,998)
Other Financing Sources (Uses):			
Transfers In	1,183,904	14,743	1,198,647
Transfers Out	(6,102)	0	(6,102)
Total Other Financing Sources (Uses)	1,177,802	14,743	1,192,545
Net Change in Fund Balance	148,186	308,361	456,547
Fund Balance at Beginning of Year - Restated	18,749	310,249	328,998
Fund Balance End of Year	\$ 166,935	\$ 618,610	\$ 785,545

CITY OF NEWARK, OHIO

Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2011

	LPA Projects	Court Capital Improvement	Total Nonmajor Capital Projects Funds
Assets:			
Pooled Cash and Investments	\$ 0	\$ 365,182	\$ 365,182
Receivables:			
Accounts	0	1,930	1,930
Total Assets	\$ 0	\$ 367,112	\$ 367,112
Liabilities:			
Accounts Payable	\$ 0	\$ 5,387	\$ 5,387
Interfund Loans Payable	366,339	0	366,339
Total Liabilities	366,339	5,387	371,726
Fund Balance:			
Restricted	0	361,725	361,725
Unassigned	(366,339)	0	(366,339)
Total Fund Balance	(366,339)	361,725	(4,614)
Total Liabilities and Fund Balance	\$ 0	\$ 367,112	\$ 367,112

CITY OF NEWARK, OHIO

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2011

	Deo Drive Improvement	LPA Projects	Court Capital Improvement	Total Nonmajor Capital Project Funds
Revenues:				
Fines and Forfeitures	\$ 0	\$ 0	\$ 25,919	\$ 25,919
Total Revenue	0	0	25,919	25,919
Expenditures:				
Capital Outlay	6,307	544,020	5,387	555,714
Total Expenditures	6,307	544,020	5,387	555,714
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(6,307)	(544,020)	20,532	(529,795)
Other Financing Sources (Uses):				
Loan Issuance	0	191,560	0	191,560
Transfers Out	(14,743)	0	0	(14,743)
Total Other Financing Sources (Uses)	(14,743)	191,560	0	176,817
Net Change in Fund Balance	(21,050)	(352,460)	20,532	(352,978)
Fund Balance at Beginning of Year - Restated	21,050	(13,879)	341,193	348,364
Fund Balance End of Year	\$ 0	\$ (366,339)	\$ 361,725	\$ (4,614)

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, 2011***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 21,192,157	\$ 21,855,255	\$ 21,883,399	\$ 28,144
Intergovernmental Revenues	2,977,495	3,740,501	3,394,675	(345,826)
Charges for Services	1,942,380	1,973,052	1,898,217	(74,835)
Licenses, Permits and Fees	41,905	41,905	75,334	33,429
Investment Earnings	118,940	118,940	145,685	26,745
Special Assessments	21,000	21,000	18,166	(2,834)
Fines and Forfeitures	1,500,350	1,505,406	1,486,719	(18,687)
All Other Revenue	242,877	362,943	288,404	(74,539)
Total Revenues	<u>28,037,104</u>	<u>29,619,002</u>	<u>29,190,599</u>	<u>(428,403)</u>
Expenditures:				
Security of Persons and Property:				
Impound Lot:				
Contractual Services	0	5,000	5,000	0
Total Impound Lot	0	5,000	5,000	0
Police:				
Personal Services	7,859,337	7,491,254	7,490,962	292
Materials and Supplies	229,508	249,740	238,310	11,430
Contractual Services	521,444	530,874	465,000	65,874
Other Expenditures	500	2,500	2,110	390
Capital Outlay	8,884	10,478	6,953	3,525
Total Police	<u>8,619,673</u>	<u>8,284,846</u>	<u>8,203,335</u>	<u>81,511</u>
Fire:				
Personal Services	7,856,830	7,383,705	7,279,249	104,456
Materials and Supplies	301,963	331,015	242,394	88,621
Contractual Services	813,984	918,363	756,693	161,670
Other Expenditures	1,000	5,165	4,664	501
Capital Outlay	4,149	2,198	1,099	1,099
Total Fire	<u>8,977,926</u>	<u>8,640,446</u>	<u>8,284,099</u>	<u>356,347</u>
Total Security of Persons and Property	<u>17,597,599</u>	<u>16,930,292</u>	<u>16,492,434</u>	<u>437,858</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, 2011***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Public Health and Welfare Services:				
Solid Waste:				
Contractual Services	56,108	36,613	12,636	23,977
Total Public Health and Welfare Services	56,108	36,613	12,636	23,977
Community Environment:				
Code Administration:				
Personal Services	114,862	112,693	80,004	32,689
Materials and Supplies	3,180	3,180	944	2,236
Contractual Services	8,071	71,254	66,697	4,557
Other Expenditures	250	367	117	250
Capital Outlay	512	877	550	327
Total Code Administration	126,875	188,371	148,312	40,059
Total Community Environment	126,875	188,371	148,312	40,059
General Government:				
City Council:				
Personal Services	100,145	100,145	97,936	2,209
Total City Council	100,145	100,145	97,936	2,209
Clerk of Council:				
Personal Services	59,851	59,851	58,196	1,655
Materials and Supplies	2,011	2,011	1,500	511
Contractual Services	30,703	30,703	14,783	15,920
Total Clerk of Council	92,565	92,565	74,479	18,086
Mayor:				
Personal Services	162,382	162,382	156,559	5,823
Materials and Supplies	200	395	350	45
Contractual Services	250	250	125	125
Other Expenditures	0	5	5	0
Total Mayor	162,832	163,032	157,039	5,993

(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, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Auditor:				
Personal Services	362,561	370,382	370,382	0
Materials and Supplies	11,398	5,906	5,888	18
Contractual Services	231,303	182,954	161,957	20,997
Other Expenditures	1,775	3,175	1,353	1,822
Capital Outlay	0	4,071	4,071	0
Total Auditor	607,037	566,488	543,651	22,837
Treasurer:				
Personal Services	115,679	115,679	90,415	25,264
Materials and Supplies	2,897	2,897	1,337	1,560
Contractual Services	17,890	17,890	13,515	4,375
Capital Outlay	200	200	0	200
Total Treasurer	136,666	136,666	105,267	31,399
Law Director:				
Personal Services	781,216	781,217	750,678	30,539
Materials and Supplies	5,152	5,152	3,448	1,704
Contractual Services	37,339	37,339	20,922	16,417
Total Law Director	823,707	823,708	775,048	48,660
Clerk of Courts:				
Personal Services	1,019,549	1,022,418	966,665	55,753
Materials and Supplies	36,061	32,121	23,115	9,006
Contractual Services	96,212	99,812	83,246	16,566
Other Expenditures	100	440	315	125
Total Clerk of Courts	1,151,922	1,154,791	1,073,341	81,450
Civil Service:				
Materials and Supplies	0	250	250	0
Contractual Services	55,852	55,602	52,825	2,777
Total Civil Service	55,852	55,852	53,075	2,777

(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, 2011***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Judiciary:				
Personal Services	719,963	719,963	649,139	70,824
Materials and Supplies	15,007	15,048	14,342	706
Contractual Services	63,809	63,768	53,957	9,811
Total Judiciary	798,779	798,779	717,438	81,341
Personnel:				
Personal Services	283,625	211,626	181,100	30,526
Materials and Supplies	2,880	2,880	2,355	525
Contractual Services	68,048	174,048	165,081	8,967
Capital Outlay	2,000	2,000	0	2,000
Total Personnel	356,553	390,554	348,536	42,018
Adult Probation:				
Personal Services	673,966	676,098	587,571	88,527
Materials and Supplies	19,855	15,661	14,866	795
Contractual Services	35,251	35,713	34,523	1,190
Capital Outlay	0	1,600	1,600	0
Total Adult Probation	729,072	729,072	638,560	90,512
Service Department:				
Personal Services	607,945	688,360	683,371	4,989
Materials and Supplies	90,910	112,080	109,825	2,255
Contractual Services	2,348,770	2,633,671	2,564,538	69,133
Other Expenditures	1,002	522	522	0
Capital Outlay	191,824	244,212	243,642	570
Total Service Department	3,240,451	3,678,845	3,601,898	76,947
Engineer Department:				
Personal Services	425,700	434,712	434,596	116
Materials and Supplies	10,965	9,533	7,675	1,858
Contractual Services	50,669	45,489	42,647	2,842
Capital Outlay	0	2,101	2,101	0
Total Engineer Department	487,334	491,835	487,019	4,816

(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, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Information Services:				
Contractual Services	4,564	4,564	4,564	0
Total Information Services	4,564	4,564	4,564	0
Custodial:				
Personal Services	158,944	159,931	154,181	5,750
Materials and Supplies	9,622	7,244	5,429	1,815
Contractual Services	56,355	54,512	54,124	388
Total Custodial	224,921	221,687	213,734	7,953
Economic Development:				
Materials and Supplies	12	12	0	12
Contractual Services	375	5,375	1,311	4,064
Total Economic Development	387	5,387	1,311	4,076
Income Tax:				
Personal Services	717,437	668,000	668,000	0
Materials and Supplies	55,027	14,527	13,084	1,443
Contractual Services	211,998	161,938	159,743	2,195
Other Expenditures	400,000	502,569	502,569	0
Capital Outlay	28,744	30,134	25,479	4,655
Total Income Tax	1,413,206	1,377,168	1,368,875	8,293
Safety Director:				
Personal Services	164,714	164,713	159,482	5,231
Materials and Supplies	2,373	2,198	457	1,741
Contractual Services	105,759	105,759	87,115	18,644
Other Expenditures	52,097	52,272	6,694	45,578
Total Safety Director	324,943	324,942	253,748	71,194
Total General Government	10,710,936	11,116,080	10,515,519	600,561
Total Expenditures	28,491,518	28,271,356	27,168,901	1,102,455
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(454,414)	1,347,646	2,021,698	674,052

(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, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Transfers In	35,580,740	35,115,114	34,728,387	(386,727)
Transfers Out	(37,278,781)	(38,167,622)	(37,949,826)	217,796
Advances In	0	399,081	399,081	0
Advances Out	0	(564,310)	(564,310)	0
Total Other Financing Sources (Uses)	<u>(1,698,041)</u>	<u>(3,217,737)</u>	<u>(3,386,668)</u>	<u>(168,931)</u>
Net Change in Fund Balance	(2,152,455)	(1,870,091)	(1,364,970)	505,121
Fund Balance at Beginning of Year, Restated	2,606,266	2,606,266	2,606,266	0
Prior Year Encumbrances	<u>742,623</u>	<u>742,623</u>	<u>742,623</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,196,434</u>	<u>\$ 1,478,798</u>	<u>\$ 1,983,919</u>	<u>\$ 505,121</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, 2011***

COMMUNITY DEVELOPMENT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 6,726,318	\$ 6,806,318	\$ 2,251,122	\$ (4,555,196)
Investment Earnings	219	219	168	(51)
All Other Revenue	<u>774,593</u>	<u>774,593</u>	<u>259,009</u>	<u>(515,584)</u>
Total Revenues	<u>7,501,130</u>	<u>7,581,130</u>	<u>2,510,299</u>	<u>(5,070,831)</u>
Expenditures:				
Community Environment:				
Personal Services	806,285	879,784	742,091	137,693
Materials and Supplies	7,898	58,233	47,893	10,340
Contractual Services	<u>6,242,403</u>	<u>6,091,125</u>	<u>1,755,734</u>	<u>4,335,391</u>
Other Expenditures	4,837	69,037	67,870	1,167
Capital Outlay	<u>39,649</u>	<u>82,893</u>	<u>59,359</u>	<u>23,534</u>
Total Expenditures	<u>7,101,072</u>	<u>7,181,072</u>	<u>2,672,947</u>	<u>4,508,125</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	400,058	400,058	(162,648)	(562,706)
Fund Balance at Beginning of Year	(411,275)	(411,275)	(411,275)	0
Prior Year Encumbrances	<u>437,972</u>	<u>437,972</u>	<u>437,972</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 426,755</u>	<u>\$ 426,755</u>	<u>\$ (135,951)</u>	<u>\$ (562,706)</u>

CITY OF NEWARK, OHIO

***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, 2011***

CAPITAL IMPROVEMENT FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 534,760	\$ 816,508	\$ 281,748
Investment Earnings	2,690	2,699	9
All Other Revenue	0	2,800	2,800
Total Revenues	537,450	822,007	284,557
Expenditures:			
Capital Outlay	3,111,817	3,082,243	29,574
Total Expenditures	3,111,817	3,082,243	29,574
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(2,574,367)	(2,260,236)	314,131
Other Financing Sources (Uses):			
Transfers In	2,437,892	2,433,712	(4,180)
Transfers Out	(452,461)	(446,129)	6,332
Total Other Financing Sources (Uses)	1,985,431	1,987,583	2,152
Net Change in Fund Balance	(588,936)	(272,653)	316,283
Fund Balance at Beginning of Year	785,788	785,788	0
Prior Year Encumbrances	393,050	393,050	0
Fund Balance at End of Year	\$ 589,902	\$ 906,185	\$ 316,283

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

STREET DEPARTMENT FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 1,896,000	\$ 1,773,904	\$ (122,096)
All Other Revenue	66,595	56,780	(9,815)
Total Revenues	<u>1,962,595</u>	<u>1,830,684</u>	<u>(131,911)</u>
Expenditures:			
Transportation:			
Personal Services	1,749,376	1,656,382	92,994
Materials and Supplies	640,888	626,923	13,965
Contractual Services	846,410	824,058	22,352
Other Expenditures	2,021	1,345	676
Capital Outlay	1,904	1,537	367
Total Expenditures	<u>3,240,599</u>	<u>3,110,245</u>	<u>130,354</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(1,278,004)	(1,279,561)	(1,557)
Other Financing Sources (Uses):			
Transfers In	1,022,676	1,021,001	(1,675)
Total Other Financing Sources (Uses)	<u>1,022,676</u>	<u>1,021,001</u>	<u>(1,675)</u>
Net Change in Fund Balance	(255,328)	(258,560)	(3,232)
Fund Balance at Beginning of Year	(148,656)	(148,656)	0
Prior Year Encumbrances	413,909	413,909	0
Fund Balance at End of Year	<u>\$ 9,925</u>	<u>\$ 6,693</u>	<u>\$ (3,232)</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

CEMETERY FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 6,000	\$ 3,972	\$ (2,028)
Investment Earnings	280	208	(72)
Total Revenues	<u>6,280</u>	<u>4,180</u>	<u>(2,100)</u>
Expenditures:			
Public Health and Welfare Services:			
Materials and Supplies	20,000	5,150	14,850
Total Expenditures	<u>20,000</u>	<u>5,150</u>	<u>14,850</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(13,720)	(970)	12,750
Other Financing Sources (Uses):			
Transfers In	311,557	311,557	0
Transfers Out	(311,557)	(311,557)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(13,720)	(970)	12,750
Fund Balance at Beginning of Year, Restated	<u>947,901</u>	<u>947,901</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 934,181</u>	<u>\$ 946,931</u>	<u>\$ 12,750</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

SPECIAL IMPROVEMENT DISTRICT FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments	\$ 9,323	\$ 5,189	\$ (4,134)
Total Revenues	<u>9,323</u>	<u>5,189</u>	<u>(4,134)</u>
Expenditures:			
Community Environment:			
Contractual Services	175	161	14
Other Expenditures	<u>9,148</u>	<u>3,323</u>	<u>5,825</u>
Total Expenditures	<u>9,323</u>	<u>3,484</u>	<u>5,839</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	0	1,705	1,705
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>\$ 1,705</u>	<u>\$ 1,705</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

VETERANS MEMORIAL SIDEWALK FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 597	\$ 598	\$ 1
All Other Revenue	4,350	4,350	0
Total Revenues	<u>4,947</u>	<u>4,948</u>	<u>1</u>
Expenditures:			
General Government:			
Contractual Services	6,884	6,884	0
Total Expenditures	<u>6,884</u>	<u>6,884</u>	<u>0</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(1,937)	(1,936)	1
Fund Balance at Beginning of Year	91,216	91,216	0
Prior Year Encumbrances	1,610	1,610	0
Fund Balance at End of Year	<u>\$ 90,889</u>	<u>\$ 90,890</u>	<u>\$ 1</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

ARRA/HERA FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 2,144,711	\$ 477,624	\$ (1,667,087)
Investment Earnings	0	45	45
Total Revenues	<u>2,144,711</u>	<u>477,669</u>	<u>(1,667,042)</u>
Expenditures:			
Security of Persons and Property:			
Justice Assistance Grant:			
Materials and Supplies	142	142	0
Total Security of Persons and Property	<u>142</u>	<u>142</u>	<u>0</u>
Community Environment:			
Community Development Block Grant:			
Contractual Services	20,419	20,419	0
Total Community Development Block Grant	<u>20,419</u>	<u>20,419</u>	<u>0</u>
Neighborhood Stabilization Program:			
Personal Services	115,654	36,186	79,468
Materials and Supplies	42	42	0
Contractual Services	1,577,498	238,618	1,338,880
Total Neighborhood Stabilization Program	<u>1,693,194</u>	<u>274,846</u>	<u>1,418,348</u>
Total Community Environment	1,713,613	295,265	1,418,348
Total Expenditures	<u>1,713,755</u>	<u>295,407</u>	<u>1,418,348</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	430,956	182,262	(248,694)
Other Financing Sources (Uses):			
Advances In	95,077	95,077	0
Advances Out	(305,559)	(305,559)	0
Total Other Financing Sources (Uses)	<u>(210,482)</u>	<u>(210,482)</u>	<u>0</u>
Net Change in Fund Balance	220,474	(28,220)	(248,694)
Fund Balance at Beginning of Year	(105,458)	(105,458)	0
Prior Year Encumbrances	105,458	105,458	0
Fund Balance at End of Year	<u>\$ 220,474</u>	<u>\$ (28,220)</u>	<u>\$ (248,694)</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

SAFETY GRANTS FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 1,587,061	\$ 184,599	\$ (1,402,462)
Investment Earnings	0	(35)	(35)
Total Revenues	<u>1,587,061</u>	<u>184,564</u>	<u>(1,402,497)</u>
Expenditures:			
Security of Persons and Property:			
Personal Services	252,789	220,345	32,444
Materials and Supplies	287,935	287,935	0
Contractual Services	751,237	14,575	736,662
Capital Outlay	45,032	45,032	0
Total Expenditures	<u>1,336,993</u>	<u>567,887</u>	<u>769,106</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	250,068	(383,323)	(633,391)
Other Financing Sources (Uses):			
Transfers In	123,436	65,608	(57,828)
Advances In	10,338	10,338	0
Total Other Financing Sources (Uses)	<u>133,774</u>	<u>75,946</u>	<u>(57,828)</u>
Net Change in Fund Balance	383,842	(307,377)	(691,219)
Fund Balance at Beginning of Year	43,444	43,444	0
Prior Year Encumbrances	2	2	0
Fund Balance at End of Year	<u>\$ 427,288</u>	<u>\$ (263,931)</u>	<u>\$ (691,219)</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)***
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011

POLICE/FIRE PENSION FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 414,052	\$ 395,355	\$ (18,697)
Intergovernmental Revenues	103,868	92,412	(11,456)
Total Revenues	<u>517,920</u>	<u>487,767</u>	<u>(30,153)</u>
Expenditures:			
Security of Persons and Property			
Personal Services	540,000	528,088	11,912
Contractual Services	8,050	6,395	1,655
Total Expenditures	<u>548,050</u>	<u>534,483</u>	<u>13,567</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(30,130)	(46,716)	(16,586)
Fund Balance at Beginning of Year	46,749	46,749	0
Fund Balance at End of Year	<u>\$ 16,619</u>	<u>\$ 33</u>	<u>\$ (16,586)</u>

CITY OF NEWARK, OHIO

*Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011*

CEMETERY RENTAL FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenue	\$ 3,600	\$ 3,300	\$ (300)
Total Revenues	<u>3,600</u>	<u>3,300</u>	<u>(300)</u>
Expenditures:			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	3,600	3,300	(300)
Other Financing Sources (Uses):			
Transfers Out	(29,635)	(29,635)	0
Total Other Financing Sources (Uses)	<u>(29,635)</u>	<u>(29,635)</u>	<u>0</u>
Net Change in Fund Balance	(26,035)	(26,335)	(300)
Fund Balance at Beginning of Year	26,335	26,335	0
Fund Balance at End of Year	<u>\$ 300</u>	<u>\$ 0</u>	<u>\$ (300)</u>

CITY OF NEWARK, OHIO

*Schedule of Revenues, Expenditures and Changes in
 Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)*
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011

STATE HIGHWAY FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 150,000	\$ 143,830	\$ (6,170)
Total Revenues	<u>150,000</u>	<u>143,830</u>	<u>(6,170)</u>
Expenditures:			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	150,000	143,830	(6,170)
Other Financing Sources (Uses):			
Transfers Out	(150,000)	(143,830)	6,170
Total Other Financing Sources (Uses)	<u>(150,000)</u>	<u>(143,830)</u>	<u>6,170</u>
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

LAW ENFORCEMENT FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 16,000	\$ 13,547	\$ (2,453)
Fines and Forfeitures	65,000	80,948	15,948
Total Revenues	<u>81,000</u>	<u>94,495</u>	<u>13,495</u>
Expenditures:			
Security of Persons and Property:			
Contractual Services	215,242	154,272	60,970
Total Expenditures	<u>215,242</u>	<u>154,272</u>	<u>60,970</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(134,242)	(59,777)	74,465
Fund Balance at Beginning of Year	204,673	204,673	0
Prior Year Encumbrances	15,242	15,242	0
Fund Balance at End of Year	<u>\$ 85,673</u>	<u>\$ 160,138</u>	<u>\$ 74,465</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

LANDFILL RECLAMATION FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 169	\$ 169	\$ 0
Investment Earnings	0	704	704
Total Revenues	<u>169</u>	<u>873</u>	<u>704</u>
Expenditures:			
General Government:			
Contractual Services	84,741	84,741	0
Capital Outlay	1,200,000	1,200,000	0
Total Expenditures	<u>1,284,741</u>	<u>1,284,741</u>	<u>0</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(1,284,572)	(1,283,868)	704
Other Financing Sources (Uses):			
Sale of Bonds	1,200,000	1,200,000	0
Transfers In	75,175	75,175	0
Total Other Financing Sources (Uses)	<u>1,275,175</u>	<u>1,275,175</u>	<u>0</u>
Net Change in Fund Balance	(9,397)	(8,693)	704
Fund Balance at Beginning of Year	9,397	9,397	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 704</u>	<u>\$ 704</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

COURT COMPUTERIZATION FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 202,000	\$ 218,603	\$ 16,603
All Other Revenue	111,000	111,350	350
Total Revenues	<u>313,000</u>	<u>329,953</u>	<u>16,953</u>
Expenditures:			
General Government:			
Personal Services	85,361	72,547	12,814
Materials and Supplies	11,451	8,943	2,508
Contractual Services	101,951	76,390	25,561
Capital Outlay	202,018	180,531	21,487
Total Expenditures	<u>400,781</u>	<u>338,411</u>	<u>62,370</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(87,781)	(8,458)	79,323
Fund Balance at Beginning of Year	83,578	83,578	0
Prior Year Encumbrances	100,341	100,341	0
Fund Balance at End of Year	<u>\$ 96,138</u>	<u>\$ 175,461</u>	<u>\$ 79,323</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

PERMISSIVE LICENSE TAX FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 1,200,000	\$ 629,838	\$ (570,162)
All Other Revenue	0	544	544
Total Revenues	<u>1,200,000</u>	<u>630,382</u>	<u>(569,618)</u>
Expenditures:			
Transportation:			
Contractual Services	1,457,323	602,134	855,189
Capital Outlay	1,063	777	286
Total Expenditures	<u>1,458,386</u>	<u>602,911</u>	<u>855,475</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(258,386)	27,471	285,857
Fund Balance at Beginning of Year	94,043	94,043	0
Prior Year Encumbrances	258,386	258,386	0
Fund Balance at End of Year	<u>\$ 94,043</u>	<u>\$ 379,900</u>	<u>\$ 285,857</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

PROBATION GRANT FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 204,589	\$ 175,382	\$ (29,207)
Total Revenues	<u>204,589</u>	<u>175,382</u>	<u>(29,207)</u>
Expenditures:			
Security of Persons and Property:			
Personal Services	108,535	101,229	7,306
Materials and Supplies	32,240	30,442	1,798
Contractual Services	80,686	74,445	6,241
Capital Outlay	<u>2,490</u>	<u>2,488</u>	<u>2</u>
Total Expenditures	<u>223,951</u>	<u>208,604</u>	<u>15,347</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(19,362)	(33,222)	(13,860)
Other Financing Sources (Uses):			
Transfers In	<u>15,500</u>	<u>15,350</u>	<u>(150)</u>
Total Other Financing Sources (Uses)	<u>15,500</u>	<u>15,350</u>	<u>(150)</u>
Net Change in Fund Balance	(3,862)	(17,872)	(14,010)
Fund Balance at Beginning of Year	52,723	52,723	0
Prior Year Encumbrances	<u>7,532</u>	<u>7,532</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 56,393</u>	<u>\$ 42,383</u>	<u>\$ (14,010)</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

IMPOUND FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 50,000	\$ 52,398	\$ 2,398
All Other Revenue	60,000	47,206	(12,794)
Total Revenues	110,000	99,604	(10,396)
Expenditures:			
Security of Persons and Property:			
Materials and Supplies	261	159	102
Contractual Services	45,747	37,736	8,011
Total Expenditures	46,008	37,895	8,113
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	63,992	61,709	(2,283)
Other Financing Sources (Uses):			
Transfers Out	(240,684)	(240,684)	0
Total Other Financing Sources (Uses)	(240,684)	(240,684)	0
Net Change in Fund Balance	(176,692)	(178,975)	(2,283)
Fund Balance at Beginning of Year	167,620	167,620	0
Prior Year Encumbrances	11,355	11,355	0
Fund Balance at End of Year	\$ 2,283	\$ 0	\$ (2,283)

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

FEDERAL TRANSIT ADMINISTRATION FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 2,935,421	\$ 1,159,531	\$ (1,775,890)
Charges for Services	150,000	89,515	(60,485)
All Other Revenue	12,000	4	(11,996)
Total Revenues	3,097,421	1,249,050	(1,848,371)
Expenditures:			
Transportation:			
Personal Services	98,232	92,630	5,602
Materials and Supplies	127,370	97,878	29,492
Contractual Services	1,557,276	996,096	561,180
Capital Outlay	806,898	797,122	9,776
Total Expenditures	2,589,776	1,983,726	606,050
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	507,645	(734,676)	(1,242,321)
Other Financing Sources (Uses):			
Advances In	172,986	172,986	0
Advances Out	(93,522)	(93,522)	0
Total Other Financing Sources (Uses)	79,464	79,464	0
Net Change in Fund Balance	587,109	(655,212)	(1,242,321)
Fund Balance at Beginning of Year	(142,400)	(142,400)	0
Prior Year Encumbrances	142,400	142,400	0
Fund Balance at End of Year	\$ 587,109	\$ (655,212)	\$ (1,242,321)

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

ODNR GRANTS FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 476,856	\$ 43,735	\$ (433,121)
Total Revenues	<u>476,856</u>	<u>43,735</u>	<u>(433,121)</u>
Expenditures:			
Community Environment:			
Materials and Supplies	1,000	500	500
Contractual Services	322,872	21,872	301,000
Capital Outlay	152,984	152,984	0
Total Expenditures	<u>476,856</u>	<u>175,356</u>	<u>301,500</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	0	(131,621)	(131,621)
Other Financing Sources (Uses):			
Advances In	129,313	129,313	0
Total Other Financing Sources (Uses)	<u>129,313</u>	<u>129,313</u>	<u>0</u>
Net Change in Fund Balance	129,313	(2,308)	(131,621)
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$ 129,313</u>	<u>\$ (2,308)</u>	<u>\$ (131,621)</u>

CITY OF NEWARK, OHIO

*Schedule of Revenues, Expenditures and Changes in
 Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
 Nonmajor Special Revenue Funds
 For the Year Ended December 31, 2011*

FEMA FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	0	0	0
Other Financing Sources (Uses):			
Transfers Out	(5,941)	(5,941)	0
Total Other Financing Sources (Uses)	<u>(5,941)</u>	<u>(5,941)</u>	<u>0</u>
Net Change in Fund Balance	(5,941)	(5,941)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances	5,941	5,941	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF NEWARK, OHIO

*Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011*

BROWNFIELD CLEANUP FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 2,188,806	\$ 30,916	\$ (2,157,890)
Total Revenues	<u>2,188,806</u>	<u>30,916</u>	<u>(2,157,890)</u>
Expenditures:			
Public Health and Welfare Services:			
Contractual Services	2,188,806	1,272,812	915,994
Total Expenditures	<u>2,188,806</u>	<u>1,272,812</u>	<u>915,994</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	0	(1,241,896)	(1,241,896)
Other Financing Sources (Uses):			
Advances In	156,596	156,596	0
Total Other Financing Sources (Uses)	<u>156,596</u>	<u>156,596</u>	<u>0</u>
Net Change in Fund Balance	156,596	(1,085,300)	(1,241,896)
Fund Balance at Beginning of Year	(45,006)	(45,006)	0
Prior Year Encumbrances	45,006	45,006	0
Fund Balance at End of Year	<u>\$ 156,596</u>	<u>\$ (1,085,300)</u>	<u>\$ (1,241,896)</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

JUDICIAL FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 150,000	\$ 174,351	\$ 24,351
All Other Revenue	0	39,000	39,000
Total Revenues	<u>150,000</u>	<u>213,351</u>	<u>63,351</u>
Expenditures:			
General Government:			
Materials and Supplies	2,500	1,000	1,500
Contractual Services	44,280	11,488	32,792
Capital Outlay	8,086	6,539	1,547
Total Expenditures	<u>54,866</u>	<u>19,027</u>	<u>35,839</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	95,134	194,324	99,190
Fund Balance at Beginning of Year	596,349	596,349	0
Prior Year Encumbrances	4,866	4,866	0
Fund Balance at End of Year	<u>\$ 696,349</u>	<u>\$ 795,539</u>	<u>\$ 99,190</u>

CITY OF NEWARK, OHIO

***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, 2011***

DEBT SERVICE FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments	\$ 6,250	\$ 2,084	\$ (4,166)
Total Revenues	<u>6,250</u>	<u>2,084</u>	<u>(4,166)</u>
Expenditures:			
Debt Service:			
Principal Retirement	535,128	535,128	0
Interest and Fiscal Charges	508,674	502,674	6,000
Total Expenditures	<u>1,043,802</u>	<u>1,037,802</u>	<u>6,000</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(1,037,552)	(1,035,718)	1,834
Other Financing Sources (Uses):			
Transfers In	1,192,160	1,191,950	(210)
Transfers Out	(8,046)	(8,046)	0
Total Other Financing Sources (Uses)	<u>1,184,114</u>	<u>1,183,904</u>	<u>(210)</u>
Net Change in Fund Balance	146,562	148,186	1,624
Fund Balance at Beginning of Year	12,749	12,749	0
Prior Year Encumbrances	6,000	6,000	0
Fund Balance at End of Year	<u>\$ 165,311</u>	<u>\$ 166,935</u>	<u>\$ 1,624</u>

CITY OF NEWARK, OHIO

***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, 2011***

TAX INCREMENT FINANCING FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 922,343	\$ 919,482	\$ (2,861)
All Other Revenue	50,000	60,166	10,166
Total Revenues	<u>972,343</u>	<u>979,648</u>	<u>7,305</u>
Expenditures:			
General Government:			
Contractual Services	6,353	6,248	105
Other Expenditures	314,746	299,471	15,275
Debt Service:			
Principal Retirement	242,364	242,364	0
Interest and Fiscal Charges	137,947	137,947	0
Total Expenditures	<u>701,410</u>	<u>686,030</u>	<u>15,380</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	270,933	293,618	22,685
Other Financing Sources (Uses):			
Transfers In	14,743	14,743	0
Total Other Financing Sources (Uses)	<u>14,743</u>	<u>14,743</u>	<u>0</u>
Net Change in Fund Balance	285,676	308,361	22,685
Fund Balance at Beginning of Year	300,752	300,752	0
Prior Year Encumbrances	9,497	9,497	0
Fund Balance at End of Year	<u>\$ 595,925</u>	<u>\$ 618,610</u>	<u>\$ 22,685</u>

CITY OF NEWARK, OHIO

*Schedule of Revenues, Expenditures and Changes in
 Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
 Nonmajor Capital Projects Funds
 For the Year Ended December 31, 2011*

DEO DRIVE IMPROVEMENT FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Capital Outlay	18,850	6,307	12,543
Total Expenditures	18,850	6,307	12,543
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(18,850)	(6,307)	12,543
Other Financing Sources (Uses):			
Transfers Out	(14,743)	(14,743)	0
Total Other Financing Sources (Uses)	(14,743)	(14,743)	0
Net Change in Fund Balance	(33,593)	(21,050)	12,543
Fund Balance at Beginning of Year	2,200	2,200	0
Prior Year Encumbrances	18,850	18,850	0
Fund Balance at End of Year	\$ (12,543)	\$ 0	\$ 12,543

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2011***

LOCAL PUBLIC AGENCY (LPA) PROJECTS FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Capital Outlay	1,793,744	1,093,682	700,062
Total Expenditures	<u>1,793,744</u>	<u>1,093,682</u>	<u>700,062</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(1,793,744)	(1,093,682)	700,062
Other Financing Sources (Uses):			
Loan Proceeds	1,836,983	268,839	(1,568,144)
Advances In	0	366,339	366,339
Transfers Out	<u>(21,297)</u>	<u>0</u>	<u>21,297</u>
Total Other Financing Sources (Uses)	<u>1,815,686</u>	<u>635,178</u>	<u>(1,180,508)</u>
Net Change in Fund Balance	21,942	(458,504)	(480,446)
Fund Balance at Beginning of Year	(1,093,744)	(1,093,744)	0
Prior Year Encumbrances	<u>1,093,744</u>	<u>1,093,744</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 21,942</u>	<u>\$ (458,504)</u>	<u>\$ (480,446)</u>

CITY OF NEWARK, OHIO

*Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2011*

COURT CAPITAL IMPROVEMENT FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 25,500	\$ 25,726	\$ 226
Total Revenues	<u>25,500</u>	<u>25,726</u>	<u>226</u>
Expenditures:			
Capital Outlay	50,000	6,000	44,000
Total Expenditures	<u>50,000</u>	<u>6,000</u>	<u>44,000</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(24,500)	19,726	44,226
Fund Balance at Beginning of Year	339,456	339,456	0
Fund Balance at End of Year	<u>\$ 314,956</u>	<u>\$ 359,182</u>	<u>\$ 44,226</u>

CITY OF NEWARK, OHIO

Internal Service Funds

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

CITY OF NEWARK, OHIO

Combining Statement of Net Assets
Internal Service Funds
December 31, 2011

	<u>Insurance</u>
ASSETS:	
Current Assets:	
Pooled Cash and Investments	\$ 2,367,885
Investments	<u>246,281</u>
Total Assets	<u>2,614,166</u>
LIABILITIES:	
Current Liabilities:	
Claims Payable	<u>336,061</u>
Total Liabilities	<u>336,061</u>
NET ASSETS:	
Unrestricted	<u>2,278,105</u>
Total Net Assets	<u>\$ 2,278,105</u>

CITY OF NEWARK, OHIO

**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2011**

	Insurance	Workers' Compensation	Total
Operating Revenues:			
Charges for Services	\$ 5,215,647	\$ 0	\$ 5,215,647
Total Operating Revenues	5,215,647	0	5,215,647
Operating Expenses:			
Personal Services	4,955,756	10,225	4,965,981
Contractual Services	0	10,121	10,121
Total Operating Expenses	4,955,756	20,346	4,976,102
Operating Income (Loss)	259,891	(20,346)	239,545
Nonoperating Revenue (Expenses):			
Investment Earnings	5,755	0	5,755
Total Nonoperating Revenues (Expenses)	5,755	0	5,755
Income (Loss) Before Transfers	265,646	(20,346)	245,300
Transfers:			
Transfers Out	(63,518)	(161,299)	(224,817)
Total Transfers	(63,518)	(161,299)	(224,817)
Change in Net Assets	202,128	(181,645)	20,483
Net Assets Beginning of Year	2,075,977	181,645	2,257,622
Net Assets End of Year	<u>\$ 2,278,105</u>	<u>\$ 0</u>	<u>\$ 2,278,105</u>

CITY OF NEWARK, OHIO

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended December 31, 2011

	Workers' Insurance	Compensation	Totals
Cash Flows from Operating Activities:			
Cash Received from Customers	\$5,215,647	\$0	\$5,215,647
Cash Payments for Goods and Services	0	(10,121)	(10,121)
Cash Payments for Employees	(4,909,517)	(484,278)	(5,393,795)
Net Cash Provided (Used) by Operating Activities	306,130	(494,399)	(188,269)
Cash Flows from Noncapital Financing Activities:			
Transfers Out to Other Funds	(63,518)	(161,299)	(224,817)
Net Cash Used by Noncapital Financing Activities	(63,518)	(161,299)	(224,817)
Cash Flows from Investing Activities:			
Purchase of Investments	(6,281)	0	(6,281)
Receipts of Interest	5,755	0	5,755
Net Cash Used by Investing Activities	(526)	0	(526)
Net Increase (Decrease) in Cash and Cash Equivalents	242,086	(655,698)	(413,612)
Cash and Cash Equivalents at Beginning of Year	2,125,799	655,698	2,781,497
Cash and Cash Equivalents at End of Year	\$2,367,885	\$0	\$2,367,885
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$259,891	(\$20,346)	\$239,545
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Changes in Assets and Liabilities:			
Decrease in Accounts Payable	(3,438)	0	(3,438)
Decrease in Accrued Wages and Benefits	0	(474,053)	(474,053)
Increase in Claims Payable	49,677	0	49,677
Total Adjustments	46,239	(474,053)	(427,814)
Net Cash Provided (Used) by Operating Activities	\$306,130	(\$494,399)	(\$188,269)

CITY OF NEWARK, OHIO

Fiduciary Funds

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

Agency Funds

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, 2011**

	Balance December 31, 2010	Additions	Deductions	Balance December 31, 2011
Municipal Court Fund				
Restricted Assets:				
Cash and Cash Equivalents	\$523,005	\$5,853,358	(\$5,930,185)	\$446,178
Total Assets	<u>\$523,005</u>	<u>\$5,853,358</u>	<u>(\$5,930,185)</u>	<u>\$446,178</u>
Liabilities:				
Intergovernmental Payable	\$194,164	\$2,930,802	(\$2,899,757)	\$225,209
Due to Others	328,841	2,922,556	(3,030,428)	220,969
Total Liabilities	<u>\$523,005</u>	<u>\$5,853,358</u>	<u>(\$5,930,185)</u>	<u>\$446,178</u>
Fire Code Fund				
Restricted Assets:				
Cash and Cash Equivalents	\$3,210	\$7,688	(\$7,688)	\$3,210
Total Assets	<u>\$3,210</u>	<u>\$7,688</u>	<u>(\$7,688)</u>	<u>\$3,210</u>
Liabilities:				
Due to Others	\$3,210	\$7,688	(\$7,688)	\$3,210
Total Liabilities	<u>\$3,210</u>	<u>\$7,688</u>	<u>(\$7,688)</u>	<u>\$3,210</u>
Law Library Fund				
Restricted Assets:				
Cash and Cash Equivalents	\$10,271	\$65,381	(\$65,381)	\$10,271
Total Assets	<u>\$10,271</u>	<u>\$65,381</u>	<u>(\$65,381)</u>	<u>\$10,271</u>
Liabilities:				
Due to Others	\$10,271	\$65,381	(\$65,381)	\$10,271
Total Liabilities	<u>\$10,271</u>	<u>\$65,381</u>	<u>(\$65,381)</u>	<u>\$10,271</u>
Joint Economic Development Zone Fund				
Receivables:				
Taxes	\$8,023	\$5,664	(\$8,023)	\$5,664
Restricted Assets:				
Cash and Cash Equivalents	188,751	285,269	(191,582)	282,438
Total Assets	<u>\$196,774</u>	<u>\$290,933</u>	<u>(\$199,605)</u>	<u>\$288,102</u>
Liabilities:				
Intergovernmental Payable	\$196,774	\$290,933	(\$199,605)	\$288,102
Total Liabilities	<u>\$196,774</u>	<u>\$290,933</u>	<u>(\$199,605)</u>	<u>\$288,102</u>

CITY OF NEWARK, OHIO

	Balance December 31, 2010	Additions	Deductions	Balance December 31, 2011
Totals - All Agency Funds				
Receivables:				
Taxes	\$8,023	\$5,664	(\$8,023)	\$5,664
Restricted Assets:				
Cash and Cash Equivalents	<u>725,237</u>	6,211,696	(6,194,836)	742,097
Total Assets	<u>\$733,260</u>	<u>\$6,217,360</u>	<u>(\$6,202,859)</u>	<u>\$747,761</u>
Liabilities:				
Intergovernmental Payable	\$390,938	\$3,221,735	(\$3,099,362)	\$513,311
Due to Others	<u>342,322</u>	<u>2,995,625</u>	<u>(3,103,497)</u>	<u>234,450</u>
Total Liabilities	<u>\$733,260</u>	<u>\$6,217,360</u>	<u>(\$6,202,859)</u>	<u>\$747,761</u>

CITY OF NEWARK, OHIO



STATISTICAL SECTION



S_{TATISTICAL} T_{ABLES}

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

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

	2003	2004	2005	2006
Governmental Activities:				
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)	(5,589,301)	6,235,271	3,917,313	7,065,973
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>
Business-type Activities:				
Invested in Capital Assets, Net of Related Debt	\$17,091,247	\$16,562,270	\$16,658,851	\$16,901,941
Unrestricted	8,713,277	7,793,616	7,622,732	7,692,238
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>
Primary Government:				
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	3,123,976	14,028,887	11,540,045	14,758,211
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

2007	2008	2009	2010	2011
\$42,336,454	\$40,441,667	\$41,316,426	\$40,274,220	\$42,258,279
10,651,987	11,110,542	10,280,743	11,967,071	14,149,111
8,161,990	6,404,496	5,535,025	1,469,212	2,265,579
<u>\$61,150,431</u>	<u>\$57,956,705</u>	<u>\$57,132,194</u>	<u>\$53,710,503</u>	<u>\$58,672,969</u>
\$17,699,290	\$16,956,742	\$22,335,180	\$21,621,744	\$20,600,700
7,143,040	3,965,856	1,819,773	4,271,539	6,514,026
<u>\$24,842,330</u>	<u>\$20,922,598</u>	<u>\$24,154,953</u>	<u>\$25,893,283</u>	<u>\$27,114,726</u>
\$60,035,744	\$57,398,409	\$63,651,606	\$61,895,964	\$62,858,979
10,651,987	11,110,542	10,280,743	11,967,071	14,149,111
15,305,030	10,370,352	7,354,798	5,740,751	8,779,605
<u>\$85,992,761</u>	<u>\$78,879,303</u>	<u>\$81,287,147</u>	<u>\$79,603,786</u>	<u>\$85,787,695</u>

City of Newark

*Changes in Net Assets
Last Nine Years
(accrual basis of accounting)*

	<u>2003</u>	<u>2004</u>	<u>2005</u>
Expenses			
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><u>\$47,984,687</u></u>	<u><u>\$51,018,382</u></u>	<u><u>\$51,216,175</u></u>
Program Revenues			
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
<i>Operating Grants and Contributions</i>	<u>4,059,634</u>	<u>5,355,416</u>	<u>7,002,350</u>
<i>Capital Grants and Contributions</i>	<u>3,605,567</u>	<u>1,462,515</u>	<u>1,584,213</u>
<i>Total Governmental Activities Program Revenues</i>	<u><u>12,605,158</u></u>	<u><u>11,088,866</u></u>	<u><u>12,928,633</u></u>

City of Newark

2006	2007	2008	2009	2010	2011
\$17,480,448	\$18,150,460	\$19,619,726	\$18,993,822	\$18,825,824	\$17,438,065
765,014	524,374	321,313	52,511	0	0
3,167,222	2,921,535	3,059,820	2,984,886	2,666,668	1,958,987
2,395,607	2,375,792	599,601	10,329	157,745	217,140
4,323,012	5,927,546	6,060,496	6,762,557	5,686,444	5,364,963
7,467,121	9,020,333	10,635,436	11,046,798	12,247,040	10,843,803
973,340	900,691	800,191	760,156	787,437	757,878
<u>36,571,764</u>	<u>39,820,731</u>	<u>41,096,583</u>	<u>40,611,059</u>	<u>40,371,158</u>	<u>36,580,836</u>
6,269,588	7,006,340	6,650,976	6,604,911	6,120,509	6,444,744
5,226,934	5,161,535	5,291,774	5,941,006	5,238,347	5,568,346
574,598	323,709	614,380	989,162	2,122,819	1,920,374
<u>12,071,120</u>	<u>12,491,584</u>	<u>12,557,130</u>	<u>13,535,079</u>	<u>13,481,675</u>	<u>13,933,464</u>
<u>\$48,642,884</u>	<u>\$52,312,315</u>	<u>\$53,653,713</u>	<u>\$54,146,138</u>	<u>\$53,852,833</u>	<u>\$50,514,300</u>
\$1,799,406	\$2,412,289	\$3,411,136	\$3,886,667	\$3,650,730	\$3,346,407
14,944	17,489	16,428	16,031	0	0
8,338	59,808	55,384	45,885	44,318	62,801
785,037	749,119	190,593	202,895	73,932	138,358
737,628	408,675	411,174	142,495	108,475	89,514
1,605,988	1,450,658	1,011,575	1,131,397	459,996	585,758
5,054,184	6,773,027	4,730,482	5,488,390	5,745,895	7,222,698
470,643	490,142	10,000	184,019	295,531	2,892,903
<u>10,476,168</u>	<u>12,361,207</u>	<u>9,836,772</u>	<u>11,097,779</u>	<u>10,378,877</u>	<u>14,338,439</u>

(Continued)

City of Newark

*Changes in Net Assets
Last Nine Years
(accrual basis of accounting)*

	<u>2003</u>	<u>2004</u>	<u>2005</u>
Business-type Activities:			
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>	<u>10,723,194</u>	<u>10,480,617</u>	<u>11,765,676</u>
<i>Total Primary Government Program Revenues</i>	<u>23,328,352</u>	<u>21,569,483</u>	<u>24,694,309</u>
Net (Expense)/Revenue			
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>	<u>(\$24,656,335)</u>	<u>(\$29,448,899)</u>	<u>(\$26,521,866)</u>
General Revenues and Other Changes in Net Assets			
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>	<u>27,415,840</u>	<u>25,965,995</u>	<u>27,694,789</u>
Business-type Activities:			
Investment Earnings	13,187	21,779	49,066
Transfers	(234,050)	(234,050)	(223,686)
<i>Total Business-type Activities</i>	<u>(220,863)</u>	<u>(212,271)</u>	<u>(174,620)</u>
<i>Total Primary Government</i>	<u>\$27,194,977</u>	<u>\$25,753,724</u>	<u>\$27,520,169</u>
Change in Net Assets			
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>	<u>\$2,538,642</u>	<u>(\$3,695,175)</u>	<u>\$998,303</u>

Source: City Auditor's Office

City of Newark

2006	2007	2008	2009	2010	2011
6,001,796	6,034,022	5,998,709	5,850,171	6,094,605	6,027,520
5,965,994	5,836,149	5,880,392	5,918,464	6,563,274	6,600,685
512,738	1,843,164	2,168,753	2,229,720	2,513,032	2,655,588
0	0	0	0	0	0
258,709	0	0	3,691,191	750,445	0
<u>12,739,237</u>	<u>13,713,335</u>	<u>14,047,854</u>	<u>17,689,546</u>	<u>15,921,356</u>	<u>15,283,793</u>
<u>23,215,405</u>	<u>26,074,542</u>	<u>23,884,626</u>	<u>28,787,325</u>	<u>26,300,233</u>	<u>29,622,232</u>
(26,095,596)	(27,459,524)	(31,259,811)	(29,513,280)	(29,992,281)	(22,242,397)
668,117	1,221,751	1,490,724	4,154,467	2,439,681	1,350,329
<u>(\$25,427,479)</u>	<u>(\$26,237,773)</u>	<u>(\$29,769,087)</u>	<u>(\$25,358,813)</u>	<u>(\$27,552,600)</u>	<u>(\$20,892,068)</u>
\$2,458,710	\$2,306,500	\$2,189,609	\$2,150,345	\$2,126,951	\$2,003,214
457,463	457,534	436,568	427,084	421,153	398,173
479,445	284,487	282,935	251,214	265,668	919,482
19,802,040	20,312,181	20,899,162	18,845,278	18,880,522	19,440,371
360,964	433,007	366,551	358,197	361,444	496,040
3,634,841	3,794,607	3,264,236	4,214,287	3,554,614	3,099,985
880,326	1,077,750	636,922	369,406	219,412	175,826
1,500,256	751,758	431,212	1,134,938	658,189	540,484
264,680	834,314	924,993	938,020	82,637	131,288
<u>29,838,725</u>	<u>30,252,138</u>	<u>29,432,188</u>	<u>28,688,769</u>	<u>26,570,590</u>	<u>27,204,863</u>
97,179	93,819	37,267	15,908	3,247	2,402
(264,680)	(834,314)	(924,993)	(938,020)	(82,637)	(131,288)
<u>(167,501)</u>	<u>(740,495)</u>	<u>(887,726)</u>	<u>(922,112)</u>	<u>(79,390)</u>	<u>(128,886)</u>
<u>\$29,671,224</u>	<u>\$29,511,643</u>	<u>\$28,544,462</u>	<u>\$27,766,657</u>	<u>\$26,491,200</u>	<u>\$27,075,977</u>
\$3,743,129	\$2,792,614	(\$1,827,623)	(\$824,511)	(\$3,421,691)	\$4,962,466
500,616	481,256	602,998	3,232,355	2,360,291	1,221,443
<u>\$4,243,745</u>	<u>\$3,273,870</u>	<u>(\$1,224,625)</u>	<u>\$2,407,844</u>	<u>(\$1,061,400)</u>	<u>\$6,183,909</u>

City of Newark

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

	2002	2003	2004	2005	2006
General Fund					
Nonspendable	\$0	\$0	\$0	\$0	\$0
Assigned	0	0	0	0	0
Unassigned	0	0	0	0	0
Reserved	634,867	1,395,063	487,274	307,378	739,920
Unreserved	<u>2,677,438</u>	<u>792,041</u>	<u>970,399</u>	<u>528,313</u>	<u>1,114,748</u>
<i>Total General Fund</i>	<u>3,312,305</u>	<u>2,187,104</u>	<u>1,457,673</u>	<u>835,691</u>	<u>1,854,668</u>
All Other Governmental Funds					
Nonspendable	\$0	\$0	\$0	\$0	\$0
Restricted	0	0	0	0	0
Unassigned	0	0	0	0	0
Reserved	4,606,077	10,474,790	4,689,768	2,546,268	4,515,664
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	(789,461)	(175,460)	4,371,326	4,428,725	4,891,038
Capital Projects Funds	<u>(3,183,244)</u>	<u>3,007,832</u>	<u>(2,213,005)</u>	<u>(2,889,968)</u>	<u>(1,997,460)</u>
<i>Total All Other Governmental Funds</i>	<u>633,372</u>	<u>13,307,162</u>	<u>6,848,089</u>	<u>4,085,025</u>	<u>7,409,242</u>
<i>Total Governmental Funds</i>	<u>\$3,945,677</u>	<u>\$15,494,266</u>	<u>\$8,305,762</u>	<u>\$4,920,716</u>	<u>\$9,263,910</u>

Source: City Auditor's Office

NOTE: Year 2002 does 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.

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

City of Newark

2007	2008	2009	2010	2011
\$0	\$0	\$0	\$0	\$115,987
0	0	0	0	534,701
0	0	0	0	3,752,273
848,097	470,901	580,093	570,773	0
<u>2,717,746</u>	<u>2,608,161</u>	<u>2,403,167</u>	<u>1,774,282</u>	<u>0</u>
<u>3,565,843</u>	<u>3,079,062</u>	<u>2,983,260</u>	<u>2,345,055</u>	<u>4,402,961</u>
\$0	\$0	\$0	\$0	\$4,903,304
0	0	0	0	8,042,449
0	0	0	0	(755,421)
2,531,396	2,867,626	2,542,594	3,989,848	0
4,329,307	3,774,340	2,850,367	3,858,783	0
<u>(849,552)</u>	<u>(4,972)</u>	<u>(211,166)</u>	<u>331,383</u>	<u>0</u>
<u>6,011,151</u>	<u>6,636,994</u>	<u>5,181,795</u>	<u>8,180,014</u>	<u>12,190,332</u>
<u>\$9,576,994</u>	<u>\$9,716,056</u>	<u>\$8,165,055</u>	<u>\$10,525,069</u>	<u>\$16,593,293</u>

City of Newark

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

	2002	2003	2004	2005
Revenues:				
Taxes	\$19,361,211	\$20,584,344	\$20,867,126	\$21,765,717
Intergovernmental Revenues	9,722,122	10,505,105	11,438,931	10,751,711
Charges for Services	1,068,884	1,158,161	1,195,072	1,143,484
Licenses, Permits and Fees	1,773,593	1,724,167	1,647,136	1,628,325
Investment Earnings	460,223	363,604	322,867	433,890
Special Assessments	18,807	43,758	123,112	48,518
Fines and Forfeitures	1,611,441	1,758,405	1,520,015	1,556,778
All Other Revenue	472,350	622,613	732,231	1,297,389
Total Revenue	<u>34,488,631</u>	<u>36,760,157</u>	<u>37,846,490</u>	<u>38,625,812</u>
Expenditures:				
Current:				
Security of Persons and Property	14,331,955	17,017,236	17,238,670	17,422,539
Public Health and Welfare Services	2,400,745	2,591,268	2,895,378	2,957,320
Leisure Time Activities	857,314	753,238	690,045	1,842,136
Community Environment	2,745,924	2,899,829	2,978,113	2,791,767
Transportation	3,047,974	3,266,226	4,004,744	3,754,392
General Government	6,756,970	7,097,236	7,307,835	7,761,611
Capital Outlay	3,178,884	3,496,371	9,965,693	7,095,408
Debt Service:				
Principal Retirement	125,000	130,000	300,000	425,000
Interest and Fiscal Charges	<u>276,391</u>	<u>331,057</u>	<u>781,949</u>	<u>733,591</u>
Total Expenditures	<u>33,721,157</u>	<u>37,582,461</u>	<u>46,162,427</u>	<u>44,783,764</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	767,474	(822,304)	(8,315,937)	(6,157,952)

City of Newark

2006	2007	2008	2009	2010	2011
\$22,853,652	\$23,795,166	\$24,141,533	\$21,995,412	\$22,138,933	\$23,235,579
9,577,436	10,137,168	8,458,536	9,778,082	10,267,862	11,112,100
1,432,375	1,615,096	2,341,997	2,484,063	2,289,390	2,114,800
1,549,917	1,343,140	672,053	739,218	63,204	136,677
880,326	1,034,943	582,307	362,306	217,555	170,071
25,230	71,218	7,198	39,295	27,635	25,439
1,975,088	2,092,652	2,072,203	2,134,239	2,056,603	1,948,006
1,500,256	755,691	431,212	1,134,938	658,189	540,484
<u>39,794,280</u>	<u>40,845,074</u>	<u>38,707,039</u>	<u>38,667,553</u>	<u>37,719,371</u>	<u>39,283,156</u>
17,248,660	18,093,642	18,603,640	18,299,201	18,207,565	17,582,231
2,418,915	2,464,530	622,243	7,911	140,923	200,044
673,150	468,478	297,683	0	0	0
3,162,051	2,790,461	2,823,629	3,171,385	2,549,523	1,940,710
3,281,101	4,880,029	4,161,938	4,886,329	3,936,324	3,981,510
7,728,635	8,769,728	10,243,203	10,387,078	10,349,934	11,311,034
2,980,071	4,222,928	2,915,007	4,123,220	2,460,005	2,983,077
544,000	475,000	530,000	535,000	550,000	751,726
775,132	765,960	748,092	705,764	722,471	665,800
<u>38,811,715</u>	<u>42,930,756</u>	<u>40,945,435</u>	<u>42,115,888</u>	<u>38,916,745</u>	<u>39,416,132</u>
982,565	(2,085,682)	(2,238,396)	(3,448,335)	(1,197,374)	(132,976)

(Continued)

City of Newark

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

	2002	2003	2004	2005
Other Financing Sources (Uses):				
Sale of Capital Assets	52,057	58,092	103,027	237,727
Other Financing Sources - Capital Lease	0	0	0	1,698,762
Loans Issued	0	0	0	0
General Obligation Bonds Issued	0	10,994,991	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	19,183,191	18,514,967	21,796,392	21,261,231
Transfers Out	(18,536,149)	(18,307,917)	(20,774,982)	(20,420,361)
Total Other Financing Sources (Uses)	<u>699,099</u>	<u>11,260,133</u>	<u>1,124,437</u>	<u>2,777,359</u>
Net Change in Fund Balance	<u>\$1,466,573</u>	<u>\$10,437,829</u>	<u>(\$7,191,500)</u>	<u>(\$3,380,593)</u>

Debt Service as a Percentage of Noncapital Expenditures	1.31%	1.29%	2.93%	3.24%
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Source: City Auditor's Office

NOTE: Year 2002 does 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

2006	2007	2008	2009	2010	2011
74,790	81,510	43,321	0	0	0
1,097,605	1,413,634	402,087	0	718,698	319,820
0	0	0	1,021,359	162,954	191,560
1,609,000	0	1,180,000	0	1,710,000	1,200,000
2,645,000	0	0	0	0	0
(23,223)	0	0	0	0	0
(2,555,973)	0	0	0	0	0
21,394,511	24,517,996	23,984,004	21,370,773	19,675,687	4,469,758
(20,949,831)	(23,714,241)	(23,059,011)	(20,432,753)	(18,793,050)	(4,113,653)
3,291,879	2,298,899	2,550,401	1,959,379	3,474,289	2,067,485
\$4,274,444	\$213,217	\$312,005	(\$1,488,956)	\$2,276,915	\$1,934,509

3.80% 3.19% 3.24% 3.26% 3.40% 3.91%

City of Newark

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	2002	2003	2004	2005	2006
Income Tax Rate	1.75%	1.75%	1.75%	1.75%	1.75%
Total Tax Collected	\$16,420,774	\$17,371,837	\$17,850,043	\$18,657,251	\$20,337,124
Income Tax Receipts					
Withholding	13,422,267	13,948,507	14,210,186	14,790,929	16,103,101
Percentage	81.74%	80.29%	79.61%	79.28%	79.18%
Corporate	858,596	975,996	1,070,876	1,235,602	1,555,677
Percentage	5.23%	5.62%	6.00%	6.62%	7.65%
Individuals	2,139,911	2,447,334	2,568,982	2,630,720	2,678,345
Percentage	13.03%	14.09%	14.39%	14.10%	13.17%

Source: City Income Tax Department

City of Newark

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

City of Newark



City of Newark

Income Tax Statistics Current Year and Nine Years Ago

Calendar Year 2011						
Income Tax Filers	Number of Filers	Percent of Total	Taxable Income	Percent of Income	Income Tax Collections	Percent of Income
Top Ten	10	0.06%	\$18,308,385	2.92%	\$320,397	2.92%
All Others	15,454	99.94%	607,867,246	97.08%	10,637,677	97.08%
Total	15,464	100.00%	\$626,175,631	100.00%	\$10,958,074	100.00%

Calendar Year 2002						
Income Tax Filers	Number of Filers	Percent of Total	Taxable Income	Percent of Income	Income Tax Collections	Percent of Income
Top Ten	10	0.05%	\$11,264,857	1.69%	\$140,811	1.69%
All Others	21,667	99.95%	654,580,947	98.31%	8,182,262	98.31%
Total	21,677	100.00%	\$665,845,804	100.00%	\$8,323,073	100.00%

Source: City Income Tax Department

City of Newark

Ratio of Outstanding Debt By Type Last Ten Years

	2002	2003	2004	2005
Governmental Activities (1)				
Special Assessment Bonds	\$105,000	\$85,000	\$65,000	\$45,000
General Obligation Bonds Payable	2,885,000	13,769,991	13,489,991	13,084,991
Capital Leases	310,923	173,021	133,235	1,748,827
ODOT State Infrastructure Bank Loan	0	0	0	0
Business-type Activities (1)				
General Obligation Bonds Payable	\$12,705,888	\$11,537,306	\$10,711,128	\$9,887,329
Ohio Water Development Authority Loans Payable	7,675,584	7,172,421	6,630,766	6,912,121
Ohio Public Works Commission Loan Payable	0	0	0	0
Special Assessment Bonds	0	0	51,284	46,156
Capital Leases	0	0	0	0
Total Primary Government	<u>\$23,682,395</u>	<u>\$32,737,739</u>	<u>\$31,081,404</u>	<u>\$31,724,424</u>
Population (2)				
City of Newark	46,279	46,279	46,279	46,279
Outstanding Debt Per Capita	\$512	\$707	\$672	\$686
Income (3)				
Personal (in thousands)	\$1,284,474	\$1,307,243	\$1,373,792	\$1,411,926
Percentage of Personal Income	1.84%	2.50%	2.26%	2.25%

Sources:

- (1) City Auditor's Office
- (2) U.S. Bureau of Census, Population Division
- (3) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2010, for the presentation of 2011 statistics, the City is using the latest information available.
 - (a) Per Capita Income is only available by County, Total Personal Income is a calculation

City of Newark

2006	2007	2008	2009	2010	2011
\$25,000	\$0	\$0	\$0	\$0	\$0
14,409,991	14,115,868	14,609,991	14,074,991	15,234,991	15,759,991
2,464,526	3,255,703	2,904,221	2,253,763	2,218,696	2,001,395
0	0	0	1,021,359	1,184,313	1,299,147
\$9,069,717	\$8,252,069	\$6,925,411	\$7,333,753	\$6,506,120	\$7,145,172
9,006,413	10,754,578	11,845,846	12,687,667	22,899,357	25,580,376
568,655	554,439	526,007	1,119,535	1,049,964	980,393
41,028	35,900	30,772	25,644	20,516	15,388
43,517	418,364	398,080	362,395	319,995	275,901
\$35,628,847	\$37,386,921	\$37,240,328	\$38,879,107	\$49,433,952	\$53,057,763
46,279	46,279	46,279	46,279	47,537	47,537
\$770	\$808	\$805	\$840	\$1,040	\$1,116
\$1,483,242	\$1,569,876	\$1,663,823	\$1,663,823	\$1,653,052	\$1,653,052
2.40%	2.38%	2.24%	2.34%	2.99%	3.21%

City of Newark

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2002	2003	2004	2005
Population (1)	46,279	46,279	46,279	46,279
Personal Income (2)	\$1,284,473,645	\$1,307,242,913	\$1,373,792,115	\$1,411,926,011
General Bonded Debt				
General Obligation Bonds	\$15,590,888	\$25,307,297	\$24,201,119	\$22,972,320
Resources Available to Pay Principal	\$6,765	\$31,546	\$128,603	\$145,622
Net General Bonded Debt	\$15,584,123	\$25,275,751	\$24,072,516	\$22,826,698
Ratio of Net Bonded Debt to Personal Income	1.21%	1.93%	1.75%	1.62%
Net Bonded Debt per Capita	\$336.74	\$546.16	\$520.16	\$493.24

Source:

- (1) U.S. Bureau of Census of Population
- (2) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2010, for the presentation of 2011 statistics, the City is using the latest information available.
- (a) Per Capita Income is only available by County, Total Personal Income is a calculation

City of Newark

2006	2007	2008	2009	2010	2011
46,279	46,279	46,279	46,279	47,537	47,537
\$1,483,241,950	\$1,569,876,238	\$1,663,822,608	\$1,663,822,608	\$1,653,051,638	\$1,653,051,638
\$23,479,708	\$22,367,937	\$21,535,402	\$21,408,744	\$21,741,111	\$22,905,163
\$137,693	\$6,126	\$154,983	\$8,059	\$18,749	\$166,935
\$23,342,015	\$22,361,811	\$21,380,419	\$21,400,685	\$21,722,362	\$22,738,228
1.57%	1.42%	1.29%	1.29%	1.31%	1.38%
\$504.38	\$483.20	\$461.99	\$462.43	\$456.96	\$478.33

City of Newark



City of Newark

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2011*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Newark (1)</u>	<u>Amount Applicable to the City of Newark</u>
Direct:			
City of Newark	\$12,529,991	100.00%	\$12,529,991
Overlapping:			
Licking County	9,949,000	21.52%	<u>2,141,025</u>
		Total	<u><u>\$14,671,016</u></u>

Source: Licking County Auditor

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the City by the total assessed valuation of the political subdivision.

City of Newark

Debt Limitations Last Ten Years

Collection Year	2002	2003	2004	2005
Total Debt				
Net Assessed Valuation	\$658,882,190	\$718,973,460	\$736,438,580	\$742,972,970
Legal Debt Limitation (%) ⁽¹⁾	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) ⁽¹⁾	69,182,630	75,492,213	77,326,051	78,012,162
City Debt Outstanding ⁽²⁾	12,189,000	14,258,991	15,015,991	15,377,491
Less: Applicable Debt Service Fund Amounts	(1,924)	(17,864)	(125,902)	(145,622)
Net Indebtedness Subject to Limitation	<u>12,187,076</u>	<u>14,241,127</u>	<u>14,890,089</u>	<u>15,231,869</u>
Overall Legal Debt Margin	<u><u>\$56,995,554</u></u>	<u><u>\$61,251,086</u></u>	<u><u>\$62,435,962</u></u>	<u><u>\$62,780,293</u></u>
Unvoted Debt				
Net Assessed Valuation	\$658,882,190	\$718,973,460	\$736,438,580	\$742,972,970
Legal Debt Limitation (%) ⁽¹⁾	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) ⁽¹⁾	36,238,520	39,543,540	40,504,122	40,863,513
City Debt Outstanding ⁽²⁾	12,189,000	14,258,991	15,015,991	15,377,491
Less: Applicable Debt Service Fund Amounts	(1,924)	(17,864)	(125,902)	(145,622)
Net Indebtedness Subject to Limitation	<u>12,187,076</u>	<u>14,241,127</u>	<u>14,890,089</u>	<u>15,231,869</u>
Overall Legal Debt Margin	<u><u>\$24,051,444</u></u>	<u><u>\$25,302,413</u></u>	<u><u>\$25,614,033</u></u>	<u><u>\$25,631,644</u></u>

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

(2) City Debt Outstanding includes Non Self-Supporting General Obligation Bonds and Notes only.

The East Main Street Improvement and Deo Drive Bonds are TIF Bonds.

Enterprise Debt is not considered in the computation of the Legal Debt Margin.

Source: City Auditor's Office

City of Newark

2006	2007	2008	2009	2010	2011
\$828,435,710	\$810,786,940	\$799,331,100	\$789,272,045	\$799,841,220	\$803,775,990
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
86,985,750	85,132,629	83,929,766	82,873,565	83,983,328	84,396,479
13,465,991	12,744,991	12,619,991	12,214,991	11,859,991	12,529,991
(137,693)	(6,126)	(154,983)	(8,059)	(18,749)	(166,935)
13,328,298	12,738,865	12,465,008	12,206,932	11,841,242	12,363,056
<u>\$73,657,452</u>	<u>\$72,393,764</u>	<u>\$71,464,758</u>	<u>\$70,666,633</u>	<u>\$72,142,086</u>	<u>\$72,033,423</u>
\$828,435,710	\$810,786,940	\$799,331,100	\$789,272,045	\$799,841,220	\$803,775,990
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
45,563,964	44,593,282	43,963,211	43,409,962	43,991,267	44,207,679
13,465,991	12,744,991	12,619,991	12,214,991	11,859,991	12,529,991
(137,693)	(6,126)	(154,983)	(8,059)	(18,749)	(166,935)
13,328,298	12,738,865	12,465,008	12,206,932	11,841,242	12,363,056
<u>\$32,235,666</u>	<u>\$31,854,417</u>	<u>\$31,498,203</u>	<u>\$31,203,030</u>	<u>\$32,150,025</u>	<u>\$31,844,623</u>

City of Newark

Pledged Revenue Coverage Last Ten Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Special Assessment Bonds (1)					
Special Assessment Collections	\$18,807	\$43,758	\$123,112	\$48,518	\$25,230
Debt Service					
Principal	15,000	20,000	20,000	20,000	20,000
Interest	5,963	5,963	4,230	3,942	2,250
Coverage	0.90	1.69	5.08	2.03	1.13
Special Assessment Bonds (2)					
Special Assessment Collections	\$0	\$0	\$15,864	\$25,741	\$16,479
Debt Service					
Principal	0	0	0	5,128	5,128
Interest	0	0	609	2,436	2,192
Coverage	0.00	0.00	26.05	3.40	2.25
Tax Increment Financing (TIF) (3)					
Payment in Lieu of Taxes	\$396,527	\$349,731	\$346,398	\$346,814	\$369,806
Debt Service					
Principal	110,000	110,000	115,000	125,000	130,000
Interest	155,428	150,698	145,858	140,682	136,325
Coverage	1.49	1.34	1.33	1.31	1.39
Tax Increment Financing (TIF) (4)					
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

2007	2008	2009	2010	2011
\$24,264	\$0	\$0	\$0	\$0
25,000	0	0	0	0
1,250	0	0	0	0
0.92	0.00	0.00	0.00	0.00
\$6,725	\$7,198	\$6,725	\$6,245	\$6,525
5,128	5,128	5,128	5,128	5,128
1,948	1,706	1,462	1,218	974
0.95	1.05	1.02	0.98	1.07
\$172,892	\$171,761	\$163,200	\$164,491	\$170,495
60,000	80,000	85,000	85,000	90,000
125,645	106,332	103,132	99,732	96,332
0.93	0.92	0.87	0.89	0.92
\$0	\$111,174	\$88,014	\$97,264	\$99,659
0	50,000	45,000	45,000	55,000
0	41,919	44,992	43,304	41,616
0.00	1.21	0.98	1.10	1.03

City of Newark

Demographic and Economic Statistics Last Ten Years

Calendar Year	2002	2003	2004	2005	2006
Population (1)					
City of Newark	46,279	46,279	46,279	46,279	46,279
Licking County	145,491	145,491	145,491	154,806	154,806
Income (2) (a)					
Total Personal (in thousands)	\$1,284,474	\$1,307,243	\$1,373,792	\$1,411,926	\$1,483,242
Per Capita	\$27,755	\$28,247	\$29,685	\$30,509	\$32,050
Unemployment Rate (3)					
Federal	4.8%	5.8%	6.0%	5.5%	5.0%
State	4.3%	5.7%	6.1%	6.0%	5.9%
Licking County	4.7%	5.3%	5.9%	5.8%	5.1%
Civilian Work Force Estimates (3)					
State	5,828,000	5,915,000	5,875,300	5,900,400	5,934,000
Licking County	77,800	78,800	80,500	81,100	82,700

Sources:

- (1) U.S. Bureau of Census of Population.
- (2) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2010, for the presentation of 2011 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

2007	2008	2009	2010	2011
46,279	46,279	46,279	47,537	47,537
154,806	154,806	154,806	166,492	166,492
\$1,569,876	\$1,663,823	\$1,663,823	\$1,653,052	\$1,653,052
\$33,922	\$35,952	\$35,952	\$34,774	\$34,774
4.6%	5.8%	9.7%	8.9%	8.9%
5.6%	6.6%	10.2%	8.5%	8.6%
5.2%	6.1%	11.1%	8.7%	8.0%
5,976,500	5,986,400	5,979,100	5,989,150	5,806,500
84,500	85,600	85,700	86,700	84,400

City of Newark



City of Newark

*Principal Employers
Current Year and Nine Years Ago*

Employer	Nature of Business	2011		
		Number of Employees	Rank	Percentage of Total Employment
Licking Memorial Hospital	Hospital	1,142	1	4.98%
State Farm Insurance	Insurance	1,140	2	4.97%
Licking County Government	Government	1,125	3	4.90%
Anomatic	Metal Finishers	970	4	4.23%
OSUN/COTC	Education	967	5	4.21%
Newark City Schools	Education	933	6	4.07%
Walmart	Retail	777	7	3.39%
Meijer	Retail	732	8	3.19%
Owens Corning Fiberglass	Fiberglass Insulation	500	9	2.18%
City of Newark	Government	391	10	1.70%
Total		8,677		
Total Employment within the City		22,950		
Employer	Nature of Business	2002		
		Number of Employees	Rank	Percentage of Total Employment
State Farm Insurance	Insurance	1,524	1	6.68%
Licking Memorial Hospital	Hospital	1,338	2	5.87%
Owens Corning Fiberglass	Fiberglass Insulation	1,335	3	5.86%
Newark City Schools	Education	1,292	4	5.67%
Licking County Government	Government	1,166	5	5.11%
Longaberger Corporation	Decorative Baskets	1,146	6	5.03%
OSUN/COTC	Education	1,000	7	4.39%
Anomatic	Metal Finishers	812	8	3.56%
Aeguity Lighting Group	Lighting Products	620	9	2.72%
City of Newark	Government	581	10	2.55%
Total		10,814		
Total Employment within the City		22,800		

Source: City Auditor's Office

City of Newark

Full Time Equivalent Employees by Function Last Ten Years

	2002	2003	2004	2005	2006
Governmental Activities					
General Government					
Finance	20.00	20.00	20.00	20.00	20.00
Legal/Court	53.00	51.00	51.00	52.00	52.00
Administration	31.00	33.00	32.00	32.00	31.00
Maintenance	19.00	19.00	20.00	19.00	18.00
Security of Persons and Property					
Police	100.00	101.00	103.00	104.00	106.00
Fire	82.00	85.00	85.00	85.00	85.00
Transportation					
Street	34.00	34.00	34.00	32.00	32.00
Leisure Time Activities					
Recreation/Seniors	20.00	20.00	20.00	20.00	20.00
Community Environment					
Community Development	42.00	44.00	43.00	43.00	42.00
	6.00	7.00	6.00	6.00	7.00
Business-Type Activities					
Utilities					
Water	44.00	44.00	45.00	45.00	45.00
Sewer	25.00	25.00	26.00	26.00	26.00
Storm Water	0.00	0.00	1.00	1.00	1.00
<i>Total Employees</i>	<u>476.00</u>	<u>483.00</u>	<u>486.00</u>	<u>485.00</u>	<u>485.00</u>

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

Source: City Auditor's Office

City of Newark

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
20.00	20.00	19.00	19.00	19.00
52.00	52.00	51.00	51.00	51.00
31.00	30.00	29.00	29.00	29.00
18.00	18.00	16.00	16.00	16.00
106.00	106.00	104.00	103.00	105.00
86.00	88.00	88.00	87.00	88.00
32.00	32.00	29.00	28.00	28.00
20.00	18.00	16.00	16.00	15.00
42.00	42.00	40.00	40.00	40.00
7.00	7.00	9.00	9.00	11.00
45.00	45.00	44.00	44.00	44.00
26.00	26.00	25.00	25.00	25.00
1.00	2.00	3.00	3.00	3.00
<u>486.00</u>	<u>486.00</u>	<u>473.00</u>	<u>470.00</u>	<u>474.00</u>

City of Newark

Operating Indicators by Function *Last Ten Years*

	2002	2003	2004	2005	2006
Governmental Activities					
General Government					
Court					
Number of Traffic Cases	3,601	3,612	3,498	3,544	3,571
Licenses and Permits					
Number of Building Permits	573	777	568	581	534
Security of Persons and Property					
Police					
Number of Citations Issued	1,818	1,845	2,096	2,112	2,001
Number of Arrests	1,667	1,629	1,882	1,723	1,750
Fire					
Number of Fire Calls	5,420	5,583	5,764	5,870	6,146
Number of EMS Runs	6,999	7,095	6,949	7,228	7,672
Transportation					
Street					
Number of Streets Resurfaced	13	16	20	31	33
Leisure Time Activities					
Recreation/Seniors					
Number of Programs Offered	9	9	N/A	N/A	N/A
Number of Pool Passes Issued	290	199	N/A	N/A	N/A
Community Environment					
Number of Code Violations	N/A	N/A	N/A	N/A	3
Business-Type Activities					
Water					
Number of Service Connections	19,322	19,867	19,993	20,212	20,342
Water Main Breaks	19	26	24	27	18
Daily Average Consumption (thousands of gallons)	8.7M	8.7M	8.8M	8.9M	8.9M
Sewer					
Number of Service Connections	17,477	17,777	17,936	18,243	18,657
Daily Average Sewage Treatment (thousands of gallons)	8.3M	8.3M	8.3M	8.3M	8.4M

Source: City Auditor's Office

City of Newark

2007	2008	2009	2010	2011
3,602	3,777	3,922	3,999	4,021
521	501	450	437	444
2,213	2,322	2,353	2,453	2,503
1,797	1,832	1,702	1,767	1,802
6,204	6,220	6,316	6,288	6,334
7,737	7,839	6,998	7,002	7,253
33	35	35	36	35
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
7	8	5	N/A	N/A
20,408	20,543	20,543	20,777	20,827
29	28	38	44	32
8.9M	9.0M	8.9M	9.0M	9.0M
18,687	18,703	18,723	18,798	18,842
8.4M	8.5M	8.4M	8.5M	8.6M

City of Newark

Capital Asset Statistics by Function *Last Ten Years*

	2002	2003	2004	2005	2006
Governmental Activities					
General Government					
Public Land and Buildings					
Land (acres)	458	458	459	459	459
Buildings	28	28	29	29	29
Security of Persons and Property					
Police					
Stations	1	1	1	1	1
Vehicles	21	21	21	22	22
Fire					
Stations	4	4	4	4	4
Vehicles	17	17	17	18	18
Transportation					
Street					
Streets (lane miles)	218	220	220	221	226
Traffic Signals	3,326	3,334	3,334	3,338	3,338
Vehicles	35	36	36	37	37
Leisure Time Activities					
Recreation/Seniors					
Land (acres)					
Buildings	16	16	16	16	16
Parks	39	39	39	39	39
Playgrounds	14	14	14	14	14
Swimming Pools	1	1	1	1	1
Baseball/Softball Diamonds	12	12	12	12	12
Business-Type Activities					
Utilities					
Water					
Waterlines (Miles)	197	197	197	199	199
Number of Hydrants	268	277	281	281	281
Sewer					
Sewerlines (Miles)	182	185	185	187	187
Lift Stations	7	7	7	7	7
Storm Water Drainage					
Storm Drains (Miles)	86	93	96	100	102
Number of Catch Basins	3,999	4,144	4,144	4,167	4,485

Source: City Auditor's Office

City of Newark

2007	2008	2009	2010	2011
459 29	459 29	459 29	459 29	459 29
1 22	1 22	1 22	1 23	1 24
4 19	4 20	4 20	4 22	4 22
228 3,342 39	228 3,342 39	228 3,342 39	228 3,344 40	228 3,346 41
16 39 14 1 12	16 39 14 1 12	16 39 14 1 12	16 39 14 1 12	16 39 14 1 12
201 284	203 290	203 288	204 290	204 291
189 7	191 7	191 10	192 10	194 10
108 4,490	110 4,494	110 4,494	115 4,504	117 4,508

City of Newark





Dave Yost • Auditor of State

CITY OF NEWARK

LICKING COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

A handwritten signature in cursive script that reads "Susan Babbitt".

CLERK OF THE BUREAU

CERTIFIED
JANUARY 22, 2013