

**CITY OF NEWARK
LICKING COUNTY**

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2006



Mary Taylor, CPA
Auditor of State

Honorable Mayor and Members of City Council
City of Newark
40 West Main Street
Newark, Ohio 43055

We have reviewed the *Independent Auditors' Report* of the City of Newark, Licking County, prepared by Wolfe, Wilson & Phillips, Inc., for the audit period January 1, 2006 through December 31, 2006. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 9, 2007

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**CITY OF NEWARK
LICKING COUNTY**

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**CITY OF NEWARK
LICKING COUNTY
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2006**

| Federal Grantor/ Sub-Grantor Program Title | Pass Through Entity Number | Federal CFDA Number | Receipts | Disbursements |
|--|---------------------------------------|------------------------------------|---------------------|----------------------|
| <u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u> | | | | |
| (Direct Award) | | | | |
| Community Development Block Grant | B-06-MC-39-0004 | 14.218 | \$ 1,007,406 | \$ 1,067,459 |
| Lead Based Paint Hazard Control | OHLHB-0222-02 | 14.900 | 148,641 | 173,966 |
| (pass through Ohio Department of Development) HOME Investment Partnership Program | A-C-03-293-2 | 14.239 | <u>434,902</u> | <u>434,862</u> |
| Total U.S. Department of Housing and Urban Development | | | 1,590,949 | 1,676,287 |
| <u>U.S. DEPARTMENT OF TRANSPORTATION:</u> | | | | |
| Pass through Ohio Department of Transportation | | | | |
| Highway Planning and Construction | PID 5056 | 20.205 | 260,540 | 102,558 |
| Federal Transit Capital/Operating Grant | OH-90-X528 | 20.507 | <u>1,503,526</u> | <u>1,202,790</u> |
| Total U.S. Department of Transportation | | | 1,764,066 | 1,305,348 |
| <u>U.S. DEPARTMENT OF JUSTICE:</u> | | | | |
| Pass through Ohio Department of Justice | | | | |
| Bulletproof Vest Grant | 4023743 | 16.607 | 19,578 | 19,578 |
| Edward Bryne Memorial Justice Assistance Grant | 2005-JG-B01-VAR | 16.738 | 118,495 | 118,495 |
| Edward Bryne Memorial Grant | VARIOUS | 16.579 | <u>31,078</u> | <u>11,983</u> |
| Total U.S. Department of Justice | | | 169,151 | 150,056 |
| <u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u> | | | | |
| Pass through Ohio Department of Health | | | | |
| Immunization Action Plan | K095 | 93.268 | 32,057 | 34,548 |
| HIV Grant | n/a | 93.938 | 52,302 | 44,000 |
| Dental Sealant Plan | J940 | 93.994 | 42,200 | 42,200 |
| Public Health Infrastructure | J321/K552 | 93.283 | <u>100,649</u> | <u>100,649</u> |
| Total U.S. Department of Health and Human Services | | | <u>227,208</u> | <u>221,397</u> |
| <u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u> | | | | |
| Direct Award | | | | |
| Disaster Assistance Grant (FEMA) | n/a | 97.036 | <u>-</u> | <u>33,698</u> |
| Total U.S. Department of Homeland Security | | | <u>-</u> | <u>33,698</u> |
| Total Federal Awards Expenditures | | | <u>\$ 3,751,374</u> | <u>\$ 3,386,786</u> |

See notes to Schedule of Federal Awards Expenditures.

**CITY OF NEWARK
LICKING COUNTY**

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of federal awards expenditures is a summary of the activity of the City's federal awards programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - MATCHING REQUIREMENTS

Certain Federal programs require the City contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

**WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

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

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 as of and for the year ended December 31, 2006, and have issued our report thereon dated June 15, 2007. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Newark's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine 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 control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the City's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the City's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purposes described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Newark's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance which we have reported to management of the City of Newark in a separate letter dated June 15, 2007.

This report is intended for the information of the Mayor, City Council, the Auditor of State, federal award agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
June 15, 2007

**WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701**

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL
CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH *OMB CIRCULAR A-133***

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

Compliance

We have audited the compliance of the City of Newark with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2006. The City of Newark's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Newark's management. Our responsibility is to express an opinion on The City of Newark's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Newark's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Newark's compliance with those requirements.

In our opinion, the City of Newark complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2006.

Internal Control Over Compliance

The management of the City of Newark is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Newark's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order 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*.

Internal Control Over Compliance (Continued)

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Federal Award Expenditures

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregated remaining fund information of the City of Newark as of and for the year ended December 31, 2006, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 15, 2007. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of federal award expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended for the information of the Mayor, City Council, City Auditor, the Auditor of State, federal award agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
June 15, 2007

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A – 133 SECTION .505**

**CITY OF NEWARK
LICKING COUNTY
DECEMBER 31, 2006**

1. AUDITOR'S RESULTS

| | | |
|---------------------|--|--|
| <i>(d)(1)(I)</i> | Type of Financial Statement Opinion | Unqualified |
| <i>(d)(1)(ii)</i> | Were there any material control weakness conditions reported at the financial statement level (GAGAS)? | NO |
| <i>(d)(1)(II)</i> | Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)? | NO |
| <i>(d)(1)(iii)</i> | Was there any reported non-compliance at the financial statement level (GAGAS)? | NO |
| <i>(d)(1)(iv)</i> | Were there any material internal control weakness conditions reported for major federal programs? | NO |
| <i>(d)(1)(iv)</i> | Were there any other reportable internal control weakness conditions reported for major federal programs? | NO |
| <i>(d)(1)(v)</i> | Type of Major Programs' Compliance Opinion | Unqualified |
| <i>(d)(1)(vi)</i> | Are there any reportable findings under section .510? | NO |
| <i>(d)(1)(vii)</i> | Major Programs (List): | CDBG #14.218 HOME #14.239 |
| <i>(d)(1)(viii)</i> | Dollar Threshold: Type A\B | Type A: >\$300,000 Type B: all others |
| <i>(d)(1)(ix)</i> | Low Risk Auditee? | YES |

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

NONE

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

NONE

City Of

N E W A R K

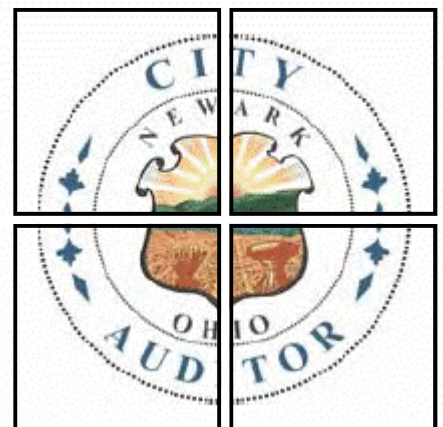
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COMPREHENSIVE

**ANNUAL
FINANCIAL REPORT**

For the Year Ended December 31, 2006



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2006

Prepared by the Auditor's Office

Stephen E. Johnson
City Auditor



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LICKING COUNTY, OHIO

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INTRODUCTORY SECTION



**NEWARK
CITY BUILDING**



CITY OF NEWARK

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

phone (740) 349-6608

fax (740) 349-6869

June 20, 2007

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, 2006. The report has been prepared in accordance with generally accepted accounting principles established by statements of the Governmental Accounting Standards Board (GASB), other authoritative pronouncements and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

INTRODUCTION

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

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

The Reporting Entity:

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

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

***Letter of Transmittal
For the Year Ended December 31, 2006***

Historical Information:

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

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

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

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

Form of Government:

Statutory

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

***Letter of Transmittal
For the Year Ended December 31, 2006***

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. Some highlights of the Charter are as follows:

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

Location:

Newark is located in the central part of the state, approximately 33 miles east of Columbus, the state capital. Its 22.30 square mile area serves a residential population of 46,279. The City's elevation is approximately 830 feet above sea level. Its median temperatures are 75 degrees in summer and 30.2 degrees in winter. State highways 79, 13 and 16 serve as the City's major transportation arteries. The City is also served by the east-west interstate highway I-70 which lies approximately 9 miles to the south. Newark is ranked as Ohio's 24th largest city and the nation's 586th largest city by the Census Bureau.

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2006***

Municipal Services:

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

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

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

ECONOMIC OUTLOOK

Local Economy:

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

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

***Letter of Transmittal
For the Year Ended December 31, 2006***

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

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

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

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

The Owens Corning Corporation remains the largest employer and the largest industry in Newark. The Newark facility is the "worlds largest fiberglass manufacturing facility." It employs 1,400 people and fills roughly 50,000 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.

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

***Letter of Transmittal
For the Year Ended December 31, 2006***

Unemployment Rates:

The 2006 unemployment rate for Licking County of 7.2% was very close to the State average. The Ohio Bureau of Employment Services does not maintain statistics for the City of Newark, but unemployment within the City was estimated to be 5.9%.

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 2004 through 2006. The contract with the Fraternal Order of Police is a one year contract also expiring on December 31, 2006.

MAJOR INITIATIVE

During 2006, continuing efforts were made to upgrade services and improve the quality of life for the citizens of Newark through the following projects:

Infrastructure Improvements

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

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

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.

***Letter of Transmittal
For the Year Ended December 31, 2006***

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.

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 2006, 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. A new hotel was opened on the City's west side in early 2002.

Long-Term Financial Planning

The City has become increasingly aware of a declining cash reserve balance. During fiscal year 2007 the City will implement charging for EMS transport services. Legislation has been passed mandating that 20% of the proceeds be set aside in reserve to provide stability to the City's General Fund with an additional 30% of the proceeds being earmarked and credited to the City's Capital Improvement Fund and dedicated to infrastructure upgrades and improvements.

***Letter of Transmittal
For the Year Ended December 31, 2006***

FINANCIAL INFORMATION

Internal Control, Budgetary Control and the Accounting System:

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

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

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

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

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2006***

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

OTHER INFORMATION

Independent Audit:

The basic financial statements of the City of Newark were audited by Wolfe, Wilson and Phillips, Inc. The independent auditors' unqualified opinion has been included in this report.

Awards:

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Newark, Ohio for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2005. 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 fifteen consecutive years (1991 - 2005). We believe this current report continues to conform to the Certificate of Achievement for Excellence in Financial Reporting program requirements and are submitting it to the GFOA.

Public Disclosure

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

***Letter of Transmittal
For the Year Ended December 31, 2006***

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 Joe Dooley for their imaginative portrayal of 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.

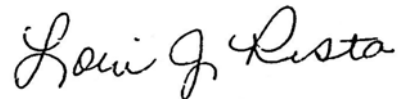
Respectfully,



Stephen E. Johnson
City Auditor



Jacqueline S. Prince
Budget Analyst



Lori J. Resta
Deputy City Auditor

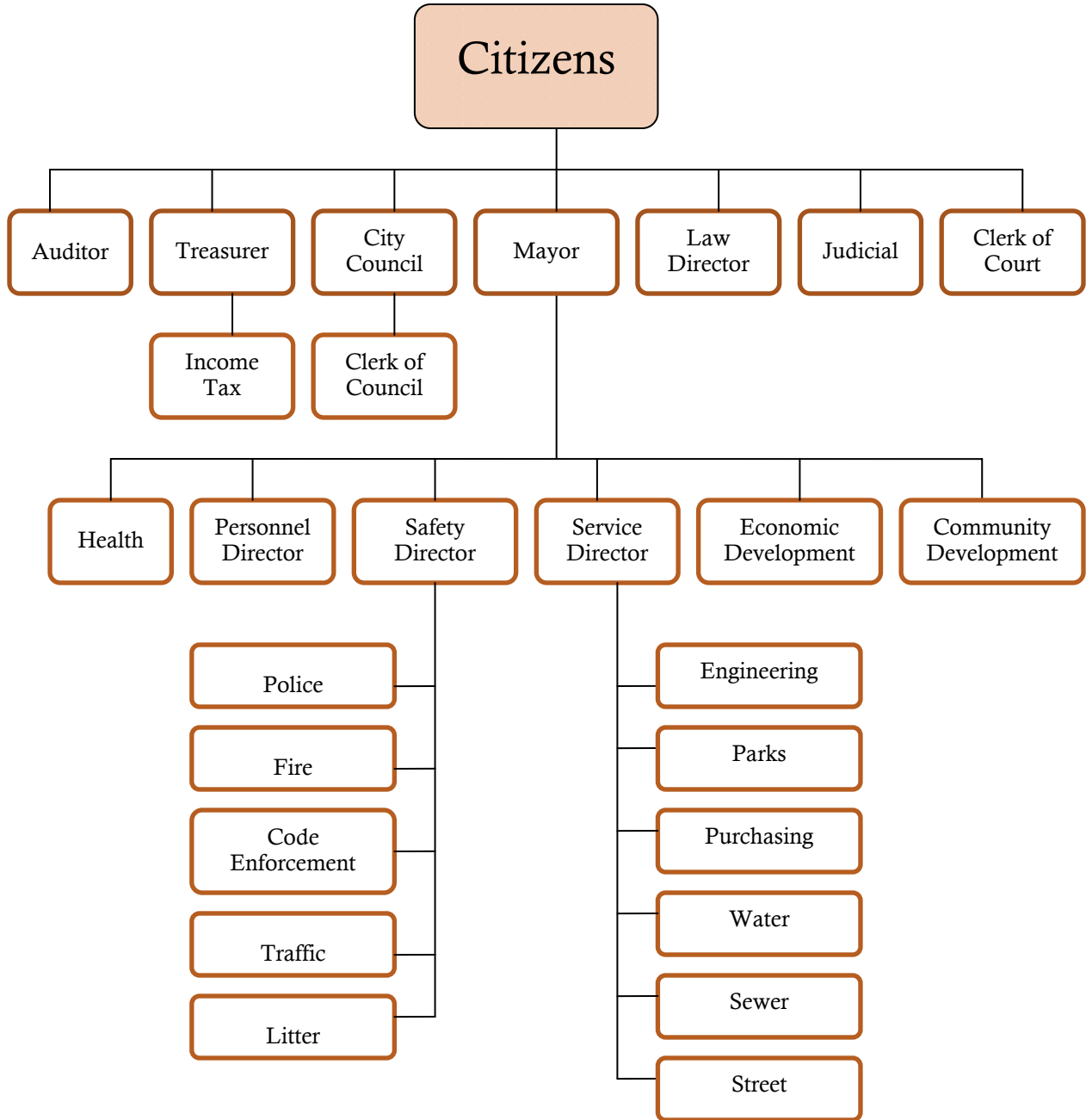
CITY OF NEWARK, OHIO

***List of Principal Officials
For the Year Ended December 31, 2006***

| <u>NAME</u> | <u>TITLE</u> | <u>TERM OF OFFICE</u> | <u>SURETY DATA *</u> |
|------------------------|----------------------|-----------------------|-------------------------------|
| Bruce Bain | Mayor | 01/01/04 to 12/31/07 | |
| Stephen E. Johnson | Auditor | 01/01/04 to 12/31/07 | \$5,000 01/01/04 to 12/31/07 |
| Michael F. Higgins | Judge | 01/01/02 to 12/31/07 | |
| W. David Branstool | Judge | 01/01/06 to 12/31/12 | |
| Douglas Sassen | Law Director | 01/01/04 to 12/31/07 | |
| Robert Lehman | Treasurer | 01/01/05 to 12/31/09 | \$30,000 01/01/05 to 12/31/09 |
| Marc D. Guthrie | President of Council | 01/01/04 to 12/31/07 | |
| Robert Diebold | Council-at-Large | 01/01/04 to 12/31/07 | |
| Irene Kennedy | Council-at-Large | 01/01/04 to 12/31/07 | |
| David R. Rhodes | Council-at-Large | 01/01/04 to 12/31/07 | |
| Clyde Edgar Houdeshell | Council 1st Ward | 01/01/06 to 12/31/10 | |
| Shirley Stare | Council 2nd Ward | 01/01/06 to 12/31/10 | |
| Rick Henderson | Council 3rd Ward | 01/01/06 to 12/31/10 | |
| John Vibel | Council 4th Ward | 01/01/06 to 12/31/10 | |
| Don Ellington | Council 5th Ward | 01/01/06 to 12/31/10 | |
| Douglas Marmie | Council 6th Ward | 01/01/06 to 12/31/10 | |
| William J. Rauch | Council 7th Ward | 01/01/06 to 12/31/10 | |
| Larry Brown | Clerk of Court | 01/01/02 to 12/31/07 | \$10,000 01/01/02 to 12/31/07 |

* - Ohio Casualty Insurance Company

*City Organizational Chart
For the Year Ended December 31, 2006*



*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, 2005

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.



President

Executive Director



FINANCIAL

SECTION



**NEWARK
POLICE STATION**

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

37 S. SEVENTH STREET • ZANESVILLE, OHIO 43701
(740) 453-9600 • FAX - (740) 453-9763
www.wwpcpa.com

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of The City of Newark as of and for the year ended December 31, 2006, which collectively comprise the City's financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Newark as of December 31, 2006, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund, Income Tax Fund and Community Development fund, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 15, 2007, on our consideration of the City of Newark's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

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

Wolfe, Wilson, & Phillips, Inc.

Zanesville, Ohio
June 15, 2007

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, 2006. 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 2006 are as follows:

- ❑ In total, net assets increased \$4,243,745. Net assets of governmental activities increased \$3,743,129, which represents a 7% increase from 2005. Net assets of business-type activities increased \$500,616 or 2% from 2005.
- ❑ General revenues accounted for \$29,574,045 in revenue or 56% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$23,312,584, or 44% of total revenues of \$52,886,629.
- ❑ The City had \$36,571,764 in expenses related to governmental activities; only \$10,476,168 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$29,574,045 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$29,293,186 in revenues and other financing sources and \$28,291,265 in expenditures and other financing uses. The general fund's fund balance increased from \$835,691 to \$1,854,668.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – *management's discussion and analysis*, the *basic financial statements*, and an optional section that presents *combining and individual statements* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the City:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the City's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Government-wide Statements

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

The two government-wide statements report the City's net assets and how they have changed. Net-assets (the difference between the City's assets and liabilities) is one way to measure the City's financial health or position.

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

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

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

Fund Financial Statements

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

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

***Management's Discussion and Analysis
For the Year Ended December 31, 2006***

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 2006 compared to 2005.

| | Governmental Activities | | Business-type Activities | | Total | |
|--|----------------------------|--------------|-----------------------------|--------------|--------------|--------------|
| | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 |
| Current and other assets | \$27,552,801 | \$26,350,981 | \$9,725,278 | \$8,869,813 | \$37,278,079 | \$35,220,794 |
| Capital assets, Net | 61,698,376 | 60,774,415 | 35,332,711 | 33,494,390 | 97,031,087 | 94,268,805 |
| Total assets | 89,251,177 | 87,125,396 | 45,057,989 | 42,364,203 | 134,309,166 | 129,489,599 |
| Long-term debt outstanding | 22,372,965 | 20,251,141 | 19,395,208 | 17,452,577 | 41,768,173 | 37,703,718 |
| Other liabilities | 8,213,082 | 11,952,254 | 1,068,602 | 818,063 | 9,281,684 | 12,770,317 |
| Total liabilities | 30,586,047 | 32,203,395 | 20,463,810 | 18,270,640 | 51,049,857 | 50,474,035 |
| Net assets | | | | | | |
| Invested in capital assets, net of related debt | 41,597,859 | 41,118,162 | 16,901,941 | 16,470,831 | 58,499,800 | 57,588,993 |
| Restricted | 10,001,298 | 8,985,105 | 0 | 0 | 10,001,298 | 8,985,105 |
| Unrestricted | 7,065,973 | 4,818,734 | 7,692,238 | 7,622,732 | 14,758,211 | 12,441,466 |
| Total net assets | \$58,665,130 | \$54,922,001 | \$24,594,179 | \$24,093,563 | \$83,259,309 | \$79,015,564 |

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CITY OF NEWARK, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2006**

Unaudited

Changes in Net Assets – The following table shows the changes in net assets for the fiscal year 2006 compared with 2005:

| | Governmental Activities | | Business-type Activities | | Total | |
|---------------------------------------|----------------------------|---------------------|-----------------------------|---------------------|---------------------|---------------------|
| | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for Services and Sales | \$4,951,341 | \$4,342,070 | \$12,577,707 | \$11,197,607 | \$17,529,048 | \$15,539,677 |
| Operating Grants and Contributions | 5,054,184 | 7,002,350 | 0 | 0 | 5,054,184 | 7,002,350 |
| Capital Grants and Contributions | 470,643 | 1,584,213 | 258,709 | 617,135 | 729,352 | 2,201,348 |
| Total Program revenues | 10,476,168 | 12,928,633 | 12,836,416 | 11,814,742 | 23,312,584 | 24,743,375 |
| General revenues: | | | | | | |
| Property Taxes | 3,395,618 | 2,933,433 | 0 | 0 | 3,395,618 | 2,933,433 |
| Income Taxes | 19,802,040 | 19,033,478 | 0 | 0 | 19,802,040 | 19,033,478 |
| Intergovernmental, Unrestricted | 3,995,805 | 3,772,913 | 0 | 0 | 3,995,805 | 3,772,913 |
| Investment Earnings | 880,326 | 433,890 | 0 | 0 | 880,326 | 433,890 |
| Miscellaneous | 1,500,256 | 1,297,389 | 0 | 0 | 1,500,256 | 1,297,389 |
| Total General revenues | 29,574,045 | 27,471,103 | 0 | 0 | 29,574,045 | 27,471,103 |
| Total revenues | 40,050,213 | 40,399,736 | 12,836,416 | 11,814,742 | 52,886,629 | 52,214,478 |
| Program Expenses | | | | | | |
| Security of Persons and Property | 17,480,448 | 18,253,664 | 0 | 0 | 17,480,448 | 18,253,664 |
| Leisure Time Activities | 765,014 | 1,967,952 | 0 | 0 | 765,014 | 1,967,952 |
| Community Environment | 3,167,222 | 2,852,477 | 0 | 0 | 3,167,222 | 2,852,477 |
| Public Health and Welfare Services | 2,395,607 | 2,889,892 | 0 | 0 | 2,395,607 | 2,889,892 |
| Transportation | 4,323,012 | 5,212,238 | 0 | 0 | 4,323,012 | 5,212,238 |
| General Government | 7,467,121 | 7,628,709 | 0 | 0 | 7,467,121 | 7,628,709 |
| Interest and Fiscal Charges | 973,340 | 745,884 | 0 | 0 | 973,340 | 745,884 |
| Water | 0 | 0 | 6,269,588 | 6,052,567 | 6,269,588 | 6,052,567 |
| Sewer | 0 | 0 | 5,226,934 | 5,064,620 | 5,226,934 | 5,064,620 |
| Storm Water | 0 | 0 | 574,598 | 548,172 | 574,598 | 548,172 |
| Total expenses | 36,571,764 | 39,550,816 | 12,071,120 | 11,665,359 | 48,642,884 | 51,216,175 |
| Change in Net Assets before transfers | 3,478,449 | 848,920 | 765,296 | 149,383 | 4,243,745 | 998,303 |
| Transfers | 264,680 | 223,686 | (264,680) | (223,686) | 0 | 0 |
| Total Change in Net Assets | 3,743,129 | 1,072,606 | 500,616 | (74,303) | 4,243,745 | 998,303 |
| Beginning Net Assets - Restated | 54,922,001 | 53,849,395 | 24,093,563 | 24,167,866 | 79,015,564 | 78,017,261 |
| Ending Net Assets | \$58,665,130 | \$54,922,001 | \$24,594,179 | \$24,093,563 | \$83,259,309 | \$79,015,564 |

Governmental Activities

Net assets of the City's governmental activities increased \$3,743,129. This represents a 7% change from 2005. Charges for services and sales increased substantially due to increases in municipal court fines. Operating grants and contributions decreased due to decreases in community development block grants. Income taxes receipts increased substantially due to a change in the required frequency of employee withholding payments. Decreases in health department grants resulted in the decrease in expenditures for

***Management's Discussion and Analysis
For the Year Ended December 31, 2006***

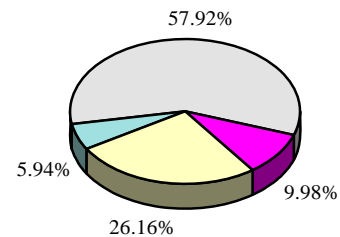
Unaudited

public health and welfare services while decreases in expenditures related to the ice arena renovation caused the decrease in leisure time activities.

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 49% and 9% respectively of revenues for governmental activities for the City in fiscal year 2006. The City's reliance upon tax revenues is demonstrated by the following graph indicating 58% of total revenues from general tax revenues:

| Revenue Sources | 2006 | Percent of Total |
|---------------------------------|--------------|---------------------|
| General Tax Revenues | \$23,197,658 | 57.92% |
| Intergovernmental, Unrestricted | 3,995,805 | 9.98% |
| Program Revenues | 10,476,168 | 26.16% |
| General Other | 2,380,582 | 5.94% |
| Total Revenue | \$40,050,213 | 100.00% |



Business-Type Activities

Net assets of the business-type activities increased \$500,616. This represents a 2% change from the previous year. Charges for services and sales increased 12% due to the initiation of storm water charges in 2006.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$9,263,910, which is an increase from last year's balance of \$4,920,716. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2006 and 2005:

| | Fund Balance December 31, 2006 | Fund Balance/(Deficit) December 31, 2005 | Increase (Decrease) |
|-----------------------|-----------------------------------|---|------------------------|
| General | \$1,854,668 | \$835,691 | \$1,018,977 |
| Income Tax | 2,911,059 | 2,706,908 | 204,151 |
| Community Development | 521,405 | 466,849 | 54,556 |
| Capital Improvement | 341,088 | (67,725) | 408,813 |
| Other Governmental | 3,635,690 | 978,993 | 2,656,697 |
| Total | \$9,263,910 | \$4,920,716 | \$4,343,194 |

**Management's Discussion and Analysis
For the Year Ended December 31, 2006**

Unaudited

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

| | 2006 <u>Revenues</u> | 2005 <u>Revenues</u> | Increase <u>(Decrease)</u> |
|----------------------------|-------------------------|-------------------------|-------------------------------|
| Taxes | \$2,350,169 | \$2,153,414 | \$196,755 |
| Intergovernmental Revenue | 4,801,095 | 5,082,177 | (281,082) |
| Charges for Services | 439,551 | 437,188 | 2,363 |
| Licenses, Permits and Fees | 1,539,461 | 1,617,462 | (78,001) |
| Investment Earnings | 750,967 | 368,430 | 382,537 |
| Fines and Forfeitures | 1,639,519 | 1,338,555 | 300,964 |
| All Other Revenue | 117,733 | 414,023 | (296,290) |
| Total | <u>\$11,638,495</u> | <u>\$11,411,249</u> | <u>\$227,246</u> |

General Fund revenues in 2006 increased \$227,246 or approximately 2% when compared with the previous year. Intergovernmental revenue decreased due to decreases in grants for the health department. Investments earnings increased significantly due to increases in interest rates. Fines and forfeitures increased more than 22% due to increases in municipal court receipts. All other revenue decreased 72% due to insurance reimbursements having been received in 2005.

| | 2006 <u>Expenditures</u> | 2005 <u>Expenditures</u> | Increase <u>(Decrease)</u> |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------|
| Security of Persons and Property | \$16,733,331 | \$16,848,034 | (\$114,703) |
| Public Health and Welfare Services | 2,125,257 | 2,259,429 | (134,172) |
| Community Environment | 1,319,428 | 1,307,334 | 12,094 |
| General Government | 6,515,519 | 6,575,915 | (60,396) |
| Total | <u>\$26,693,535</u> | <u>\$26,990,712</u> | <u>(\$297,177)</u> |

General Fund expenditures remained very stable, decreasing \$297,177 or approximately 1% from the prior year. Public health and welfare decreased nearly 6% due to less grant monies being received to provide for expenditures.

| | 2006 <u>Other Financing Sources (Uses)</u> | 2005 <u>Other Financing Sources (Uses)</u> | Increase <u>(Decrease)</u> |
|------------------------|---|---|-------------------------------|
| Sale of Capital Assets | \$20,349 | \$144,050 | (\$123,701) |
| Transfers In | 17,634,342 | 17,112,283 | 522,059 |
| Transfers Out | (1,597,730) | (2,300,476) | 702,746 |
| Total | <u>\$16,056,961</u> | <u>\$14,955,857</u> | <u>\$1,101,104</u> |

***Management's Discussion and Analysis
For the Year Ended December 31, 2006***

Unaudited

Income Tax Fund – The City's Income Tax Fund balance increased \$204,151, or 8%. This was the result of increases in income tax receipts.

Community Development Fund – The Community Development Fund balance increased approximately 11% from the previous year. The increase in fund balance was the result of increases in grant revenues.

Capital Improvement Fund - The City's Capital Improvement Fund reported a significant increase in fund balance due to amounts received from contractors for infrastructure development.

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 2006 the City amended its General Fund budget several times, none significant.

For the General Fund, final budget revenue of \$11.2 million was higher than original budget estimates of \$10.7 million. This increase was mostly due to increases in licenses, permits and fees and fines and forfeitures. Budget basis revenue was slightly higher than final budget revenue due to increases in fines and forfeitures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2006 the City had \$97,031,087 net of accumulated depreciation invested in land, construction in progress, buildings, improvements, infrastructure, equipment and vehicles. Of this total, \$61,698,376 was related to governmental activities and \$35,332,711 to the business-type activities. The following table shows fiscal year 2006 and 2005 balances:

| | Governmental Activities | | Increase (Decrease) |
|-----------------------------------|----------------------------|---------------------|------------------------|
| | 2006 | 2005 | |
| Land | \$15,801,612 | \$15,688,289 | \$113,323 |
| Construction In Progress | 162,985 | 0 | 162,985 |
| Buildings | 18,148,687 | 18,138,212 | 10,475 |
| Improvements Other than Buildings | 5,478,850 | 4,810,369 | 668,481 |
| Infrastructure | 51,735,593 | 50,291,399 | 1,444,194 |
| Machinery and Equipment | 15,118,780 | 13,884,029 | 1,234,751 |
| Less: Accumulated Depreciation | (44,748,131) | (42,037,883) | (2,710,248) |
| Totals | <u>\$61,698,376</u> | <u>\$60,774,415</u> | <u>\$923,961</u> |

CITY OF NEWARK, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2006**

Unaudited

The primary increase occurred in machinery and equipment. This was due mainly due the acquisition of a fire truck and street sweeper.

| | Business-Type Activities | | Increase (Decrease) |
|--------------------------------|-----------------------------|---------------------|------------------------|
| | 2006 | 2005 | |
| Land | \$170,500 | \$170,500 | \$0 |
| Construction in Progress | 591,571 | 632,201 | (40,630) |
| Buildings and Improvements | 28,834,996 | 28,834,996 | 0 |
| Infrastructure | 12,100,917 | 7,943,849 | 4,157,068 |
| Machinery and Equipment | 32,680,441 | 32,316,491 | 363,950 |
| Less: Accumulated Depreciation | (39,045,714) | (36,591,667) | (2,454,047) |
| Totals | <u>\$35,332,711</u> | <u>\$33,306,370</u> | <u>\$2,026,341</u> |

The increase in infrastructure can be attributed to the Licking River Interceptor Project. Additional information on the City's capital assets can be found in Note 8.

Debt

At December 31, 2006, the City had \$23.5 million in General Obligation bonds outstanding, \$1.3 million due within one year. The following table summarizes the City's debt outstanding as of December 31, 2006 and 2005:

| | 2006 | 2005 |
|----------------------------------|---------------------|---------------------|
| Governmental Activities: | | |
| General Obligation Bonds | \$14,409,991 | \$13,084,991 |
| Special Assessment Bonds | 25,000 | 45,000 |
| Capital Leases | 2,464,526 | 1,748,827 |
| Accrued Pension Liability | 2,052,336 | 2,088,940 |
| Compensated Absences | 3,421,112 | 3,283,383 |
| Total Governmental Activities | <u>22,372,965</u> | <u>20,251,141</u> |
| Business-Type Activities: | | |
| General Obligation Bonds | \$9,069,717 | \$9,887,329 |
| Special Assessment Bonds | 41,028 | 46,156 |
| OWDA Loans | 9,006,413 | 6,912,121 |
| OPWC Loans | 568,655 | 0 |
| Capital Leases | 43,517 | 0 |
| Compensated Absences | 665,878 | 606,971 |
| Total Business-Type Activities | <u>19,395,208</u> | <u>17,452,577</u> |
| Totals | <u>\$41,768,173</u> | <u>\$37,703,718</u> |

Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.5% of the total assessed value of real and personal property. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total assessed value of property. At December 31, 2006, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 11.

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.

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 growth in not only manufacturing jobs as well. Plans for a JEDZ joint economic district was begun during 2004 with Etna Township were completed in early 2005. The unemployment in the City remains under the national average. In late 2006 it was announced that a large ethanol plant would be built on the City's west side.

The City's operating budget has been affected by the recession and economic uncertainty in recent years. To balance the budget, capital improvement funds were used for general operating expenses thus causing delays in capital projects. However, the 2005 and 2006 budgets contained funding for a major street paving campaign. The city income tax was increased by the voters to allow for a police station to be built and construction of a replacement fire station. Both were completed during 2004. The 2006 budget is projected to increase by approximately 5 percent. The city's ending cash balance had been declining over the past ten years but year end 2006 saw a 60% increase.

REQUESTS FOR INFORMATION

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

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

CITY OF NEWARK, OHIO

Statement of Net Assets
December 31, 2006

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|---|------------------------------------|-------------------------------------|--------------------|
| Assets: | | | |
| Cash and Cash Equivalents | \$ 6,299,780 | \$ 1,078,363 | \$ 7,378,143 |
| Investments | 6,821,787 | 6,032,689 | 12,854,476 |
| Receivables: | | | |
| Taxes | 5,538,372 | 0 | 5,538,372 |
| Accounts | 210,389 | 1,437,698 | 1,648,087 |
| Intergovernmental | 3,307,523 | 0 | 3,307,523 |
| Interest | 81,811 | 4,646 | 86,457 |
| Special Assessments | 43,112 | 0 | 43,112 |
| Loans | 4,462,296 | 0 | 4,462,296 |
| Internal Balance | (637,319) | 637,319 | 0 |
| Inventory of Supplies at Cost | 351,178 | 451,103 | 802,281 |
| Prepaid Items | 58,977 | 16,915 | 75,892 |
| Deferred Charge | 0 | 52,488 | 52,488 |
| Restricted Assets: | | | |
| Cash and Cash Equivalents | 571,395 | 0 | 571,395 |
| Cash and Cash Equivalents with Fiscal Agent | 0 | 14,057 | 14,057 |
| Investments | 443,500 | 0 | 443,500 |
| Non-Depreciable Capital Assets | 15,964,597 | 762,071 | 16,726,668 |
| Depreciable Capital Assets, Net | <u>45,733,779</u> | <u>34,570,640</u> | <u>80,304,419</u> |
| Total Assets | <u>89,251,177</u> | <u>45,057,989</u> | <u>134,309,166</u> |
| Liabilities: | | | |
| Accounts Payable | 205,112 | 539,488 | 744,600 |
| Accrued Wages and Benefits | 2,077,604 | 261,335 | 2,338,939 |
| Intergovernmental Payable | 558 | 0 | 558 |
| Retainage Payable | 4,806 | 0 | 4,806 |
| Matured Bonds and Interest Payable | 0 | 14,057 | 14,057 |
| Unearned Revenue | 2,520,814 | 0 | 2,520,814 |
| Accrued Interest Payable | 203,188 | 253,722 | 456,910 |
| General Obligation Notes Payable | 3,201,000 | 0 | 3,201,000 |
| Noncurrent liabilities: | | | |
| Due within one year | 3,084,068 | 1,957,023 | 5,041,091 |
| Due in more than one year | <u>19,288,897</u> | <u>17,438,185</u> | <u>36,727,082</u> |
| Total Liabilities | <u>30,586,047</u> | <u>20,463,810</u> | <u>51,049,857</u> |

CITY OF NEWARK, OHIO

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|---|------------------------------------|-------------------------------------|----------------------|
| Net Assets: | | | |
| Invested in Capital Assets, Net of Related Debt | 41,597,859 | 16,901,941 | 58,499,800 |
| Restricted For: | | | |
| Capital Projects | 127,137 | 0 | 127,137 |
| Debt Service | 94,560 | 0 | 94,560 |
| Street Improvement | 1,978,479 | 0 | 1,978,479 |
| Community Environment | 5,015,389 | 0 | 5,015,389 |
| Cemetery Maintenance: | | | |
| Expendable | 399,485 | 0 | 399,485 |
| Nonexpendable | 606,198 | 0 | 606,198 |
| Other Purposes | 1,780,050 | 0 | 1,780,050 |
| Unrestricted | <u>7,065,973</u> | <u>7,692,238</u> | <u>14,758,211</u> |
| Total Net Assets | <u>\$ 58,665,130</u> | <u>\$ 24,594,179</u> | <u>\$ 83,259,309</u> |

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

**Statement of Activities
For the Year Ended December 31, 2006**

| | Expenses | Program Revenues | | |
|---------------------------------------|----------------------|--------------------------------|------------------------------------|----------------------------------|
| | | Charges for Services and Sales | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental Activities: | | | | |
| Security of Persons and Property | \$ 17,480,448 | \$ 1,799,406 | \$ 487,312 | \$ 0 |
| Leisure Time Activities | 765,014 | 14,944 | 0 | 50,953 |
| Community Environment | 3,167,222 | 8,338 | 931,750 | 0 |
| Public Health and Welfare Services | 2,395,607 | 785,037 | 619,041 | 0 |
| Transportation | 4,323,012 | 737,628 | 3,016,081 | 419,690 |
| General Government | 7,467,121 | 1,605,988 | 0 | 0 |
| Interest and Fiscal Charges | 973,340 | 0 | 0 | 0 |
| Total Governmental Activities | 36,571,764 | 4,951,341 | 5,054,184 | 470,643 |
| Business-Type Activities: | | | | |
| Water | 6,269,588 | 6,061,408 | 0 | 0 |
| Sewer | 5,226,934 | 6,003,561 | 0 | 0 |
| Storm Water | 574,598 | 512,738 | 0 | 258,709 |
| Total Business-Type Activities | 12,071,120 | 12,577,707 | 0 | 258,709 |
| Totals | \$ 48,642,884 | \$ 17,529,048 | \$ 5,054,184 | \$ 729,352 |

General Revenues

Property Taxes Levied for:

General Purposes

Special Purposes

Capital Purposes

Income Tax

Intergovernmental, Unrestricted

Investment Earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year - Restated

Net Assets End of Year

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

Net (Expense) Revenue
and Changes in Net Assets

| Governmental Activities | Business-Type Activities | Total |
|----------------------------|-----------------------------|----------------------|
| \$ (15,193,730) | \$ 0 | \$ (15,193,730) |
| (699,117) | 0 | (699,117) |
| (2,227,134) | 0 | (2,227,134) |
| (991,529) | 0 | (991,529) |
| (149,613) | 0 | (149,613) |
| (5,861,133) | 0 | (5,861,133) |
| (973,340) | 0 | (973,340) |
| <u>(26,095,596)</u> | <u>0</u> | <u>(26,095,596)</u> |
| 0 | (208,180) | (208,180) |
| 0 | 776,627 | 776,627 |
| 0 | 196,849 | 196,849 |
| <u>0</u> | <u>765,296</u> | <u>765,296</u> |
| <u>(26,095,596)</u> | <u>765,296</u> | <u>(25,330,300)</u> |
| 2,458,710 | 0 | 2,458,710 |
| 457,463 | 0 | 457,463 |
| 479,445 | 0 | 479,445 |
| 19,802,040 | 0 | 19,802,040 |
| 3,995,805 | 0 | 3,995,805 |
| 880,326 | 0 | 880,326 |
| 1,500,256 | 0 | 1,500,256 |
| 264,680 | (264,680) | 0 |
| <u>29,838,725</u> | <u>(264,680)</u> | <u>29,574,045</u> |
| 3,743,129 | 500,616 | 4,243,745 |
| <u>54,922,001</u> | <u>24,093,563</u> | <u>79,015,564</u> |
| <u>\$ 58,665,130</u> | <u>\$ 24,594,179</u> | <u>\$ 83,259,309</u> |

CITY OF NEWARK, OHIO

**Balance Sheet
Governmental Funds
December 31, 2006**

| | General | Income Tax | Community Development |
|---|---------------------|---------------------|--------------------------|
| Assets: | | | |
| Cash and Cash Equivalents | \$ 425,954 | \$ 196,219 | \$ 64,976 |
| Investments | 1,907,599 | 1,346,624 | 445,924 |
| Receivables: | | | |
| Taxes | 2,249,294 | 2,808,249 | 0 |
| Accounts | 121,355 | 0 | 0 |
| Intergovernmental | 1,906,669 | 0 | 193,667 |
| Interest | 66,232 | 0 | 1,065 |
| Special Assessments | 0 | 0 | 0 |
| Loans | 0 | 0 | 4,462,296 |
| Inventory of Supplies, at Cost | 83,791 | 0 | 0 |
| Prepaid Items | 46,173 | 0 | 416 |
| Restricted Assets: | | | |
| Cash and Cash Equivalents | 0 | 0 | 0 |
| Investments | 0 | 0 | 0 |
| Total Assets | \$ 6,807,067 | \$ 4,351,092 | \$ 5,168,344 |
| Liabilities: | | | |
| Accounts Payable | \$ 12,868 | \$ 741 | \$ 118,747 |
| Accrued Wages and Benefits Payable | 1,569,427 | 35,840 | 14,788 |
| Intergovernmental Payable | 0 | 0 | 0 |
| Retainage Payable | 0 | 0 | 0 |
| Deferred Revenue | 3,370,104 | 1,403,452 | 4,513,404 |
| Accrued Interest Payable | 0 | 0 | 0 |
| General Obligation Notes Payable | 0 | 0 | 0 |
| Total Liabilities | 4,952,399 | 1,440,033 | 4,646,939 |
| Fund Balance: | | | |
| Reserved for Encumbrances | 609,956 | 37,370 | 223,874 |
| Reserved for Prepaid Items | 46,173 | 0 | 416 |
| Reserved for Supplies Inventory | 83,791 | 0 | 0 |
| Reserved for Debt Service | 0 | 0 | 0 |
| Reserved for Endowments | 0 | 0 | 0 |
| Undesignated, Unreserved in: | | | |
| General Fund | 1,114,748 | 0 | 0 |
| Special Revenue Funds | 0 | 2,873,689 | 297,115 |
| Capital Projects Funds (Deficit) | 0 | 0 | 0 |
| Total Fund Balance | 1,854,668 | 2,911,059 | 521,405 |
| Total Liabilities and Fund Balance | \$ 6,807,067 | \$ 4,351,092 | \$ 5,168,344 |

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

| <u>Capital Improvement</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--------------------------------|---|---|
| \$ 439,466 | \$ 2,607,760 | \$ 3,734,375 |
| 1,814,036 | 1,307,604 | 6,821,787 |
| 0 | 480,829 | 5,538,372 |
| 0 | 89,034 | 210,389 |
| 0 | 1,207,187 | 3,307,523 |
| 8,876 | 4,025 | 80,198 |
| 0 | 43,112 | 43,112 |
| 0 | 0 | 4,462,296 |
| 0 | 267,387 | 351,178 |
| 0 | 12,388 | 58,977 |
| 0 | 571,395 | 571,395 |
| 0 | 443,500 | 443,500 |
| <u>\$ 2,262,378</u> | <u>\$ 7,034,221</u> | <u>\$ 25,623,102</u> |
| | | |
| \$ 51,868 | \$ 20,556 | \$ 204,780 |
| 0 | 149,213 | 1,769,268 |
| 0 | 558 | 558 |
| 4,806 | 0 | 4,806 |
| 0 | 1,795,827 | 11,082,787 |
| 12,616 | 83,377 | 95,993 |
| <u>1,852,000</u> | <u>1,349,000</u> | <u>3,201,000</u> |
| <u>1,921,290</u> | <u>3,398,531</u> | <u>16,359,192</u> |
| | | |
| 2,142,823 | 1,087,515 | 4,101,538 |
| 0 | 12,388 | 58,977 |
| 0 | 267,387 | 351,178 |
| 0 | 137,693 | 137,693 |
| 0 | 606,198 | 606,198 |
| 0 | 0 | 1,114,748 |
| 0 | 1,720,234 | 4,891,038 |
| <u>(1,801,735)</u> | <u>(195,725)</u> | <u>(1,997,460)</u> |
| <u>341,088</u> | <u>3,635,690</u> | <u>9,263,910</u> |
| <u>\$ 2,262,378</u> | <u>\$ 7,034,221</u> | <u>\$ 25,623,102</u> |

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
December 31, 2006***

Total Governmental Fund Balances \$ 9,263,910

***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. 61,698,376

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. 8,561,973

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. 1,621,031

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

| | | |
|----------------------------------|--------------|--------------|
| General Obligation Bonds Payable | (14,409,991) | |
| Special Assessment Bonds Payable | (25,000) | |
| Capital Leases Payable | (2,464,526) | |
| Accrued Pension Liability | (2,052,336) | |
| Compensated Absences Payable | (3,421,112) | |
| Accrued Interest Payable | (107,195) | (22,480,160) |

Net Assets of Governmental Activities \$ 58,665,130

See accompanying notes to the basic financial statements



CITY OF NEWARK, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2006**

| | General | Income Tax | Community Development |
|--|---------------------|---------------------|--------------------------|
| Revenues: | | | |
| Taxes | \$ 2,350,169 | \$ 19,552,900 | \$ 0 |
| Intergovernmental Revenues | 4,801,095 | 0 | 1,551,357 |
| Charges for Services | 439,551 | 0 | 0 |
| Licenses, Permits and Fees | 1,539,461 | 0 | 0 |
| Investment Earnings | 750,967 | 0 | 11,619 |
| Special Assessments | 0 | 0 | 0 |
| Fines and Forfeitures | 1,639,519 | 0 | 0 |
| All Other Revenue | 117,733 | 507 | 170,801 |
| Total Revenue | 11,638,495 | 19,553,407 | 1,733,777 |
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property | 16,733,331 | 0 | 0 |
| Public Health and Welfare Services | 2,125,257 | 0 | 0 |
| Leisure Time Activities | 0 | 0 | 0 |
| Community Environment | 1,319,428 | 0 | 1,677,668 |
| Transportation | 0 | 0 | 0 |
| General Government | 6,515,519 | 1,030,136 | 0 |
| Capital Outlay | 0 | 0 | 0 |
| Debt Service: | | | |
| Principal Retirement | 0 | 0 | 0 |
| Interest and Fiscal Charges | 0 | 0 | 0 |
| Total Expenditures | 26,693,535 | 1,030,136 | 1,677,668 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (15,055,040) | 18,523,271 | 56,109 |
| Other Financing Sources (Uses): | | | |
| Sale of Capital Assets | 20,349 | 0 | 0 |
| Other Financing Sources - Capital Lease | 0 | 0 | 0 |
| General Obligation Bonds Issued | 0 | 0 | 0 |
| Refunding Bonds Issued | 0 | 0 | 0 |
| Discount on Refunding Bonds Issued | 0 | 0 | 0 |
| Transfers In | 17,634,342 | 0 | 0 |
| Transfers Out | (1,597,730) | (18,319,120) | (1,553) |
| Payment to Refunded Bond Escrow Agent | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | 16,056,961 | (18,319,120) | (1,553) |
| Net Change in Fund Balance | 1,001,921 | 204,151 | 54,556 |
| Fund Balance (Deficit) at Beginning of Year | 835,691 | 2,706,908 | 466,849 |
| Increase in Inventory Reserve | 17,056 | 0 | 0 |
| Fund Balance End of Year | \$ 1,854,668 | \$ 2,911,059 | \$ 521,405 |

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

| <u>Capital Improvement</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--------------------------------|---|---|
| \$ 0 | \$ 950,583 | \$ 22,853,652 |
| 18,581 | 3,206,403 | 9,577,436 |
| 368,233 | 624,591 | 1,432,375 |
| 0 | 10,456 | 1,549,917 |
| 15,427 | 102,313 | 880,326 |
| 0 | 25,230 | 25,230 |
| 0 | 335,569 | 1,975,088 |
| <u>57,633</u> | <u>1,153,582</u> | <u>1,500,256</u> |
| <u>459,874</u> | <u>6,408,727</u> | <u>39,794,280</u> |
| 0 | 515,329 | 17,248,660 |
| 0 | 293,658 | 2,418,915 |
| 0 | 673,150 | 673,150 |
| 0 | 164,955 | 3,162,051 |
| 0 | 3,281,101 | 3,281,101 |
| 0 | 182,980 | 7,728,635 |
| 2,748,866 | 231,205 | 2,980,071 |
| 0 | 544,000 | 544,000 |
| <u>45,036</u> | <u>730,096</u> | <u>775,132</u> |
| <u>2,793,902</u> | <u>6,616,474</u> | <u>38,811,715</u> |
| (2,334,028) | (207,747) | 982,565 |
| 0 | 54,441 | 74,790 |
| 1,097,605 | 0 | 1,097,605 |
| 0 | 1,609,000 | 1,609,000 |
| 0 | 2,645,000 | 2,645,000 |
| 0 | (23,223) | (23,223) |
| 1,841,540 | 1,918,629 | 21,394,511 |
| (196,304) | (835,124) | (20,949,831) |
| <u>0</u> | <u>(2,555,973)</u> | <u>(2,555,973)</u> |
| <u>2,742,841</u> | <u>2,812,750</u> | <u>3,291,879</u> |
| 408,813 | 2,605,003 | 4,274,444 |
| (67,725) | 978,993 | 4,920,716 |
| <u>0</u> | <u>51,694</u> | <u>68,750</u> |
| <u>\$ 341,088</u> | <u>\$ 3,635,690</u> | <u>\$ 9,263,910</u> |

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For the Year Ended December 31, 2006***

Net Change in Fund Balances - Total Governmental Funds \$ 4,274,444

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 outlays exceeded depreciation in the current period.

| | | |
|----------------------|--------------------|-----------|
| Capital Outlay | 4,090,686 | |
| Depreciation Expense | <u>(3,068,981)</u> | 1,021,705 |

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

| | |
|--|----------|
| The statement of activities reports losses arising from the disposal of capital assets. Conversely, the governmental funds do not report any loss on the disposal of capital assets. | (97,744) |
|--|----------|

| | |
|--|-----------|
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | (145,176) |
|--|-----------|

The issuance of long-term debt (e.g. notes, leases) provides current financial resources to governmental funds, however, has no effect on net assets.

| | | |
|---------------------------------|--------------------|-------------|
| Refunding Bonds Issued | (2,645,000) | |
| General Obligation Bonds Issued | (1,609,000) | |
| Capital Leases Issued | <u>(1,097,605)</u> | (5,351,605) |

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.

| | | |
|---|---------------|-----------|
| General Obligation Bond Refunded | 2,535,000 | |
| General Obligation Bond Principal Payment | 394,000 | |
| Special Assessment Bond Principal Payment | 20,000 | |
| Capital Lease Principal Payment | 381,906 | |
| Pension Liability Principal Payment | <u>36,604</u> | 3,367,510 |

| | |
|--|-----------|
| In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. | (204,012) |
|--|-----------|

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 | (137,729) | |
| Change in Inventory | <u>68,750</u> | (68,979) |

Internal Service Funds used by management to charge the costs of insurance information services and electrical services to individual funds 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.

946,986

| | |
|---|-----------------------------------|
| <i>Change in Net Assets of Governmental Activities</i> | <u><u>\$ 3,743,129</u></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)
General Fund
For the Year Ended December 31, 2006**

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-----------------|--------------|--------------|---|
| Revenues: | | | | |
| Taxes | \$ 2,213,723 | \$ 2,316,681 | \$ 2,350,169 | \$ 33,488 |
| Intergovernmental Revenue | 4,532,607 | 4,743,413 | 4,728,481 | (14,932) |
| Charges for Services | 438,225 | 458,606 | 435,009 | (23,597) |
| Licenses, Permits and Fees | 1,632,266 | 1,708,181 | 1,538,877 | (169,304) |
| Investment Earnings | 382,892 | 400,700 | 635,524 | 234,824 |
| Fines and Forfeitures | 1,375,353 | 1,439,319 | 1,613,965 | 174,646 |
| All Other Revenues | 111,636 | 116,828 | 118,823 | 1,995 |
| Total Revenues | 10,686,702 | 11,183,728 | 11,420,848 | 237,120 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | 17,496,771 | 18,034,490 | 17,334,949 | 699,541 |
| Public Health and Welfare Services | 855,904 | 2,500,250 | 2,219,685 | 280,565 |
| Community Environment | 1,356,738 | 1,381,644 | 1,337,798 | 43,846 |
| General Government | 7,057,785 | 7,200,389 | 6,882,252 | 318,137 |
| Total Expenditures | 26,767,198 | 29,116,773 | 27,774,684 | 1,342,089 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (16,080,496) | (17,933,045) | (16,353,836) | 1,579,209 |
| Other Financing Sources (Uses): | | | | |
| Sale of Capital Assets | 125,000 | 125,000 | 20,349 | (104,651) |
| Transfers In | 37,563,478 | 37,563,478 | 36,270,851 | (1,292,627) |
| Transfers Out | (21,484,965) | (21,520,527) | (20,241,659) | 1,278,868 |
| Advances In | 162,822 | 162,822 | 162,822 | 0 |
| Total Other Financing Sources (Uses): | 16,366,335 | 16,330,773 | 16,212,363 | (118,410) |
| Net Change in Fund Balance | 285,839 | (1,602,272) | (141,473) | 1,460,799 |
| Fund Balance at Beginning of Year | 1,135,185 | 1,135,185 | 1,135,185 | 0 |
| Prior Year Encumbrances | 750,080 | 750,080 | 750,080 | 0 |
| Fund Balance at End of Year | \$ 2,171,104 | \$ 282,993 | \$ 1,743,792 | \$ 1,460,799 |

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Income Tax Fund
For the Year Ended December 31, 2006**

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---------------------|---|
| Revenues: | | | | |
| Taxes | \$ 18,925,000 | \$ 19,100,000 | \$ 20,342,504 | \$ 1,242,504 |
| All Other Revenues | 0 | 0 | 507 | 507 |
| Total Revenues | <u>18,925,000</u> | <u>19,100,000</u> | <u>20,343,011</u> | <u>1,243,011</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | <u>1,159,786</u> | <u>1,279,495</u> | <u>1,097,776</u> | <u>181,719</u> |
| Total Expenditures | <u>1,159,786</u> | <u>1,279,495</u> | <u>1,097,776</u> | <u>181,719</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 17,765,214 | 17,820,505 | 19,245,235 | 1,424,730 |
| Other Financing Sources (Uses): | | | | |
| Transfers Out | <u>(18,319,120)</u> | <u>(18,319,120)</u> | <u>(18,319,120)</u> | <u>0</u> |
| Total Other Financing Sources (Uses) | <u>(18,319,120)</u> | <u>(18,319,120)</u> | <u>(18,319,120)</u> | <u>0</u> |
| Net Change in Fund Balance | (553,906) | (498,615) | 926,115 | 1,424,730 |
| Fund Balance at Beginning of Year | 458,906 | 458,906 | 458,906 | 0 |
| Prior Year Encumbrances | <u>119,710</u> | <u>119,710</u> | <u>119,710</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 24,710</u> | <u>\$ 80,001</u> | <u>\$ 1,504,731</u> | <u>\$ 1,424,730</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, 2006**

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|-------------------|---|
| Revenues: | | | | |
| Intergovernmental Revenues | \$ 3,283,115 | \$ 2,634,695 | \$ 1,408,798 | \$ (1,225,897) |
| Investment Earnings | 7,477 | 6,000 | 11,349 | 5,349 |
| All Other Revenues | 269,408 | 216,200 | 170,801 | (45,399) |
| Total Revenues | <u>3,560,000</u> | <u>2,856,895</u> | <u>1,590,948</u> | <u>(1,265,947)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Community Environment | <u>1,389,370</u> | <u>3,827,122</u> | <u>2,017,352</u> | <u>1,809,770</u> |
| Total Expenditures | <u>1,389,370</u> | <u>3,827,122</u> | <u>2,017,352</u> | <u>1,809,770</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 2,170,630 | (970,227) | (426,404) | 543,823 |
| Other Financing Sources (Uses): | | | | |
| Transfers Out | <u>0</u> | <u>(1,553)</u> | <u>(1,553)</u> | <u>0</u> |
| Total Other Financing Sources (Uses) | <u>0</u> | <u>(1,553)</u> | <u>(1,553)</u> | <u>0</u> |
| Net Change in Fund Balance | 2,170,630 | (971,780) | (427,957) | 543,823 |
| Fund Balance at Beginning of Year | 125,987 | 125,987 | 125,987 | 0 |
| Prior Year Encumbrances | <u>470,250</u> | <u>470,250</u> | <u>470,250</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 2,766,867</u> | <u>\$ (375,543)</u> | <u>\$ 168,280</u> | <u>\$ 543,823</u> |

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

**Statement of Net Assets
Proprietary Funds
December 31, 2006**

| | <u>Business-Type Activities - Enterprise Funds</u> | | |
|---|--|-------------------|--------------------|
| | <u>Water</u> | <u>Sewer</u> | <u>Storm Water</u> |
| ASSETS: | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents | \$ 360,362 | \$ 518,669 | \$ 199,332 |
| Investments | 2,473,123 | 3,559,566 | 0 |
| Receivables: | | | |
| Accounts | 718,849 | 718,849 | 0 |
| Interest | 3,202 | 1,444 | 0 |
| Inventory of Supplies at Cost | 229,266 | 221,837 | 0 |
| Prepaid Items | 8,707 | 8,208 | 0 |
| Total Current Assets | <u>3,793,509</u> | <u>5,028,573</u> | <u>199,332</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 | 52,488 | 0 | 0 |
| Non Depreciable Capital Assets | 762,071 | 0 | 0 |
| Depreciable Capital Assets, Net | 21,007,174 | 12,708,723 | 854,743 |
| Total Noncurrent Assets | <u>21,822,085</u> | <u>12,722,428</u> | <u>854,743</u> |
| Total Assets | <u>25,615,594</u> | <u>17,751,001</u> | <u>1,054,075</u> |

CITY OF NEWARK, OHIO

| <u>Total</u> | <u>Governmental Activities - Internal Service Funds</u> |
|-------------------|---|
| \$ 1,078,363 | \$ 2,565,405 |
| 6,032,689 | 0 |
| 1,437,698 | 0 |
| 4,646 | 1,613 |
| 451,103 | 0 |
| 16,915 | 0 |
| <u>9,021,414</u> | <u>2,567,018</u> |
| | |
| <u>14,057</u> | <u>0</u> |
| <u>14,057</u> | <u>0</u> |
| 52,488 | 0 |
| 762,071 | 0 |
| <u>34,570,640</u> | <u>0</u> |
| <u>35,399,256</u> | <u>0</u> |
| <u>44,420,670</u> | <u>2,567,018</u> |

(Continued)

CITY OF NEWARK, OHIO

**Statement of Net Assets
Proprietary Funds
December 31, 2006**

| | <u>Business-Type Activities - Enterprise Funds</u> | | |
|---|--|---------------------|--------------------|
| | <u>Water</u> | <u>Sewer</u> | <u>Storm Water</u> |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts Payable | 75,420 | 464,068 | 0 |
| Accrued Wages and Benefits | 162,947 | 93,927 | 4,461 |
| Matured Bonds and Interest Payable | 352 | 13,705 | 0 |
| Accrued Interest Payable | 52,633 | 201,089 | 0 |
| General Obligation Bonds Payable - Current | 868,199 | 0 | 0 |
| Special Assessment Bonds Payable - Current | 0 | 5,128 | 0 |
| OWDA Loans Payable - Current | 0 | 675,717 | 0 |
| OPWC Loans Payable - Current | 0 | 28,432 | 0 |
| Total Current Liabilities | <u>1,159,551</u> | <u>1,482,066</u> | <u>4,461</u> |
| Noncurrent Liabilities: | | | |
| Capital Leases Payable | 43,517 | 0 | 0 |
| General Obligation Bonds Payable | 8,201,518 | 0 | 0 |
| Special Assessment Bonds Payable | 0 | 35,900 | 0 |
| OWDA Loans Payable | 0 | 7,553,066 | 777,630 |
| OPWC Loans Payable | 0 | 540,223 | 0 |
| Compensated Absences Payable | 407,747 | 258,131 | 0 |
| Total Noncurrent Liabilities | <u>8,652,782</u> | <u>8,387,320</u> | <u>777,630</u> |
| Total Liabilities | <u>9,812,333</u> | <u>9,869,386</u> | <u>782,091</u> |
| NET ASSETS | | | |
| Invested in Capital Assets, Net of Related Debt | 12,135,913 | 3,911,285 | 854,743 |
| Unrestricted | 3,667,348 | 3,970,330 | (582,759) |
| Total Net Assets | <u>\$ 15,803,261</u> | <u>\$ 7,881,615</u> | <u>\$ 271,984</u> |

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

Net Assets of Business-type Activities

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

| <u>Total</u> | <u>Governmental Activities - Internal Service Funds</u> |
|----------------------|---|
| 539,488 | 332 |
| 261,335 | 308,336 |
| 14,057 | 0 |
| 253,722 | 0 |
| 868,199 | 0 |
| 5,128 | 0 |
| 675,717 | 0 |
| 28,432 | 0 |
| <u>2,646,078</u> | <u>308,668</u> |
| 43,517 | 0 |
| 8,201,518 | 0 |
| 35,900 | 0 |
| 8,330,696 | 0 |
| 540,223 | 0 |
| 665,878 | 0 |
| <u>17,817,732</u> | <u>0</u> |
| <u>20,463,810</u> | <u>308,668</u> |
| 16,901,941 | 0 |
| 7,054,919 | <u>2,258,350</u> |
| <u>\$ 23,956,860</u> | <u>\$ 2,258,350</u> |
| 637,319 | |
| <u>\$ 24,594,179</u> | |

CITY OF NEWARK, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2006**

| | Business-Type Activities - Enterprise Funds | | |
|--|---|---------------------|-------------------|
| | Water | Sewer | Storm Water |
| Operating Revenues: | | | |
| Charges for Services | \$ 6,001,782 | \$ 5,965,625 | \$ 512,738 |
| Other Operating Revenues | 14 | 369 | 0 |
| Total Operating Revenues | 6,001,796 | 5,965,994 | 512,738 |
| Operating Expenses: | | | |
| Personal Services | 3,065,567 | 1,690,096 | 302,932 |
| Contractual Services | 1,071,137 | 1,194,157 | 256,736 |
| Materials and Supplies | 766,835 | 317,080 | 0 |
| Depreciation | 858,839 | 1,580,278 | 14,930 |
| Total Operating Expenses | 5,762,378 | 4,781,611 | 574,598 |
| Operating Income (Loss) | 239,418 | 1,184,383 | (61,860) |
| Non-Operating Revenue (Expenses): | | | |
| Interest Income | 59,612 | 37,567 | 0 |
| Interest and Fiscal Charges | (698,989) | (445,323) | 0 |
| Capital Contributions | 0 | 0 | 258,709 |
| Other Nonoperating Expense | (4,198) | 0 | 0 |
| Total Non-Operating Revenues (Expenses) | (643,575) | (407,756) | 258,709 |
| Income (Loss) Before Transfers | (404,157) | 776,627 | 196,849 |
| Transfers: | | | |
| Transfers In | 879,548 | 7,320 | 0 |
| Transfers Out | (136,000) | (1,015,548) | 0 |
| Total Transfers | 743,548 | (1,008,228) | 0 |
| Change in Net Assets | 339,391 | (231,601) | 196,849 |
| Net Assets Beginning of Year - Restated | 15,463,870 | 8,113,216 | 75,135 |
| Net Assets End of Year | \$ 15,803,261 | \$ 7,881,615 | \$ 271,984 |

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

| <u>Total</u> | <u>Governmental Activities - Internal Service Funds</u> |
|----------------------|---|
| \$ 12,480,145 | \$ 5,970,454 |
| 383 | 378,677 |
| <u>12,480,528</u> | <u>6,349,131</u> |
| 5,058,595 | 5,217,438 |
| 2,522,030 | 9,541 |
| 1,083,915 | 0 |
| 2,454,047 | 0 |
| <u>11,118,587</u> | <u>5,226,979</u> |
| 1,361,941 | 1,122,152 |
| 97,179 | 20,811 |
| (1,144,312) | 0 |
| 258,709 | 0 |
| (4,198) | 0 |
| <u>(792,622)</u> | <u>20,811</u> |
| 569,319 | 1,142,963 |
| 886,868 | 50,000 |
| <u>(1,151,548)</u> | <u>(230,000)</u> |
| <u>(264,680)</u> | <u>(180,000)</u> |
| 304,639 | 962,963 |
| <u>23,652,221</u> | <u>1,295,387</u> |
| <u>\$ 23,956,860</u> | <u>\$ 2,258,350</u> |
| \$ 304,639 | |
| 195,977 | |
| <u>\$ 500,616</u> | |

CITY OF NEWARK, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2006**

| | Business-Type Activities - Enterprise Funds | | |
|--|---|--------------------|------------------|
| | Water | Sewer | Storm Water |
| <u>Cash Flows from Operating Activities:</u> | | | |
| Cash Received from Customers | \$5,979,173 | \$5,899,854 | \$512,738 |
| Cash Payments for Goods and Services | (1,922,498) | (1,464,663) | (284,132) |
| Cash Payments to Employees | (3,019,570) | (1,660,732) | (298,471) |
| Net Cash Provided (Used) by Operating Activities | <u>1,037,105</u> | <u>2,774,459</u> | <u>(69,865)</u> |
| <u>Cash Flows from Noncapital Financing Activities:</u> | | | |
| Transfers In from Other Funds | 1,859,548 | 150,000 | 0 |
| Transfers Out to Other Funds | (1,116,000) | (1,165,548) | 0 |
| Net Cash Provided (Used) by Noncapital Financing Activities | <u>743,548</u> | <u>(1,015,548)</u> | <u>0</u> |
| <u>Cash Flows from Capital and Related Financing Activities:</u> | | | |
| Acquisition and Construction of Assets | (526,451) | (420,089) | 0 |
| Principal Paid on General Obligation Bonds | (868,356) | 0 | 0 |
| Ohio Water Development Authority Loans Issued | 0 | 91,461 | 250,279 |
| Principal Paid on Ohio Water Development Authority Loans | 0 | (627,699) | 0 |
| Interest Paid on All Debt | (629,577) | (464,474) | 0 |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(2,024,384)</u> | <u>(1,420,801)</u> | <u>250,279</u> |
| <u>Cash Flows from Investing Activities:</u> | | | |
| Purchase of Investments | (220,775) | (795,110) | 0 |
| Receipts of Interest | 56,716 | 36,123 | 0 |
| Net Cash Provided (Used) by Investing Activities | <u>(164,059)</u> | <u>(758,987)</u> | <u>0</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (407,790) | (420,877) | 180,414 |
| Cash and Cash Equivalents at Beginning of Year | <u>768,504</u> | <u>953,251</u> | <u>18,918</u> |
| Cash and Cash Equivalents at End of Year | <u>\$360,714</u> | <u>\$532,374</u> | <u>\$199,332</u> |
| <u>Reconciliation of Cash and</u> | | | |
| <u>Cash Equivalents per the Statement of Net Assets:</u> | | | |
| Cash and Cash Equivalents | \$360,362 | \$518,669 | \$199,332 |
| Restricted Cash with Fiscal Agent | 352 | 13,705 | 0 |
| Cash and Cash Equivalents at End of Year | <u>\$360,714</u> | <u>\$532,374</u> | <u>\$199,332</u> |

CITY OF NEWARK, OHIO

| Totals | Governmental- Activities Internal Services Funds |
|--------------------|---|
| \$12,391,765 | \$6,349,131 |
| (3,671,293) | (9,541) |
| (4,978,773) | (5,536,624) |
| <u>3,741,699</u> | <u>802,966</u> |
| 2,009,548 | 50,000 |
| (2,281,548) | (230,000) |
| <u>(272,000)</u> | <u>(180,000)</u> |
| (946,540) | 0 |
| (868,356) | 0 |
| 341,740 | 0 |
| (627,699) | 0 |
| (1,094,051) | 0 |
| <u>(3,194,906)</u> | <u>0</u> |
| (1,015,885) | 0 |
| 92,839 | 21,453 |
| <u>(923,046)</u> | <u>21,453</u> |
| (648,253) | 644,419 |
| 1,740,673 | 1,920,986 |
| <u>\$1,092,420</u> | <u>\$2,565,405</u> |
| \$1,078,363 | \$2,565,405 |
| 14,057 | 0 |
| <u>\$1,092,420</u> | <u>\$2,565,405</u> |

(Continued)

CITY OF NEWARK, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2006**

| | Business-Type Activities - Enterprise Funds | | |
|---|---|--------------------|-------------------|
| | Water | Sewer | Storm Water |
| <u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u> | | | |
| Operating Income (Loss) | \$239,418 | \$1,184,383 | (\$61,860) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | |
| Depreciation Expense | 858,839 | 1,580,278 | 14,930 |
| Miscellaneous Nonoperating Expense | (4,198) | 0 | 0 |
| Changes in Assets and Liabilities: | | | |
| Increase in Accounts Receivable | (66,140) | (66,140) | 0 |
| (Increase) Decrease in Inventory | (3,454) | 8,820 | 0 |
| Decrease in Prepaid Items | 6,649 | 2,269 | 0 |
| Increase (Decrease) in Accounts Payable | (40,006) | 35,485 | (27,396) |
| Increase (Decrease) in Accrued Wages and Benefits | 10,271 | 6,183 | 4,461 |
| Increase in Compensated Absences | 35,726 | 23,181 | 0 |
| Total Adjustments | <u>797,687</u> | <u>1,590,076</u> | <u>(8,005)</u> |
| Net Cash Provided (Used) by Operating Activities | <u>\$1,037,105</u> | <u>\$2,774,459</u> | <u>(\$69,865)</u> |

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2006 the Water and Sewer Funds had outstanding liabilities of \$10,486 and \$288,537, respectively for the purchase of certain capital assets.

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

| <u>Totals</u> | <u>Governmental- Activities Internal Services Funds</u> |
|--------------------|---|
| \$1,361,941 | \$1,122,152 |
| 2,454,047 | 0 |
| (4,198) | 0 |
| (132,280) | 0 |
| 5,366 | 0 |
| 8,918 | 0 |
| (31,917) | (9,825) |
| 20,915 | (309,361) |
| 58,907 | 0 |
| <u>2,379,758</u> | <u>(319,186)</u> |
| <u>\$3,741,699</u> | <u>\$802,966</u> |

CITY OF NEWARK, OHIO

***Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2006***

| | <u>Agency Funds</u> |
|---------------------------|--------------------------|
| Assets: | |
| Restricted Assets: | |
| Cash and Cash Equivalents | <u>\$ 620,193</u> |
| Total Assets | <u><u>\$ 620,193</u></u> |
| Liabilities: | |
| Intergovernmental Payable | \$ 181,033 |
| Due to Others | <u>439,160</u> |
| Total Liabilities | <u><u>\$ 620,193</u></u> |

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

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, 2006 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

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

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

B. Basis of Presentation - Fund Accounting

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Governmental Funds

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

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

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

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

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

Proprietary Funds

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

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

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

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

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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, and fines for the Licking County law library. 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.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

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, 2006 but are not intended to finance 2006 operations, and delinquent property taxes whose availability is indeterminate, are recorded as deferred revenue as further described in Note 5.

The accrual basis of accounting is utilized for reporting purposes by the governmental-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.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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 2006.

3. Appropriations

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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.

5. Budgetary Basis of Accounting

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

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

| | Net Change in Fund Balances | | |
|--|-----------------------------|------------------|----------------------------|
| | General Fund | Income Tax Fund | Community Development Fund |
| GAAP Basis (as reported) | \$1,001,921 | \$204,151 | \$54,556 |
| Increase (Decrease): | | | |
| Accrued Revenues at December 31, 2006 received during 2007 | (763,745) | (1,404,797) | (143,624) |
| Accrued Revenues at December 31, 2005 received during 2006 | 715,316 | 2,194,401 | 795 |
| Accrued Expenditures at December 31, 2006 paid during 2007 | 1,582,295 | 36,581 | 133,535 |
| Accrued Expenditures at December 31, 2005 paid during 2006 | (2,062,834) | (66,109) | (130,212) |
| 2005 Prepaids for 2006 | 54,571 | 0 | 29 |
| 2006 Prepaids for 2007 | (46,173) | 0 | (416) |
| Outstanding Encumbrances | (622,824) | (38,112) | (342,620) |
| Budget Basis | <u>(\$141,473)</u> | <u>\$926,115</u> | <u>(\$427,957)</u> |

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

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

G. Investments

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

The City had invested funds in the STAR Ohio during 2006. 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, 2006.

H. Inventory

Inventory is stated at cost (first-in, first-out) in the governmental funds and at the lower of cost or market in the proprietary funds. The costs of inventory items are recorded as expenditures in the governmental funds when purchased and as expenses in the proprietary funds when used.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2006, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

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 \$2,500.

1. Property, Plant and Equipment - Governmental Activities

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

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

2. Property, Plant and Equipment – Business Type Activities

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

3. Depreciation

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Long-Term Obligations

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

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

L. Compensated Absences

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Compensated Absences (Continued)

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. Net Assets restricted for Other Purposes include federal grants for public safety and human services and mandatory fines for various court programs. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

N. Pensions

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

O. 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Reservations of Fund Balance

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

Q. 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.

R. 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 fiscal year 2006.

NOTE 2 - COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Equities - The fund deficits at December 31, 2006 of \$12,064 in the Parks and Recreation Fund, (special revenue fund) arose from the recognition of expenditures on the modified accrual basis of accounting which are greater than expenditures recognized on the budgetary/cash basis. The fund deficits of \$226,049 in the Ice Arena Renovation Fund (special revenue fund), and \$990,730 in the Deo Drive Improvement Fund, (capital projects fund) are the result of recording notes payable amounts in the individual fund balance sheets. The General Fund provides transfers when cash is required, not when accruals occur.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

NOTE 3 – RESTATEMENT OF NET ASSETS/FUND BALANCE

Certain adjustments were made to the Governmental and Business-Type Activities net asset beginning balance as well as the Proprietary Fund beginning fund balance due to errors in accounting for loans receivable as well as a change in the City’s capitalization level. This reclassification had the following effect on beginning of year net assets/fund balance:

| <u>Net Assets/Fund Balance</u> | <u>Governmental Activities</u> | <u>Proprietary Funds</u> | <u>Business-Type Activities</u> |
|--------------------------------|------------------------------------|------------------------------|-------------------------------------|
| Reported December 31, 2005 | \$54,477,603 | \$23,840,241 | \$24,281,583 |
| Increase in Loans Receivable | 901,421 | 0 | 0 |
| Capitalization Level Increase | (457,023) | (188,020) | (188,020) |
| Restated December 31, 2005 | <u>\$54,922,001</u> | <u>\$23,652,221</u> | <u>\$24,093,563</u> |

NOTE 4 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

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

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

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

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

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

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

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

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

A. Deposits

At year end the carrying amount of the City's deposits was \$12,569,569 and the bank balance was \$12,949,069. Federal depository insurance covered \$520,000 of the bank balance and \$12,429,069 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

| | <u>Balance</u> |
|--|----------------------------|
| Uninsured and collateralized with securities held by the pledging institution's trust department not in the City's name | <u>\$12,429,069</u> |
| Total Balance | <u><u>\$12,429,069</u></u> |

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

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

B. Investments

The City's investments at December 31, 2006 are summarized below:

| | Fair Value | Credit Rating | Investment Maturities (in Years) | | |
|----------------------|--------------------|-----------------------|----------------------------------|----------------------|------------------|
| | | | less than 1 | 1-3 | 3-5 |
| Repurchase Agreement | \$1,063,213 | N/A | \$1,063,213 | \$0 | \$0 |
| STAR Ohio | 3,348,829 | AAAm ¹ | 3,348,829 | 0 | 0 |
| Corporate Bonds | 19,389 | BBB-AAAm ¹ | 0 | 19,389 | 0 |
| Corporate Equities | 95,295 | N/A | 95,295 | 0 | 0 |
| FHLMC | 1,572,966 | AAA ^{1,2} | 581,181 ^a | 991,785 ^b | 0 |
| FHLB | 2,208,819 | AAA ^{1,2} | 2,208,819 ^a | 0 | 0 |
| FNMA | 1,003,684 | AAA ^{1,2} | 9,934 | 0 | 993,750 |
| Total Investments | <u>\$9,312,195</u> | | <u>\$7,307,271</u> | <u>\$1,011,174</u> | <u>\$993,750</u> |

¹ Standard & Poor's

² Moody's Investor Service

^a Call Option – January 2007, December 2007 and quarterly thereafter

^b Call Option – February 2007, September 2007, and quarterly thereafter

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date.

Concentration of Credit Risk – The City places no limit on the amount the City may invest in one issuer. Of the City's total investments, 16.9% are FHLMC, 23.7% are FHLB, and 10.7% are FNMA.

Custodial Credit Risk – The City's balance of investments are held by the trust department of its banking institution in the City's name.

C. Reconciliation of Cash, Cash Equivalents and Investments

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

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

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

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

| | <u>Cash and Cash Equivalents</u> | <u>Investments</u> |
|--|--------------------------------------|--------------------|
| Per Financial Statements | \$8,583,788 | \$13,297,976 |
| Certificates of Deposit (with maturities of more than 3 months) | 8,397,823 | (8,397,823) |
| Investments: | | |
| STAR Ohio | (3,348,829) | 3,348,829 |
| Repurchase Agreement | <u>(1,063,213)</u> | <u>1,063,213</u> |
| Per GASB Statement No. 3 | <u>\$12,569,569</u> | <u>\$9,312,195</u> |

NOTE 5 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2006 were levied after October 1, 2005 on assessed values as of January 1, 2005, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be reevaluated every six years and equalization adjustments made in the third year following the reappraisal. The last revaluation was completed for tax year 2005. Real property taxes are payable annually or semiannually. If paid annually, payment is due January 31; if paid semiannually, the first payment is due February and the remainder payable in July. Under certain circumstances, state statute permits later payment dates to be established.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 18.75% of its true value. Amounts paid by multi-county taxpayers are due September 20 of the year assessed. Single county taxpayers may pay annually or semiannually, the first payment is due April 30; the remainder payable by September 20.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 5 - TAXES (Continued)

A. Property Taxes (Continued)

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

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

The full tax rate for the City's operations for the year ended December 31, 2006 was \$3.70 per \$1,000 of assessed value. The assessed value upon which the 2006 levy was based was \$810,786,940. This amount constitutes \$750,745,610 in real property assessed value, \$23,496,150 in public utility assessed value and \$36,545,180 in tangible personal property assessed value.

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

B. Income Tax

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

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

NOTE 6 - RECEIVABLES

Receivables at December 31, 2006 consisted of taxes, interest, accounts, loans, special assessments and intergovernmental receivables arising from shared revenues.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 7 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2006:

| Fund | Transfer In | Transfer Out |
|----------------------------|---------------------|---------------------|
| General Fund | \$17,634,342 | \$1,597,730 |
| Income Tax Fund | 0 | 18,319,120 |
| Community Development Fund | 0 | 1,553 |
| Capital Improvement Fund | 1,841,540 | 196,304 |
| Other Governmental Funds | 1,918,629 | 835,124 |
| Total Governmental Funds | 21,394,511 | 20,949,831 |
| Water Fund | 879,548 | 136,000 |
| Sewer Fund | 7,320 | 1,015,548 |
| Total Proprietary Funds | 886,868 | 1,151,548 |
| Internal Service Funds | 50,000 | 230,000 |
| Totals | <u>\$22,331,379</u> | <u>\$22,331,379</u> |

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

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

NOTE 8 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2006:

| <i>Historical Cost:</i> | Restated December 31, 2005 | Additions | Deletions | December 31, 2006 |
|--|----------------------------------|------------------------|--------------------|-----------------------|
| Class | | | | |
| <i>Capital assets not being depreciated:</i> | | | | |
| Land | \$15,688,289 | \$113,323 | \$0 | \$15,801,612 |
| Construction in Progress | 0 | 162,985 | 0 | 162,985 |
| Sub-Total | 15,688,289 | 276,308 | 0 | 15,964,597 |
| <i>Capital assets being depreciated:</i> | | | | |
| Buildings | 18,138,212 | 10,475 | 0 | 18,148,687 |
| Improvements Other than Buildings | 4,810,369 | 668,481 | 0 | 5,478,850 |
| Infrastructure | 50,291,399 | 1,798,669 | (354,475) | 51,735,593 |
| Machinery and Equipment | 13,884,029 | 1,336,753 | (102,002) | 15,118,780 |
| Total Cost | <u>\$102,812,298</u> | <u>\$4,090,686</u> | <u>(\$456,477)</u> | <u>\$106,446,507</u> |
| <i>Accumulated Depreciation:</i> | | | | |
| Class | December 31, 2005 | Additions | Deletions | December 31, 2006 |
| Buildings | (\$3,948,409) | (\$372,607) | \$0 | (\$4,321,016) |
| Improvements Other than Buildings | (2,773,003) | (227,963) | 0 | (3,000,966) |
| Infrastructure | (25,230,772) | (1,547,413) | 256,731 | (26,521,454) |
| Machinery and Equipment | (10,085,699) | (920,998) | 102,002 | (10,904,695) |
| Total Depreciation | <u>(\$42,037,883)</u> | <u>(\$3,068,981) *</u> | <u>\$358,733</u> | <u>(\$44,748,131)</u> |
| <i>Net Value:</i> | <u>\$60,774,415</u> | | | <u>\$61,698,376</u> |

* Depreciation expenses were charged to governmental functions as follows:

| | |
|------------------------------------|--------------------|
| Security of Persons and Property | \$877,040 |
| Leisure Time Activities | 91,511 |
| Community Environment | 46,625 |
| Public Health and Welfare Services | 53,759 |
| Transportation | 1,792,823 |
| General Government | 207,223 |
| Total Depreciation Expense | <u>\$3,068,981</u> |

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

NOTE 8 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2006:

| <i>Historical Cost:</i> | Restated December 31, 2005 | Additions | Deletions | December 31, 2006 |
|--|----------------------------------|----------------------|--------------------|-----------------------|
| Class | | | | |
| <i>Capital assets not being depreciated:</i> | | | | |
| Land | \$170,500 | \$0 | \$0 | \$170,500 |
| Construction in Progress | 632,201 | 591,571 | (632,201) | 591,571 |
| Sub-Total | 802,701 | 591,571 | (632,201) | 762,071 |
| <i>Capital assets being depreciated:</i> | | | | |
| Buildings and Improvements | 28,834,996 | 0 | 0 | 28,834,996 |
| Infrastructure | 7,943,849 | 4,157,068 | 0 | 12,100,917 |
| Machinery and Equipment | 32,316,491 | 363,950 | 0 | 32,680,441 |
| Total Cost | <u>\$69,898,037</u> | <u>\$5,112,589</u> | <u>(\$632,201)</u> | <u>\$74,378,425</u> |
| <i>Accumulated Depreciation:</i> | | | | |
| Class | December 31, 2005 | Additions | Deletions | December 31, 2006 |
| Buildings and Improvements | (\$8,592,732) | (\$769,659) | \$0 | (\$9,362,391) |
| Infrastructure | (3,337,353) | (152,163) | 0 | (3,489,516) |
| Machinery and Equipment | (24,661,582) | (1,532,225) | 0 | (26,193,807) |
| Total Depreciation | <u>(\$36,591,667)</u> | <u>(\$2,454,047)</u> | <u>\$0</u> | <u>(\$39,045,714)</u> |
| <i>Net Value:</i> | <u>\$33,306,370</u> | | | <u>\$35,332,711</u> |

NOTE 9 – DEFINED BENEFIT PENSION PLANS

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

A. Ohio Public Employees Retirement System (the “Ohio PERS”)

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

A. Ohio Public Employees Retirement System (the “Ohio PERS”) (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 the Ohio PERS: 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.

The Ohio PERS 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 the Ohio PERS. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2006, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 9.0%. The 2006 employer contribution rate for local government employer units was 13.70%, of covered payroll, 9.20% to fund the pension and 4.5% to fund health care. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the Ohio PERS for the years ending December 31, 2006, 2005, and 2004 were \$1,774,540, \$1,732,762 and \$1,670,062, respectively, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

A. Ohio Public Employees Retirement System (the “Ohio PERS”) (Continued)

The Ohio PERS provides postemployment health care benefits to age and service retirees with ten or more years of qualifying Ohio service credit under the TP and CO plans and to primary survivor recipients of such retirees. Health care coverage for disability recipients is also available. The health care coverage provided by the Ohio PERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the Ohio PERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to the Ohio PERS. The portion of the 2006 employer contribution rate (identified above) that was used to fund health care for the year 2006 was 4.5% of covered payroll which amounted to \$582,878

The significant actuarial assumptions and calculations relating to postemployment health care benefits were based on the Ohio Public Employees Retirement System's latest actuarial review performed as of December 31, 2005. The individual entry age actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor. The investment assumption rate for 2005 was 6.5%. An annual increase of 4.0% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.0% base increase, were assumed to range from 0.5% to 6.3%. Health care costs were assumed to increase 4.0% annually plus an additional factor ranging from .50% to 6% for the next 9 years. In subsequent years (10 and beyond) health care costs were assumed to increase 4% (the projected wage inflation rate).

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants for the TP and CO Plans was 358,804. The actuarial value of the Ohio PERS net assets available for OPEB at December 31, 2005 is \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$31.3 billion and \$20.2 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, will be effective January 1, 2007. In addition to the HCPP, Ohio PERS has taken additional action to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. As an additional component of the HCPP, member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

All City full-time police officers and full-time firefighters participate in the OP&F Fund, a cost-sharing multiple-employer defined benefit pension plan. The OP&F Fund 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 Ohio Revised Code. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements and required supplementary information for the OP&F Fund. 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. The City's contributions to the OP&F Fund for the years ending December 31, 2006, 2005, and 2004 were \$841,957, \$882,024 and \$809,856 for police and \$1,173,004, \$1,192,182 and \$1,070,794 for firefighters, respectively, which were equal to the required contributions for each year.

The OP&F Fund provides postemployment health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school on a full-time or two-thirds basis. The health care coverage provided by the OP&F Fund is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care costs paid from the funds of the OP&F Fund shall be included in the employer's contribution rate. The Ohio Revised Code also provides statutory authority allowing the Fund's Board of Trustees to provide postemployment health care coverage to all eligible individuals from the employer's contributions to the OP&F Fund.

The portion of the 2006 covered payroll that was used to fund postemployment health care benefits was \$334,624 representing 7.75% of covered payroll for police and \$466,194 representing 7.75% of covered payroll for fire. Health care funding and accounting was on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions. As of December 31, 2005, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 13,922 for police and 10,537 for firefighters. The OP&F Fund does not provide separate data on the funded status and funding progress of postemployment health care benefits. The Fund's total health care expenses for the year ended December 31, 2005 were \$108,039,449, which was net of member contributions of \$55,271,881.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 10 - NOTES PAYABLE

The Ohio Revised Code provides that notes including renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes. The maximum maturity for notes anticipating general obligation bonds payable from special assessments is five years. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to and payable no later than those principal maturities that would have been required if the bonds had been issued at the expiration of the initial five year period. Bond anticipation notes may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the notes, or from available funds of the City or a combination of these sources.

| | Balance January 1, 2006 | Issued (Retired) | Balance December 31, 2006 |
|---|-------------------------------|----------------------|---------------------------------|
| Capital Projects Notes Payable: | | | |
| 2.27% Deo Drive Extension | \$1,125,000 | (\$1,125,000) | \$0 |
| 3.75% Deo Drive Extension | 0 | 1,125,000 | 1,125,000 |
| 3.12% East Main Street Bridge Replacement | 1,759,000 | (1,759,000) | 0 |
| 3.19% Police and Fire Facilities | 1,302,000 | (1,302,000) | 0 |
| 3.80% Police and Fire Facilities | 0 | 1,302,000 | 1,302,000 |
| 3.25% Cemetery Improvements | 91,500 | (91,500) | 0 |
| 3.42% Ice Rink Renovations | 550,000 | (550,000) | 0 |
| 4.17% Ice Rink Renovations | 0 | 224,000 | 224,000 |
| 4.00% Evans Boulevard | 0 | 550,000 | 550,000 |
| Total Capital Projects Notes Payable | <u>\$4,827,500</u> | <u>(\$1,626,500)</u> | <u>\$3,201,000</u> |

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CITY OF NEWARK, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

NOTE 11 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 2006 were as follows:

| | | Balance December 31, 2005 | Additions | Deductions | Balance December 31, 2006 | Amount Due Within One Year |
|---|------|---------------------------------|---------------------|----------------------|---------------------------------|----------------------------------|
| Governmental Activities: | | | | | | |
| General Obligation Bonds: | | | | | | |
| East Main Street Improvement | 2019 | \$2,535,000 | \$0 | (\$2,535,000) | \$0 | \$0 |
| East Main Street Improvement Refunding | 2028 | 0 | 2,645,000 | 0 | 2,645,000 | 60,000 |
| East Main Street Bridge | 2021 | 0 | 1,609,000 | (109,000) | 1,500,000 | 100,000 |
| Police and Fire Facilities | 2031 | 10,549,991 | 0 | (285,000) | 10,264,991 | 290,000 |
| Total General Obligation Bonds | | <u>13,084,991</u> | <u>4,254,000</u> | <u>(2,929,000)</u> | <u>14,409,991</u> | <u>450,000</u> |
| Special Assessment Bond: | | | | | | |
| (with governmental commitment) | | | | | | |
| Hudson Avenue Street Lighting | 2007 | 45,000 | 0 | (20,000) | 25,000 | 25,000 |
| Capital Leases | | 1,748,827 | 1,097,605 | (381,906) | 2,464,526 | 579,166 |
| Accrued Pension Liability | | 2,088,940 | 0 | (36,604) | 2,052,336 | 38,178 |
| Compensated Absences Payable | | 3,283,383 | 3,421,112 | (3,283,383) | 3,421,112 | 1,991,724 |
| Total Governmental Activities | | <u>20,251,141</u> | <u>8,772,717</u> | <u>(6,650,893)</u> | <u>22,372,965</u> | <u>3,084,068</u> |
| Business-Type Activities: | | | | | | |
| General Obligation Bonds: | | | | | | |
| Water System Improvement | 2008 | 671,555 | 0 | (348,356) | 323,199 | 323,199 |
| Bond Discount | | (14,611) | 0 | 7,402 | (7,209) | 0 |
| | | <u>656,944</u> | <u>0</u> | <u>(340,954)</u> | <u>315,990</u> | <u>323,199</u> |
| Water System | | | | | | |
| Improvement Refunding | 2018 | 9,793,825 | 0 | (520,000) | 9,273,825 | 545,000 |
| Deferred Loss on Early Retirement of Debt | | (563,440) | 0 | 43,342 | (520,098) | 0 |
| | | <u>9,230,385</u> | <u>0</u> | <u>(476,658)</u> | <u>8,753,727</u> | <u>545,000</u> |
| Total General Obligation Bonds | | <u>9,887,329</u> | <u>0</u> | <u>(817,612)</u> | <u>9,069,717</u> | <u>868,199</u> |
| Special Assessment Bond: | | | | | | |
| (with governmental commitment) | | | | | | |
| Morgan Manor | 2015 | 46,156 | 0 | (5,128) | 41,028 | 5,128 |
| Ohio Water Development: | | | | | | |
| Authority Loan (OWDA): | | | | | | |
| Sewer Improvements | | 6,047,674 | 0 | (627,699) | 5,419,975 | 675,717 |
| Licking River Interceptor | | 337,096 | 2,290,868 | 0 | 2,627,964 | 0 |
| Stormwater Utility | | 527,351 | 250,279 | 0 | 777,630 | 0 |
| Electrical Substation | | 0 | 180,844 | 0 | 180,844 | 0 |
| Total OWDA Loans | | <u>6,912,121</u> | <u>2,721,991</u> | <u>(627,699)</u> | <u>9,006,413</u> | <u>675,717</u> |
| Ohio Public Works: | | | | | | |
| Commission Loan (OPWC): | | | | | | |
| Licking River Interceptor | | 0 | 568,655 | 0 | 568,655 | 28,432 |
| Capital Leases | | 0 | 43,517 | 0 | 43,517 | 0 |
| Compensated Absences | | 606,971 | 665,878 | (606,971) | 665,878 | 379,547 |
| Total Business-Type Activities | | <u>17,452,577</u> | <u>4,000,041</u> | <u>(2,057,410)</u> | <u>19,395,208</u> | <u>1,957,023</u> |
| Totals | | <u>\$37,703,718</u> | <u>\$12,772,758</u> | <u>(\$8,708,303)</u> | <u>\$41,768,173</u> | <u>\$5,041,091</u> |

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

NOTE 11 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

The principal amount of the City's special assessment debt outstanding at December 31, 2006, \$66,028, 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.

A. Accrued Liability for Police and Firemen's Pension Fund

The City's liability for past service costs relating to the Police and Firemen's Pension Fund at December 31, 2006 was \$3,556,874 in principal and interest payments through the year 2036. Only the principal amount of \$2,052,336 is included in the Government-wide Statement of Net Assets.

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, 2006 follows:

| Years | Governmental Activities | | | | | | Business-Type Activities | | | | | | | |
|-----------|--------------------------|--------------|-------------------------|----------|---------------------------|-------------|--------------------------|-------------|-------------------------|----------|-------------|-------------|-----------|----------|
| | General Obligation Bonds | | Special Assessment Bond | | Accrued Pension Liability | | General Obligation Bonds | | Special Assessment Bond | | OWDA Loans | | OPWC Loan | |
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 2007 | \$450,000 | \$636,770 | \$25,000 | \$1,250 | \$38,178 | \$86,822 | \$868,199 | \$631,593 | \$5,128 | \$1,948 | \$675,717 | \$414,628 | \$28,432 | \$0 |
| 2008 | 480,000 | 605,707 | 0 | 0 | 39,816 | 85,184 | 1,370,000 | 125,540 | 5,128 | 1,706 | 968,240 | 470,337 | 28,432 | 0 |
| 2009 | 490,000 | 589,757 | 0 | 0 | 41,526 | 83,474 | 1,435,000 | 64,576 | 5,128 | 1,462 | 1,031,735 | 406,842 | 28,432 | 0 |
| 2010 | 505,000 | 572,707 | 0 | 0 | 43,310 | 81,690 | 825,975 | 674,025 | 5,128 | 1,218 | 1,099,742 | 338,834 | 28,432 | 0 |
| 2011 | 520,000 | 553,607 | 0 | 0 | 45,170 | 79,830 | 774,290 | 720,710 | 5,128 | 974 | 1,172,598 | 265,980 | 28,432 | 0 |
| 2012-2016 | 2,238,706 | 3,047,774 | 0 | 0 | 256,678 | 368,322 | 3,258,837 | 4,206,165 | 15,388 | 1,462 | 2,407,319 | 476,184 | 142,160 | 0 |
| 2017-2021 | 2,861,285 | 2,314,147 | 0 | 0 | 316,746 | 308,254 | 1,064,723 | 1,925,276 | 0 | 0 | 678,447 | 247,831 | 142,160 | 0 |
| 2022-2026 | 3,305,000 | 1,309,591 | 0 | 0 | 390,868 | 234,132 | 0 | 0 | 0 | 0 | 797,177 | 114,220 | 142,175 | 0 |
| 2027-2031 | 3,560,000 | 494,503 | 0 | 0 | 482,338 | 142,662 | 0 | 0 | 0 | 0 | 175,438 | 4,288 | 0 | 0 |
| 2032-2035 | 0 | 0 | 0 | 0 | 397,706 | 34,168 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Totals | \$14,409,991 | \$10,124,563 | \$25,000 | \$1,250 | \$2,052,336 | \$1,504,538 | \$9,597,024 | \$8,347,885 | \$41,028 | \$8,770 | \$9,006,413 | \$2,739,144 | \$568,655 | \$0 |

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 11 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

C. Defeasance of General Obligation Debt

In December 1998, the City defeased \$12,045,000 of Water System Improvement Bonds for Water Improvements dated June 1, 1993 (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 \$12,045,000 at December 31, 2006 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

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

The City reduced its aggregate debt service payments over the life of the refunded bonds by \$497,279 and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$116,394.

D. Ohio Water Development Authority Loans

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 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 charges and is received by the City in increments as the project is completed. As of December 31, 2006, the City had received \$180,844 from OWDA. Subsequent amounts will be received in future years. An estimate of future financing requirements has been made based on the \$180,844 loan balance at December 31, 2006.

Storm Water Utility - 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 improvements. The total amount is subject to change and has not been finalized. The interest rate on the loan is 3.20%, per annum. This loan is payable from storm water charges and is received by the City in increments as the project is completed. As of December 31, 2006, the City had received \$777,630 from OWDA. Subsequent amounts will be received in future years. An estimate of future financing requirements has been made based on the \$777,630 loan balance at December 31, 2006.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 12 - CAPITALIZED LEASES

The City leases several assets under capital leases. The original cost of equipment of \$2,008,762, 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 \$43,517 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 lease together with the present value of the net minimum lease payments as of December 31, 2006:

| <u>Year Ending December 31,</u> | <u>Governmental Activities</u> | <u>Business-Type Activities</u> |
|--|------------------------------------|-------------------------------------|
| 2007 | \$642,843 | \$0 |
| 2008 | 587,056 | 5,275 |
| 2009 | 445,308 | 5,275 |
| 2010 | 420,406 | 5,275 |
| 2011 | 171,082 | 5,275 |
| 2012 - 2017 | <u>537,926</u> | <u>31,650</u> |
| Minimum Lease Payments | 2,804,621 | 52,750 |
| Less amount representing interest at the City's incremental borrowing rate of interest | <u>(340,095)</u> | <u>(9,233)</u> |
| Present value of minimum lease payments | <u><u>\$2,464,526</u></u> | <u><u>\$43,517</u></u> |

NOTE 13 - INSURANCE AND RISK MANAGEMENT

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

A. Ohio Municipal League Joint Self-Insurance Pool

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 13 - INSURANCE AND RISK MANAGEMENT (Continued)

A. Ohio Municipal League Joint Self-Insurance Pool (Continued)

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

The City of Newark obtained insurance coverage from the Pool for years 2006 and 2007 for losses relating to general liability, law enforcement liability, public officials liability, emergency medical services liability and garage keepers coverage.

The City of Newark carried commercial insurance coverage for the years 2006 through 2007 for all other risks, including property, boiler and machinery, and crime and auto. There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

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

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

Treaty basis casualty excess of loss contracts in force at December 31, 2006 generally protects the Pool against individual losses over \$150,000.

Additionally, treaty basis property coverage protects the Pool against losses subject to a deductible of the lesser of \$50,000 per location or \$50,000 per occurrence. Since November 1, 1990, the Pool is limited to an annual aggregate loss of \$300,000 prior to November 1, 1990 under this treaty.

The Pool is, and the participants are, contingently liable should any reinsurer become unable to meet its obligations under the reinsurance agreements.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 13 - INSURANCE AND RISK MANAGEMENT (Continued)

B. Workers' Compensation

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

NOTE 14 - 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.

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Street Department Fund

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

Cemetery Fund

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

Parks and Recreation Fund

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

Traffic Control Fund

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

Compost Facility Fund

To account for monies collected from composting fees.

Veterans Memorial Sidewalk Fund

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

Joint Economic Development Zone Fund

To account for income tax revenues generated by the Etna Corporate Park Economic Development Zone.

Police Grant Fund

To account for expenses of various Local Law Enforcement Block Grant funds.

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.

Cemetery Rental Fund

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

(Continued)

Special Revenue Funds

State Highway Fund

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

Law Enforcement Fund

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

Ohio Incident Based Reporting System Fund

To account for federal grant monies to be used for a statewide crime statistics reporting system.

Court Computerization Fund

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

Ice Arena Renovation Fund

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

Permissive License Tax Fund

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

Probation Grant Fund

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

Impound Fund

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

Federal Transit Administration (FTA) Fund

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

(Continued)

Special Revenue Funds

Litter Grant Fund

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

Federal Emergency Management Act (FEMA) Fund

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

Mary E. Barnes Trust Fund

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

Brownfield Cleanup Fund

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

Judicial Fund

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

Debt Service Fund

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

Debt Service Fund

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

(Continued)

Capital Projects Funds

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

City Hall Upgrade Fund

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

Deo Drive Improvement Fund

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

Bikeway Upgrade Fund

To account for the costs related to the bikeway upgrade project.

East Main Street Bridge Replacement Fund

To account for the replacement costs related to the East Main Street Bridge project.

Court Capital Improvement Fund

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

Tax Increment Financing (TIF) Fund

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

Permanent Fund

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

Cemetery Endowment Fund

To account for monies received by specific agreement, gifts, bequests or otherwise to provide perpetual care of individual plots within City cemeteries.

CITY OF NEWARK, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2006**

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Nonmajor Capital Projects Funds | Nonmajor Permanent Fund | Total Nonmajor Governmental Funds |
|---|--------------------------------------|-------------------------------|---------------------------------------|-------------------------------|--|
| Assets: | | | | | |
| Cash and Cash Equivalents | \$ 1,746,649 | \$ 137,693 | \$ 723,418 | \$ 0 | \$ 2,607,760 |
| Investments | 962,741 | 0 | 344,863 | 0 | 1,307,604 |
| Receivables: | | | | | |
| Taxes | 480,829 | 0 | 0 | 0 | 480,829 |
| Accounts | 86,705 | 0 | 2,329 | 0 | 89,034 |
| Intergovernmental | 1,207,187 | 0 | 0 | 0 | 1,207,187 |
| Interest | 1,990 | 0 | 0 | 2,035 | 4,025 |
| Special Assessments | 0 | 43,112 | 0 | 0 | 43,112 |
| Inventory of Supplies, at Cost | 267,387 | 0 | 0 | 0 | 267,387 |
| Prepaid Items | 12,388 | 0 | 0 | 0 | 12,388 |
| Restricted Assets: | | | | | |
| Cash and Cash Equivalents | 410,732 | 0 | 0 | 160,663 | 571,395 |
| Investments | 0 | 0 | 0 | 443,500 | 443,500 |
| Total Assets | \$ 5,176,608 | \$ 180,805 | \$ 1,070,610 | \$ 606,198 | \$ 7,034,221 |
| Liabilities: | | | | | |
| Accounts Payable | \$ 20,556 | \$ 0 | \$ 0 | \$ 0 | \$ 20,556 |
| Accrued Wages and Benefits Payable | 149,213 | 0 | 0 | 0 | 149,213 |
| Intergovernmental Payable | 558 | 0 | 0 | 0 | 558 |
| Deferred Revenue | 1,752,715 | 43,112 | 0 | 0 | 1,795,827 |
| Accrued Interest Payable | 2,049 | 0 | 81,328 | 0 | 83,377 |
| General Obligation Notes Payable | 224,000 | 0 | 1,125,000 | 0 | 1,349,000 |
| Total Liabilities | 2,149,091 | 43,112 | 1,206,328 | 0 | 3,398,531 |
| Fund Balance: | | | | | |
| Reserved for Encumbrances | 1,027,508 | 0 | 60,007 | 0 | 1,087,515 |
| Reserved for Prepaid Items | 12,388 | 0 | 0 | 0 | 12,388 |
| Reserved for Supplies Inventory | 267,387 | 0 | 0 | 0 | 267,387 |
| Reserved for Debt Service | 0 | 137,693 | 0 | 0 | 137,693 |
| Reserved for Endowments | 0 | 0 | 0 | 606,198 | 606,198 |
| Undesignated/Unreserved | 1,720,234 | 0 | (195,725) | 0 | 1,524,509 |
| Total Fund Balance | 3,027,517 | 137,693 | (135,718) | 606,198 | 3,635,690 |
| Total Liabilities and Fund Balance | \$ 5,176,608 | \$ 180,805 | \$ 1,070,610 | \$ 606,198 | \$ 7,034,221 |

CITY OF NEWARK, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2006**

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Nonmajor Capital Projects Funds | Nonmajor Permanent Fund | Total Nonmajor Governmental Funds |
|--|--------------------------------------|-------------------------------|---------------------------------------|----------------------------|---|
| Revenues: | | | | | |
| Taxes | \$ 471,138 | \$ 0 | \$ 479,445 | \$ 0 | \$ 950,583 |
| Intergovernmental Revenues | 3,155,450 | 0 | 50,953 | 0 | 3,206,403 |
| Charges for Services | 617,147 | 0 | 0 | 7,444 | 624,591 |
| Licenses, Permits and Fees | 10,456 | 0 | 0 | 0 | 10,456 |
| Investment Earnings | 98,297 | 0 | 0 | 4,016 | 102,313 |
| Special Assessments | 0 | 25,230 | 0 | 0 | 25,230 |
| Fines and Forfeitures | 299,210 | 0 | 36,359 | 0 | 335,569 |
| All Other Revenue | 602,899 | 1,750 | 548,933 | 0 | 1,153,582 |
| Total Revenue | 5,254,597 | 26,980 | 1,115,690 | 11,460 | 6,408,727 |
| Expenditures: | | | | | |
| Current: | | | | | |
| Security of Persons and Property | 515,329 | 0 | 0 | 0 | 515,329 |
| Public Health and Welfare Services | 293,658 | 0 | 0 | 0 | 293,658 |
| Leisure Time Activities | 673,150 | 0 | 0 | 0 | 673,150 |
| Community Environment | 164,955 | 0 | 0 | 0 | 164,955 |
| Transportation | 3,281,101 | 0 | 0 | 0 | 3,281,101 |
| General Government | 182,980 | 0 | 0 | 0 | 182,980 |
| Capital Outlay | 0 | 0 | 231,205 | 0 | 231,205 |
| Debt Service: | | | | | |
| Principal Retirement | 0 | 305,000 | 239,000 | 0 | 544,000 |
| Interest and Fiscal Charges | 17,885 | 456,798 | 255,413 | 0 | 730,096 |
| Total Expenditures | 5,129,058 | 761,798 | 725,618 | 0 | 6,616,474 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 125,539 | (734,818) | 390,072 | 11,460 | (207,747) |
| Other Financing Sources (Uses): | | | | | |
| Sale of Capital Assets | 54,441 | 0 | 0 | 0 | 54,441 |
| General Obligation Bonds Issued | 0 | 0 | 1,609,000 | 0 | 1,609,000 |
| Refunding Bonds Issued | 0 | 0 | 2,645,000 | 0 | 2,645,000 |
| Discount on Refunding Bonds Issued | 0 | 0 | (23,223) | 0 | (23,223) |
| Transfers In | 1,060,142 | 775,743 | 82,744 | 0 | 1,918,629 |
| Transfers Out | (786,270) | (48,854) | 0 | 0 | (835,124) |
| Payment to Refunded Bond Escrow Agent | 0 | 0 | (2,555,973) | 0 | (2,555,973) |
| Total Other Financing Sources (Uses) | 328,313 | 726,889 | 1,757,548 | 0 | 2,812,750 |
| Net Change in Fund Balance | 453,852 | (7,929) | 2,147,620 | 11,460 | 2,605,003 |
| Fund Balance (Deficit) at Beginning of Year | 2,521,971 | 145,622 | (2,283,338) | 594,738 | 978,993 |
| Increase in Inventory Reserve | 51,694 | 0 | 0 | 0 | 51,694 |
| Fund Balance (Deficit) End of Year | \$ 3,027,517 | \$ 137,693 | \$ (135,718) | \$ 606,198 | \$ 3,635,690 |

CITY OF NEWARK, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2006**

| | Street Department | Cemetery | Parks and Recreation | Traffic Control | Compost Facility |
|---|----------------------|-------------------|-------------------------|-------------------|---------------------|
| Assets: | | | | | |
| Cash and Cash Equivalents | \$ 49,294 | \$ 375,338 | \$ 5,265 | \$ 1,158 | \$ 4,835 |
| Investments | 338,302 | 0 | 0 | 0 | 0 |
| Receivables: | | | | | |
| Taxes | 0 | 0 | 0 | 0 | 0 |
| Accounts | 2,061 | 54,260 | 0 | 0 | 0 |
| Intergovernmental | 924,012 | 0 | 0 | 0 | 466 |
| Interest | 0 | 1,619 | 0 | 0 | 0 |
| Inventory of Supplies, at Cost | 132,092 | 0 | 0 | 135,295 | 0 |
| Prepaid Items | 3,655 | 449 | 2,649 | 69 | 0 |
| Restricted Assets: | | | | | |
| Cash and Cash Equivalents | 0 | 0 | 0 | 0 | 0 |
| Total Assets | \$ 1,449,416 | \$ 431,666 | \$ 7,914 | \$ 136,522 | \$ 5,301 |
| Liabilities: | | | | | |
| Accounts Payable | \$ 4,696 | \$ 1,123 | \$ 0 | \$ 0 | \$ 445 |
| Accrued Wages and Benefits Payable | 93,220 | 19,283 | 19,978 | 0 | 0 |
| Intergovernmental Payable | 0 | 0 | 0 | 0 | 0 |
| Deferred Revenue | 614,558 | 54,260 | 0 | 0 | 0 |
| Accrued Interest Payable | 0 | 0 | 0 | 0 | 0 |
| General Obligation Notes Payable | 0 | 0 | 0 | 0 | 0 |
| Total Liabilities | 712,474 | 74,666 | 19,978 | 0 | 445 |
| Fund Balance: | | | | | |
| Reserved for Encumbrances | 255,121 | 5,210 | 5,265 | 1,158 | 629 |
| Reserved for Prepaid Items | 3,655 | 449 | 2,649 | 69 | 0 |
| Reserved for Supplies Inventory | 132,092 | 0 | 0 | 135,295 | 0 |
| Undesignated/Unreserved | 346,074 | 351,341 | (19,978) | 0 | 4,227 |
| Total Fund Balance | 736,942 | 357,000 | (12,064) | 136,522 | 4,856 |
| Total Liabilities and Fund Balance | \$ 1,449,416 | \$ 431,666 | \$ 7,914 | \$ 136,522 | \$ 5,301 |

CITY OF NEWARK, OHIO

| Veterans Memorial Sidewalk | Joint Economic Development Zone | Police Grant | Police/Fire Pension | Cemetery Rental | State Highway | Law Enforcement |
|----------------------------------|---------------------------------------|------------------|------------------------|--------------------|------------------|--------------------|
| \$ 23,085 | \$ 8,794 | \$ 29,197 | \$ 48,422 | \$ 18,840 | \$ 11,992 | \$ 50,263 |
| 75,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 11,887 | 0 | 468,942 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 1,532 |
| 0 | 0 | 0 | 25,000 | 0 | 74,744 | 25,074 |
| 371 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>\$ 98,456</u> | <u>\$ 20,681</u> | <u>\$ 29,197</u> | <u>\$ 542,364</u> | <u>\$ 18,840</u> | <u>\$ 86,736</u> | <u>\$ 76,869</u> |
| \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 36 | 0 | 493,942 | 0 | 49,829 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>0</u> | <u>36</u> | <u>0</u> | <u>493,942</u> | <u>0</u> | <u>49,829</u> | <u>0</u> |
| 974 | 0 | 51 | 0 | 0 | 0 | 7,466 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>97,482</u> | <u>20,645</u> | <u>29,146</u> | <u>48,422</u> | <u>18,840</u> | <u>36,907</u> | <u>69,403</u> |
| <u>98,456</u> | <u>20,645</u> | <u>29,197</u> | <u>48,422</u> | <u>18,840</u> | <u>36,907</u> | <u>76,869</u> |
| <u>\$ 98,456</u> | <u>\$ 20,681</u> | <u>\$ 29,197</u> | <u>\$ 542,364</u> | <u>\$ 18,840</u> | <u>\$ 86,736</u> | <u>\$ 76,869</u> |

(Continued)

CITY OF NEWARK, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2006**

| | Ohio Incident Based Reporting System | Court Computer- ization | Ice Arena Renovation | Permissive License Tax | Probation Grant |
|---|---|-------------------------------|-------------------------|---------------------------|--------------------|
| Assets: | | | | | |
| Cash and Cash Equivalents | \$ 185 | \$ 188,014 | \$ 0 | \$ 337,643 | \$ 29,669 |
| Investments | 0 | 0 | 0 | 0 | 0 |
| Receivables: | | | | | |
| Taxes | 0 | 0 | 0 | 0 | 0 |
| Accounts | 0 | 11,659 | 0 | 0 | 0 |
| Intergovernmental | 0 | 0 | 0 | 0 | 13,773 |
| Interest | 0 | 0 | 0 | 0 | 0 |
| Inventory of Supplies, at Cost | 0 | 0 | 0 | 0 | 0 |
| Prepaid Items | 0 | 0 | 0 | 0 | 0 |
| Restricted Assets: | | | | | |
| Cash and Cash Equivalents | 0 | 0 | 0 | 410,732 | 0 |
| Total Assets | \$ 185 | \$ 199,673 | \$ 0 | \$ 748,375 | \$ 43,442 |
| Liabilities: | | | | | |
| Accounts Payable | \$ 0 | \$ 8,194 | \$ 0 | \$ 0 | \$ 0 |
| Accrued Wages and Benefits Payable | 0 | 0 | 0 | 0 | 4,792 |
| Intergovernmental Payable | 0 | 0 | 0 | 0 | 0 |
| Deferred Revenue | 0 | 0 | 0 | 410,732 | 0 |
| Accrued Interest Payable | 0 | 0 | 2,049 | 0 | 0 |
| General Obligation Notes Payable | 0 | 0 | 224,000 | 0 | 0 |
| Total Liabilities | 0 | 8,194 | 226,049 | 410,732 | 4,792 |
| Fund Balance: | | | | | |
| Reserved for Encumbrances | 0 | 4,769 | 0 | 327,967 | 0 |
| Reserved for Prepaid Items | 0 | 0 | 0 | 0 | 0 |
| Reserved for Supplies Inventory | 0 | 0 | 0 | 0 | 0 |
| Undesignated/Unreserved | 185 | 186,710 | (226,049) | 9,676 | 38,650 |
| Total Fund Balance | 185 | 191,479 | (226,049) | 337,643 | 38,650 |
| Total Liabilities and Fund Balance | \$ 185 | \$ 199,673 | \$ 0 | \$ 748,375 | \$ 43,442 |

CITY OF NEWARK, OHIO

| <u>Impound</u> | <u>Federal Transit Administration</u> | <u>Litter Grant</u> | <u>FEMA</u> | <u>Mary E. Barnes Trust</u> | <u>Brownfield Cleanup</u> | <u>Judicial</u> | <u>Total Nonmajor Special Revenue Funds</u> |
|------------------|---------------------------------------|---------------------|-------------------|-----------------------------|---------------------------|-------------------|---|
| \$ 56,182 | \$ 57,557 | \$ 42,434 | \$ 109,525 | \$ 18,767 | \$ 10,000 | \$ 270,190 | \$ 1,746,649 |
| 0 | 395,005 | 0 | 0 | 154,434 | 0 | 0 | 962,741 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 480,829 |
| 2,673 | 7,709 | 0 | 0 | 0 | 0 | 6,811 | 86,705 |
| 0 | 129,358 | 14,760 | 0 | 0 | 0 | 0 | 1,207,187 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,990 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 267,387 |
| 309 | 5,257 | 0 | 0 | 0 | 0 | 0 | 12,388 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 410,732 |
| <u>\$ 59,164</u> | <u>\$ 594,886</u> | <u>\$ 57,194</u> | <u>\$ 109,525</u> | <u>\$ 173,201</u> | <u>\$ 10,000</u> | <u>\$ 277,001</u> | <u>\$ 5,176,608</u> |
| \$ 1,753 | \$ 0 | \$ 2,116 | \$ 0 | \$ 0 | \$ 0 | \$ 2,229 | \$ 20,556 |
| 0 | 4,106 | 7,834 | 0 | 0 | 0 | 0 | 149,213 |
| 0 | 0 | 558 | 0 | 0 | 0 | 0 | 558 |
| 0 | 129,358 | 0 | 0 | 0 | 0 | 0 | 1,752,715 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,049 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 224,000 |
| <u>1,753</u> | <u>133,464</u> | <u>10,508</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>2,229</u> | <u>2,149,091</u> |
| 23,890 | 276,278 | 5,110 | 34,569 | 0 | 10,000 | 69,051 | 1,027,508 |
| 309 | 5,257 | 0 | 0 | 0 | 0 | 0 | 12,388 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 267,387 |
| 33,212 | 179,887 | 41,576 | 74,956 | 173,201 | 0 | 205,721 | 1,720,234 |
| <u>57,411</u> | <u>461,422</u> | <u>46,686</u> | <u>109,525</u> | <u>173,201</u> | <u>10,000</u> | <u>274,772</u> | <u>3,027,517</u> |
| <u>\$ 59,164</u> | <u>\$ 594,886</u> | <u>\$ 57,194</u> | <u>\$ 109,525</u> | <u>\$ 173,201</u> | <u>\$ 10,000</u> | <u>\$ 277,001</u> | <u>\$ 5,176,608</u> |

CITY OF NEWARK, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

| | Street Department | Cemetery | Parks and Recreation | Traffic Control | Compost Facility |
|--|----------------------|-------------------|-------------------------|-------------------|---------------------|
| Revenues: | | | | | |
| Taxes | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Intergovernmental Revenues | 1,864,437 | 0 | 0 | 0 | 466 |
| Charges for Services | 0 | 140,369 | 4,488 | 0 | 8,338 |
| Licenses, Permits and Fees | 0 | 0 | 10,456 | 0 | 0 |
| Investment Earnings | 0 | 44,495 | 0 | 0 | 0 |
| Fines and Forfeitures | 0 | 0 | 0 | 0 | 0 |
| All Other Revenue | 15,973 | 9,244 | 14,919 | 11,133 | 0 |
| Total Revenue | 1,880,410 | 194,108 | 29,863 | 11,133 | 8,804 |
| Expenditures: | | | | | |
| Current: | | | | | |
| Security of Persons and Property | 0 | 0 | 0 | 50,999 | 0 |
| Public Health and Welfare Services | 0 | 289,461 | 0 | 0 | 0 |
| Leisure Time Activities | 0 | 0 | 457,829 | 0 | 0 |
| Community Environment | 0 | 0 | 0 | 0 | 3,801 |
| Transportation | 2,064,122 | 0 | 0 | 0 | 0 |
| General Government | 0 | 0 | 0 | 0 | 0 |
| Debt Service: | | | | | |
| Interest and Fiscal Charges | 0 | 1,206 | 0 | 0 | 0 |
| Total Expenditures | 2,064,122 | 290,667 | 457,829 | 50,999 | 3,801 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (183,712) | (96,559) | (427,966) | (39,866) | 5,003 |
| Other Financing Sources (Uses): | | | | | |
| Sale of Capital Assets | 0 | 0 | 0 | 0 | 0 |
| Transfers In | 314,798 | 213,040 | 417,300 | 39,433 | 0 |
| Transfers Out | 0 | (23,000) | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | 314,798 | 190,040 | 417,300 | 39,433 | 0 |
| Net Change in Fund Balance | 131,086 | 93,481 | (10,666) | (433) | 5,003 |
| Fund Balance (Deficit) at Beginning of Year | 565,729 | 263,519 | (1,398) | 125,388 | (147) |
| Increase in Inventory Reserve | 40,127 | 0 | 0 | 11,567 | 0 |
| Fund Balance (Deficit) End of Year | \$ 736,942 | \$ 357,000 | \$ (12,064) | \$ 136,522 | \$ 4,856 |

CITY OF NEWARK, OHIO

| <u>Veterans Memorial Sidewalk</u> | <u>Joint Economic Development Zone</u> | <u>Police Grant</u> | <u>Police/Fire Pension</u> | <u>Cemetery Rental</u> | <u>State Highway</u> | <u>Law Enforcement</u> |
|---|--|---------------------|--------------------------------|----------------------------|----------------------|----------------------------|
| \$ 0 | \$ 20,679 | \$ 0 | \$ 450,459 | \$ 0 | \$ 0 | \$ 0 |
| 0 | 0 | 15,620 | 45,451 | 0 | 150,995 | 147,894 |
| 0 | 0 | 0 | 0 | 7,500 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4,284 | 0 | 7 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 23,635 |
| 1,751 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>6,035</u> | <u>20,679</u> | <u>15,627</u> | <u>495,910</u> | <u>7,500</u> | <u>150,995</u> | <u>171,529</u> |
| 0 | 0 | 5,078 | 0 | 0 | 0 | 284,732 |
| 0 | 0 | 0 | 0 | 4,197 | 0 | 0 |
| 5,790 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 34 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>5,790</u> | <u>34</u> | <u>5,078</u> | <u>0</u> | <u>4,197</u> | <u>0</u> | <u>284,732</u> |
| 245 | 20,645 | 10,549 | 495,910 | 3,303 | 150,995 | (113,203) |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 41,365 |
| 0 | 0 | 0 | (540,208) | (3,000) | (147,042) | 0 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>(540,208)</u> | <u>(3,000)</u> | <u>(147,042)</u> | <u>41,365</u> |
| 245 | 20,645 | 10,549 | (44,298) | 303 | 3,953 | (71,838) |
| 98,211 | 0 | 18,648 | 92,720 | 18,537 | 32,954 | 148,707 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>\$ 98,456</u> | <u>\$ 20,645</u> | <u>\$ 29,197</u> | <u>\$ 48,422</u> | <u>\$ 18,840</u> | <u>\$ 36,907</u> | <u>\$ 76,869</u> |

(Continued)

CITY OF NEWARK, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

| | Ohio Incident Based Reporting System | Court Computerization | Ice Arena Renovation | Permissive License Tax | Probation Grant |
|--|---|--------------------------|-------------------------|---------------------------|--------------------|
| Revenues: | | | | | |
| Taxes | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Intergovernmental Revenues | 11,951 | 0 | 0 | 0 | 48,044 |
| Charges for Services | 0 | 0 | 0 | 0 | 0 |
| Licenses, Permits and Fees | 0 | 0 | 0 | 0 | 0 |
| Investment Earnings | 0 | 0 | 0 | 0 | 0 |
| Fines and Forfeitures | 0 | 172,165 | 0 | 0 | 0 |
| All Other Revenue | 0 | 0 | 526,009 | 0 | 0 |
| Total Revenue | 11,951 | 172,165 | 526,009 | 0 | 48,044 |
| Expenditures: | | | | | |
| Current: | | | | | |
| Security of Persons and Property | 16,359 | 0 | 0 | 0 | 57,910 |
| Public Health and Welfare Services | 0 | 0 | 0 | 0 | 0 |
| Leisure Time Activities | 0 | 0 | 209,531 | 0 | 0 |
| Community Environment | 0 | 0 | 0 | 0 | 0 |
| Transportation | 0 | 0 | 0 | 66,965 | 0 |
| General Government | 0 | 138,725 | 0 | 0 | 0 |
| Debt Service: | | | | | |
| Interest and Fiscal Charges | 0 | 0 | 16,679 | 0 | 0 |
| Total Expenditures | 16,359 | 138,725 | 226,210 | 66,965 | 57,910 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (4,408) | 33,440 | 299,799 | (66,965) | (9,866) |
| Other Financing Sources (Uses): | | | | | |
| Sale of Capital Assets | 0 | 0 | 0 | 0 | 0 |
| Transfers In | 0 | 0 | 19,086 | 0 | 13,567 |
| Transfers Out | 0 | 0 | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | 0 | 0 | 19,086 | 0 | 13,567 |
| Net Change in Fund Balance | (4,408) | 33,440 | 318,885 | (66,965) | 3,701 |
| Fund Balance (Deficit) at Beginning of Year | 4,593 | 158,039 | (544,934) | 404,608 | 34,949 |
| Increase in Inventory Reserve | 0 | 0 | 0 | 0 | 0 |
| Fund Balance (Deficit) End of Year | \$ 185 | \$ 191,479 | \$ (226,049) | \$ 337,643 | \$ 38,650 |

CITY OF NEWARK, OHIO

| <u>Impound</u> | <u>Federal Transit Administration</u> | <u>Litter Grant</u> | <u>FEMA</u> | <u>Mary E. Barnes Trust</u> | <u>Brownfield Cleanup</u> | <u>Judicial</u> | <u>Total Nonmajor Special Revenue Funds</u> |
|------------------|---------------------------------------|---------------------|-------------------|-----------------------------|---------------------------|-------------------|---|
| \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 471,138 |
| 0 | 710,629 | 159,963 | 0 | 0 | 0 | 0 | 3,155,450 |
| 87,057 | 369,395 | 0 | 0 | 0 | 0 | 0 | 617,147 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10,456 |
| 0 | 0 | 0 | 0 | 49,511 | 0 | 0 | 98,297 |
| 0 | 0 | 0 | 0 | 0 | 0 | 103,410 | 299,210 |
| 0 | 7,994 | 15,876 | 0 | 0 | 0 | 0 | 602,899 |
| <u>87,057</u> | <u>1,088,018</u> | <u>175,839</u> | <u>0</u> | <u>49,511</u> | <u>0</u> | <u>103,410</u> | <u>5,254,597</u> |
| 98,288 | 0 | 0 | 0 | 1,963 | 0 | 0 | 515,329 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 293,658 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 673,150 |
| 0 | 0 | 161,120 | 0 | 0 | 0 | 0 | 164,955 |
| 0 | 1,150,014 | 0 | 0 | 0 | 0 | 0 | 3,281,101 |
| 0 | 0 | 0 | 13,306 | 0 | 0 | 30,949 | 182,980 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>17,885</u> |
| <u>98,288</u> | <u>1,150,014</u> | <u>161,120</u> | <u>13,306</u> | <u>1,963</u> | <u>0</u> | <u>30,949</u> | <u>5,129,058</u> |
| (11,231) | (61,996) | 14,719 | (13,306) | 47,548 | 0 | 72,461 | 125,539 |
| 54,441 | 0 | 0 | 0 | 0 | 0 | 0 | 54,441 |
| 0 | 0 | 1,553 | 0 | 0 | 0 | 0 | 1,060,142 |
| <u>(73,020)</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>(786,270)</u> |
| <u>(18,579)</u> | <u>0</u> | <u>1,553</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>328,313</u> |
| (29,810) | (61,996) | 16,272 | (13,306) | 47,548 | 0 | 72,461 | 453,852 |
| 87,221 | 523,418 | 30,414 | 122,831 | 125,653 | 10,000 | 202,311 | 2,521,971 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>51,694</u> |
| <u>\$ 57,411</u> | <u>\$ 461,422</u> | <u>\$ 46,686</u> | <u>\$ 109,525</u> | <u>\$ 173,201</u> | <u>\$ 10,000</u> | <u>\$ 274,772</u> | <u>\$ 3,027,517</u> |

CITY OF NEWARK, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2006**

| | City Hall Upgrade | Deo Drive Improvement | Bikeway Upgrade | East Main St. Bridge Replacement |
|---|----------------------|--------------------------|--------------------|--|
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 3,800 | \$ 215,598 | \$ 406 | \$ 50,250 |
| Investments | 0 | 0 | 0 | 344,863 |
| Receivables: | | | | |
| Accounts | 0 | 0 | 0 | 0 |
| Total Assets | <u>\$ 3,800</u> | <u>\$ 215,598</u> | <u>\$ 406</u> | <u>\$ 395,113</u> |
| Liabilities: | | | | |
| Accrued Interest Payable | \$ 0 | \$ 81,328 | \$ 0 | \$ 0 |
| General Obligation Notes Payable | 0 | 1,125,000 | 0 | 0 |
| Total Liabilities | <u>0</u> | <u>1,206,328</u> | <u>0</u> | <u>0</u> |
| Fund Balance: | | | | |
| Reserved for Encumbrances | 0 | 21,620 | 0 | 0 |
| Undesignated/Unreserved | 3,800 | (1,012,350) | 406 | 395,113 |
| Total Fund Balance | <u>3,800</u> | <u>(990,730)</u> | <u>406</u> | <u>395,113</u> |
| Total Liabilities and Fund Balance | <u>\$ 3,800</u> | <u>\$ 215,598</u> | <u>\$ 406</u> | <u>\$ 395,113</u> |

CITY OF NEWARK, OHIO

| Court Capital Improvement | Tax Increment Financing | Total Nonmajor Capital Projects Funds |
|------------------------------|----------------------------|---|
| \$ 263,692 | \$ 189,672 | \$ 723,418 |
| 0 | 0 | 344,863 |
| 2,329 | 0 | 2,329 |
| <u>\$ 266,021</u> | <u>\$ 189,672</u> | <u>\$ 1,070,610</u> |
| \$ 0 | \$ 0 | \$ 81,328 |
| 0 | 0 | 1,125,000 |
| <u>0</u> | <u>0</u> | <u>1,206,328</u> |
| 0 | 38,387 | 60,007 |
| 266,021 | 151,285 | (195,725) |
| <u>266,021</u> | <u>189,672</u> | <u>(135,718)</u> |
| <u>\$ 266,021</u> | <u>\$ 189,672</u> | <u>\$ 1,070,610</u> |

CITY OF NEWARK, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2006**

| | City Hall Upgrade | Deo Drive Improvement | Bikeway Upgrade | East Main St. Bridge Replacement |
|--|----------------------|--------------------------|--------------------|--|
| Revenues: | | | | |
| Taxes | \$ 0 | \$ 109,639 | \$ 0 | \$ 0 |
| Intergovernmental Revenues | 0 | 0 | 50,953 | 0 |
| Fines and Forfeitures | 0 | 0 | 0 | 0 |
| All Other Revenue | 0 | 889 | 0 | 548,044 |
| Total Revenue | 0 | 110,528 | 50,953 | 548,044 |
| Expenditures: | | | | |
| Capital Outlay | 0 | 80,069 | 39,808 | 7,500 |
| Debt Service: | | | | |
| Principal Retirement | 0 | 0 | 0 | 109,000 |
| Interest and Fiscal Charges | 0 | 57,564 | 0 | 61,524 |
| Total Expenditures | 0 | 137,633 | 39,808 | 178,024 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 0 | (27,105) | 11,145 | 370,020 |
| Other Financing Sources (Uses): | | | | |
| General Obligation Bonds Issued | 0 | 0 | 0 | 1,609,000 |
| Refunding Bonds Issued | 0 | 0 | 0 | 0 |
| Discount on Refunding Bonds Issued | 0 | 0 | 0 | 0 |
| Transfers In | 0 | 25,467 | 0 | 57,277 |
| Payment to Refunded Bond Escrow Agent | 0 | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | 0 | 25,467 | 0 | 1,666,277 |
| Net Change in Fund Balance | 0 | (1,638) | 11,145 | 2,036,297 |
| Fund Balance (Deficit) at Beginning of Year | 3,800 | (989,092) | (10,739) | (1,641,184) |
| Fund Balance (Deficit) End of Year | \$ 3,800 | \$ (990,730) | \$ 406 | \$ 395,113 |

CITY OF NEWARK, OHIO

| <u>Court Capital Improvement</u> | <u>Tax Increment Financing</u> | <u>Total Nonmajor Capital Project Funds</u> |
|--------------------------------------|------------------------------------|---|
| \$ 0 | \$ 369,806 | \$ 479,445 |
| 0 | 0 | 50,953 |
| 36,359 | 0 | 36,359 |
| <u>0</u> | <u>0</u> | <u>548,933</u> |
| <u>36,359</u> | <u>369,806</u> | <u>1,115,690</u> |
| 0 | 103,828 | 231,205 |
| 0 | 130,000 | 239,000 |
| <u>0</u> | <u>136,325</u> | <u>255,413</u> |
| <u>0</u> | <u>370,153</u> | <u>725,618</u> |
| 36,359 | (347) | 390,072 |
| 0 | 0 | 1,609,000 |
| 0 | 2,645,000 | 2,645,000 |
| 0 | (23,223) | (23,223) |
| 0 | 0 | 82,744 |
| <u>0</u> | <u>(2,555,973)</u> | <u>(2,555,973)</u> |
| <u>0</u> | <u>65,804</u> | <u>1,757,548</u> |
| 36,359 | 65,457 | 2,147,620 |
| <u>229,662</u> | <u>124,215</u> | <u>(2,283,338)</u> |
| <u>\$ 266,021</u> | <u>\$ 189,672</u> | <u>\$ (135,718)</u> |

CITY OF NEWARK, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2006**

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|--------------|--------------|---|
| Revenues: | | | | |
| Taxes | \$ 2,213,723 | \$ 2,316,681 | \$ 2,350,169 | \$ 33,488 |
| Intergovernmental Revenues | 4,532,607 | 4,743,413 | 4,728,481 | (14,932) |
| Charges for Services | 438,225 | 458,606 | 435,009 | (23,597) |
| Licenses, Permits and Fees | 1,632,266 | 1,708,181 | 1,538,877 | (169,304) |
| Investment Earnings | 382,892 | 400,700 | 635,524 | 234,824 |
| Fines and Forfeitures | 1,375,353 | 1,439,319 | 1,613,965 | 174,646 |
| All Other Revenues | 111,636 | 116,828 | 118,823 | 1,995 |
| Total Revenues | 10,686,702 | 11,183,728 | 11,420,848 | 237,120 |
| Expenditures: | | | | |
| Security of Persons and Property: | | | | |
| Flood Control: | | | | |
| Materials and Supplies | 1,050 | 1,050 | 0 | 1,050 |
| Contractual Services | 11,700 | 11,700 | 9,503 | 2,197 |
| Total Flood Control | 12,750 | 12,750 | 9,503 | 3,247 |
| Police: | | | | |
| Personal Services | 7,945,846 | 7,968,412 | 7,769,489 | 198,923 |
| Materials and Supplies | 217,950 | 242,799 | 212,483 | 30,316 |
| Contractual Services | 615,450 | 627,184 | 549,478 | 77,706 |
| Other Expenditures | 8,000 | 26,503 | 26,503 | 0 |
| Capital Outlay | 4,900 | 6,214 | 3,610 | 2,604 |
| Total Police | 8,792,146 | 8,871,112 | 8,561,563 | 309,549 |
| Fire: | | | | |
| Personal Services | 7,586,204 | 7,588,447 | 7,544,363 | 44,084 |
| Materials and Supplies | 260,939 | 325,332 | 226,947 | 98,385 |
| Contractual Services | 837,350 | 959,506 | 722,713 | 236,793 |
| Other Expenditures | 7,382 | 7,382 | 75 | 7,307 |
| Capital Outlay | 0 | 269,961 | 269,785 | 176 |
| Total Fire | 8,691,875 | 9,150,628 | 8,763,883 | 386,745 |
| Total Security of Persons and Property | 17,496,771 | 18,034,490 | 17,334,949 | 699,541 |

(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, 2006***

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-------------------------------------|--------------------|--------------|---------|---|
| Public Health and Welfare Services: | | | | |
| Health Department: | | | | |
| Personal Services | 307,228 | 401,767 | 391,296 | 10,471 |
| Materials and Supplies | 6,000 | 7,808 | 6,716 | 1,092 |
| Contractual Services | 900 | 45,186 | 34,323 | 10,863 |
| Other Expenditures | 0 | 84,726 | 82,279 | 2,447 |
| Total Health Department | 314,128 | 539,487 | 514,614 | 24,873 |
| Sanitation: | | | | |
| Personal Services | 41,359 | 217,158 | 214,325 | 2,833 |
| Materials and Supplies | 6,500 | 18,181 | 10,929 | 7,252 |
| Contractual Services | 7,720 | 36,851 | 25,294 | 11,557 |
| Other Expenditures | 0 | 13,204 | 12,288 | 916 |
| Total Sanitation | 55,579 | 285,394 | 262,836 | 22,558 |
| Nursing: | | | | |
| Personal Services | 360,517 | 351,117 | 320,356 | 30,761 |
| Materials and Supplies | 1,200 | 135,056 | 72,113 | 62,943 |
| Contractual Services | 4,667 | 34,170 | 22,857 | 11,313 |
| Other Expenditures | 0 | 3,395 | 848 | 2,547 |
| Total Nursing | 366,384 | 523,738 | 416,174 | 107,564 |
| Plumbing: | | | | |
| Personal Services | 15,060 | 78,869 | 71,806 | 7,063 |
| Materials and Supplies | 0 | 691 | 291 | 400 |
| Contractual Services | 100 | 2,365 | 416 | 1,949 |
| Other Expenditures | 0 | 100 | 100 | 0 |
| Total Plumbing | 15,160 | 82,025 | 72,613 | 9,412 |
| Dental Sealant: | | | | |
| Personal Services | 0 | 46,766 | 45,922 | 844 |
| Materials and Supplies | 504 | 7,471 | 4,458 | 3,013 |
| Contractual Services | 0 | 10,507 | 9,766 | 741 |
| Total Dental Sealant | 504 | 64,744 | 60,146 | 4,598 |
| Pool and Spa: | | | | |
| Materials and Supplies | 0 | 436 | 375 | 61 |
| Contractual Services | 500 | 600 | 0 | 600 |
| Other Expenditures | 0 | 1,400 | 1,400 | 0 |
| Total Pool and Spa | 500 | 2,436 | 1,775 | 661 |

(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, 2006***

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------|--------------------|----------------|----------------|---|
| Solid Waste: | | | | |
| Personal Services | 0 | 67,762 | 67,620 | 142 |
| Materials and Supplies | 0 | 1,739 | 1,235 | 504 |
| Contractual Services | 0 | 801 | 0 | 801 |
| Other Expenditures | 2,241 | 2,241 | 2,240 | 1 |
| Total Solid Waste | 2,241 | 72,543 | 71,095 | 1,448 |
| AIDS Grant: | | | | |
| Personal Services | 0 | 68,972 | 68,692 | 280 |
| Materials and Supplies | 0 | 335 | 335 | 0 |
| Contractual Services | 0 | 626 | 165 | 461 |
| Total AIDS Grant | 0 | 69,933 | 69,192 | 741 |
| Miller Dental: | | | | |
| Personal Services | 0 | 13,002 | 7,531 | 5,471 |
| Materials and Supplies | 0 | 6,139 | 5,800 | 339 |
| Contractual Services | 1,500 | 5,235 | 2,929 | 2,306 |
| Total Miller Dental | 1,500 | 24,376 | 16,260 | 8,116 |
| Immunization Plan: | | | | |
| Personal Services | 33,386 | 33,072 | 13,651 | 19,421 |
| Materials and Supplies | 50 | 919 | 555 | 364 |
| Contractual Services | 10,339 | 13,714 | 10,125 | 3,589 |
| Other Expenditures | 590 | 590 | 0 | 590 |
| Capital Outlay | 0 | 2,000 | 2,000 | 0 |
| Total Immunization Plan | 44,365 | 50,295 | 26,331 | 23,964 |
| Head Lice Grant: | | | | |
| Personal Services | 23,809 | 65,501 | 36,527 | 28,974 |
| Materials and Supplies | 1,525 | 7,490 | 3,709 | 3,781 |
| Contractual Services | 1,489 | 5,665 | 3,275 | 2,390 |
| Total Head Lice Grant | 26,823 | 78,656 | 43,511 | 35,145 |
| Help Me Grow Grant: | | | | |
| Personal Services | 0 | 343,537 | 337,969 | 5,568 |
| Materials and Supplies | 0 | 5,453 | 3,923 | 1,530 |
| Contractual Services | 21,680 | 26,363 | 23,457 | 2,906 |
| Other Expenditures | 0 | 20,000 | 17,928 | 2,072 |
| Total Help Me Grow Grant | 21,680 | 395,353 | 383,277 | 12,076 |

(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, 2006**

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|--------------|-----------|---|
| Public Health Infrastructure Grant: | | | | |
| Personal Services | 0 | 194,651 | 182,402 | 12,249 |
| Materials and Supplies | 100 | 14,044 | 10,542 | 3,502 |
| Contractual Services | 6,940 | 86,880 | 82,282 | 4,598 |
| Capital Outlay | 0 | 15,695 | 6,635 | 9,060 |
| Total Public Health Infrastructure Grant | 7,040 | 311,270 | 281,861 | 29,409 |
| Total Public Health and Welfare Services | 855,904 | 2,500,250 | 2,219,685 | 280,565 |
| Community Environment: | | | | |
| Code Administration: | | | | |
| Personal Services | 1,228,610 | 1,242,204 | 1,219,482 | 22,722 |
| Materials and Supplies | 36,800 | 45,142 | 39,548 | 5,594 |
| Contractual Services | 57,928 | 64,287 | 53,464 | 10,823 |
| Other Expenditures | 28,400 | 25,011 | 21,094 | 3,917 |
| Capital Outlay | 5,000 | 5,000 | 4,210 | 790 |
| Total Code Administration | 1,356,738 | 1,381,644 | 1,337,798 | 43,846 |
| Total Community Environment | 1,356,738 | 1,381,644 | 1,337,798 | 43,846 |
| General Government: | | | | |
| City Council: | | | | |
| Personal Services | 119,989 | 104,989 | 101,876 | 3,113 |
| Contractual Services | 750 | 20,750 | 15,365 | 5,385 |
| Total City Council | 120,739 | 125,739 | 117,241 | 8,498 |
| Clerk of Council: | | | | |
| Personal Services | 54,711 | 54,828 | 54,725 | 103 |
| Materials and Supplies | 800 | 2,741 | 1,788 | 953 |
| Contractual Services | 18,675 | 20,839 | 16,053 | 4,786 |
| Total Clerk of Council | 74,186 | 78,408 | 72,566 | 5,842 |
| Mayor: | | | | |
| Personal Services | 148,680 | 148,680 | 148,456 | 224 |
| Materials and Supplies | 700 | 1,595 | 809 | 786 |
| Contractual Services | 6,442 | 5,757 | 2,572 | 3,185 |
| Other Expenditures | 0 | 385 | 385 | 0 |
| Total Mayor | 155,822 | 156,417 | 152,222 | 4,195 |

(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, 2006***

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------|----------------------------|---------------------|------------------|---|
| Auditor: | | | | |
| Personal Services | 436,125 | 436,124 | 434,095 | 2,029 |
| Materials and Supplies | 5,000 | 5,690 | 3,792 | 1,898 |
| Contractual Services | 69,189 | 115,914 | 110,332 | 5,582 |
| Total Auditor | <u>510,314</u> | <u>557,728</u> | <u>548,219</u> | <u>9,509</u> |
| Treasurer: | | | | |
| Personal Services | 100,341 | 100,341 | 99,321 | 1,020 |
| Materials and Supplies | 1,400 | 1,699 | 1,446 | 253 |
| Contractual Services | 14,229 | 14,620 | 14,067 | 553 |
| Total Treasurer | <u>115,970</u> | <u>116,660</u> | <u>114,834</u> | <u>1,826</u> |
| Law Director: | | | | |
| Personal Services | 684,817 | 690,562 | 688,668 | 1,894 |
| Materials and Supplies | 6,500 | 5,204 | 4,322 | 882 |
| Contractual Services | 34,405 | 35,625 | 32,981 | 2,644 |
| Total Law Director | <u>725,722</u> | <u>731,391</u> | <u>725,971</u> | <u>5,420</u> |
| Clerk of Courts: | | | | |
| Personal Services | 1,015,673 | 1,020,748 | 1,013,091 | 7,657 |
| Materials and Supplies | 15,000 | 20,678 | 14,070 | 6,608 |
| Contractual Services | 69,613 | 83,173 | 78,656 | 4,517 |
| Total Clerk of Courts | <u>1,100,286</u> | <u>1,124,599</u> | <u>1,105,817</u> | <u>18,782</u> |
| Civil Service: | | | | |
| Materials and Supplies | 100 | 154 | 54 | 100 |
| Contractual Services | 46,950 | 54,278 | 32,212 | 22,066 |
| Total Civil Service | <u>47,050</u> | <u>54,432</u> | <u>32,266</u> | <u>22,166</u> |
| Contingency-Reserve: | | | | |
| Claims and Judgments | 124,114 | 53,046 | 3,333 | 49,713 |
| Total Contingency-Reserve | <u>124,114</u> | <u>53,046</u> | <u>3,333</u> | <u>49,713</u> |
| Judiciary: | | | | |
| Personal Services | 613,873 | 626,409 | 625,051 | 1,358 |
| Materials and Supplies | 13,800 | 17,813 | 14,418 | 3,395 |
| Contractual Services | 60,250 | 66,376 | 61,064 | 5,312 |
| Total Judiciary | <u>687,923</u> | <u>710,598</u> | <u>700,533</u> | <u>10,065</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, 2006***

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|------------------------------|--------------------|--------------|---------|---|
| Personnel: | | | | |
| Personal Services | 319,712 | 308,597 | 305,899 | 2,698 |
| Materials and Supplies | 1,133 | 3,823 | 3,692 | 131 |
| Contractual Services | 256,540 | 264,581 | 245,559 | 19,022 |
| Other Expenditures | 0 | 20 | 20 | 0 |
| Total Personnel | 577,385 | 577,021 | 555,170 | 21,851 |
| Adult Probation: | | | | |
| Personal Services | 630,107 | 628,524 | 628,063 | 461 |
| Materials and Supplies | 17,231 | 17,619 | 16,833 | 786 |
| Contractual Services | 29,459 | 32,210 | 25,287 | 6,923 |
| Total Adult Probation | 676,797 | 678,353 | 670,183 | 8,170 |
| Night Prosecutor: | | | | |
| Personal Services | 2,276 | 2,276 | 1,864 | 412 |
| Total Night Prosecutor | 2,276 | 2,276 | 1,864 | 412 |
| Service Department: | | | | |
| Personal Services | 222,046 | 217,993 | 217,993 | 0 |
| Materials and Supplies | 4,300 | 7,934 | 5,719 | 2,215 |
| Contractual Services | 595,430 | 645,028 | 638,433 | 6,595 |
| Capital Outlay | 0 | 2,000 | 1,899 | 101 |
| Total Service Department | 821,776 | 872,955 | 864,044 | 8,911 |
| Engineer Department: | | | | |
| Personal Services | 341,622 | 341,455 | 331,535 | 9,920 |
| Materials and Supplies | 7,000 | 7,589 | 6,420 | 1,169 |
| Contractual Services | 40,815 | 49,805 | 45,149 | 4,656 |
| Other Expenditures | 0 | 200 | 100 | 100 |
| Total Engineer Department | 389,437 | 399,049 | 383,204 | 15,845 |
| Information Services: | | | | |
| Personal Services | 166,706 | 169,206 | 166,827 | 2,379 |
| Materials and Supplies | 2,400 | 14,394 | 12,864 | 1,530 |
| Contractual Services | 49,182 | 23,197 | 21,564 | 1,633 |
| Total Information Services | 218,288 | 206,797 | 201,255 | 5,542 |

(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, 2006**

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|--------------|--------------|---|
| Custodial: | | | | |
| Personal Services | 169,003 | 164,800 | 149,019 | 15,781 |
| Materials and Supplies | 62,900 | 77,631 | 47,698 | 29,933 |
| Contractual Services | 191,523 | 206,559 | 153,980 | 52,579 |
| Total Custodial | 423,426 | 448,990 | 350,697 | 98,293 |
| Economic Development: | | | | |
| Personal Services | 38,708 | 38,708 | 36,693 | 2,015 |
| Materials and Supplies | 160 | 492 | 300 | 192 |
| Contractual Services | 2,675 | 6,666 | 2,975 | 3,691 |
| Other Expenditures | 25 | 25 | 0 | 25 |
| Total Economic Development | 41,568 | 45,891 | 39,968 | 5,923 |
| Safety Director: | | | | |
| Personal Services | 236,238 | 236,666 | 234,922 | 1,744 |
| Materials and Supplies | 1,950 | 2,013 | 1,422 | 591 |
| Contractual Services | 6,518 | 21,280 | 6,441 | 14,839 |
| Other Expenditures | 0 | 80 | 80 | 0 |
| Total Safety Director | 244,706 | 260,039 | 242,865 | 17,174 |
| Total General Government | 7,057,785 | 7,200,389 | 6,882,252 | 318,137 |
| Total Expenditures | 26,767,198 | 29,116,773 | 27,774,684 | 1,342,089 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (16,080,496) | (17,933,045) | (16,353,836) | 1,579,209 |
| Other Financing Sources (Uses): | | | | |
| Sale of Capital Assets | 125,000 | 125,000 | 20,349 | (104,651) |
| Transfers In | 37,563,478 | 37,563,478 | 36,270,851 | (1,292,627) |
| Transfers Out | (21,484,965) | (21,520,527) | (20,241,659) | 1,278,868 |
| Advances In | 162,822 | 162,822 | 162,822 | 0 |
| Total Other Financing Sources (Uses) | 16,366,335 | 16,330,773 | 16,212,363 | (118,410) |
| Net Change in Fund Balance | 285,839 | (1,602,272) | (141,473) | 1,460,799 |
| Fund Balance at Beginning of Year | 1,135,185 | 1,135,185 | 1,135,185 | 0 |
| Prior Year Encumbrances | 750,080 | 750,080 | 750,080 | 0 |
| Fund Balance at End of Year | \$ 2,171,104 | \$ 282,993 | \$ 1,743,792 | \$ 1,460,799 |

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, 2006**

| | INCOME TAX FUND | | | Variance with Final Budget Positive (Negative) |
|--|------------------------|---------------------|---------------------|---|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Taxes | \$ 18,925,000 | \$ 19,100,000 | \$ 20,342,504 | \$ 1,242,504 |
| All Other Revenues | 0 | 0 | 507 | 507 |
| Total Revenues | <u>18,925,000</u> | <u>19,100,000</u> | <u>20,343,011</u> | <u>1,243,011</u> |
| Expenditures: | | | | |
| General Government: | | | | |
| Personal Services | 675,796 | 675,772 | 650,728 | 25,044 |
| Materials and Supplies | 37,650 | 56,008 | 47,678 | 8,330 |
| Contractual Services | 106,340 | 187,803 | 91,437 | 96,366 |
| Other Expenditures | 325,000 | 325,000 | 288,463 | 36,537 |
| Capital Outlay | 15,000 | 34,912 | 19,470 | 15,442 |
| Total Expenditures | <u>1,159,786</u> | <u>1,279,495</u> | <u>1,097,776</u> | <u>181,719</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 17,765,214 | 17,820,505 | 19,245,235 | 1,424,730 |
| Other Financing Sources (Uses): | | | | |
| Transfers Out | <u>(18,319,120)</u> | <u>(18,319,120)</u> | <u>(18,319,120)</u> | <u>0</u> |
| Total Other Financing Sources (Uses) | <u>(18,319,120)</u> | <u>(18,319,120)</u> | <u>(18,319,120)</u> | <u>0</u> |
| Net Change in Fund Balance | (553,906) | (498,615) | 926,115 | 1,424,730 |
| Fund Balance at Beginning of Year | 458,906 | 458,906 | 458,906 | 0 |
| Prior Year Encumbrances | 119,710 | 119,710 | 119,710 | 0 |
| Fund Balance at End of Year | <u>\$ 24,710</u> | <u>\$ 80,001</u> | <u>\$ 1,504,731</u> | <u>\$ 1,424,730</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, 2006**

| COMMUNITY DEVELOPMENT FUND | | | | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|-------------------|---|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Intergovernmental Revenues | \$ 3,283,115 | \$ 2,634,695 | \$ 1,408,798 | \$ (1,225,897) |
| Investment Earnings | 7,477 | 6,000 | 11,349 | 5,349 |
| All Other Revenues | 269,408 | 216,200 | 170,801 | (45,399) |
| Total Revenues | <u>3,560,000</u> | <u>2,856,895</u> | <u>1,590,948</u> | <u>(1,265,947)</u> |
| Expenditures: | | | | |
| Community Environment: | | | | |
| Personal Services | 426,780 | 464,637 | 331,939 | 132,698 |
| Materials and Supplies | 4,600 | 54,185 | 49,308 | 4,877 |
| Contractual Services | 956,390 | 3,234,346 | 1,598,194 | 1,636,152 |
| Other Expenditures | 0 | 62,354 | 27,911 | 34,443 |
| Capital Outlay | 1,600 | 11,600 | 10,000 | 1,600 |
| Total Expenditures | <u>1,389,370</u> | <u>3,827,122</u> | <u>2,017,352</u> | <u>1,809,770</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 2,170,630 | (970,227) | (426,404) | 543,823 |
| Other Financing Sources (Uses): | | | | |
| Transfers Out | 0 | (1,553) | (1,553) | 0 |
| Total Other Financing Sources (Uses) | <u>0</u> | <u>(1,553)</u> | <u>(1,553)</u> | <u>0</u> |
| Net Change in Fund Balance | 2,170,630 | (971,780) | (427,957) | 543,823 |
| Fund Balance at Beginning of Year | 125,987 | 125,987 | 125,987 | 0 |
| Prior Year Encumbrances | 470,250 | 470,250 | 470,250 | 0 |
| Fund Balance at End of Year | <u>\$ 2,766,867</u> | <u>\$ (375,543)</u> | <u>\$ 168,280</u> | <u>\$ 543,823</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, 2006***

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------|------------------|---|
| CAPITAL IMPROVEMENT FUND | | | |
| Revenues: | | | |
| Intergovernmental Revenues | \$ 0 | \$ 18,581 | \$ 18,581 |
| Charges for Services | 368,750 | 368,233 | (517) |
| Investment Earnings | 0 | 6,551 | 6,551 |
| All Other Revenues | 2,728 | 57,633 | 54,905 |
| Total Revenues | <u>371,478</u> | <u>450,998</u> | <u>79,520</u> |
| Expenditures: | | | |
| Capital Outlay | 4,296,135 | 4,168,639 | 127,496 |
| Debt Service: | | | |
| Principal Retirement | 91,500 | 91,500 | 0 |
| Interest and Fiscal Charges | 2,974 | 2,974 | 0 |
| Total Expenditures | <u>4,390,609</u> | <u>4,263,113</u> | <u>127,496</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (4,019,131) | (3,812,115) | 207,016 |
| Other Financing Sources (Uses): | | | |
| Other Financing Sources - Capital Lease | 1,244,460 | 119,468 | (1,124,992) |
| General Obligation Notes Issued | 550,000 | 550,000 | 0 |
| Transfers In | 1,800,006 | 1,800,006 | 0 |
| Transfers Out | (686,110) | (101,830) | 584,280 |
| Total Other Financing Sources (Uses) | <u>2,908,356</u> | <u>2,367,644</u> | <u>(540,712)</u> |
| Net Change in Fund Balance | (1,110,775) | (1,444,471) | (333,696) |
| Fund Balance at Beginning of Year | 843,363 | 843,363 | 0 |
| Prior Year Encumbrances | 659,917 | 659,917 | 0 |
| Fund Balance at End of Year | <u>\$ 392,505</u> | <u>\$ 58,809</u> | <u>\$ (333,696)</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, 2006***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|-------------------|---|
| STREET DEPARTMENT FUND | | | |
| Revenues: | | | |
| Intergovernmental Revenues | \$ 1,975,000 | \$ 1,888,545 | \$ (86,455) |
| All Other Revenues | <u>11,500</u> | <u>13,912</u> | <u>2,412</u> |
| Total Revenues | <u>1,986,500</u> | <u>1,902,457</u> | <u>(84,043)</u> |
| Expenditures: | | | |
| Transportation: | | | |
| Personal Services | 1,537,047 | 1,470,107 | 66,940 |
| Materials and Supplies | 494,988 | 418,547 | 76,441 |
| Contractual Services | 597,415 | 555,076 | 42,339 |
| Capital Outlay | <u>1,845</u> | <u>1,845</u> | <u>0</u> |
| Total Expenditures | <u>2,631,295</u> | <u>2,445,575</u> | <u>185,720</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (644,795) | (543,118) | 101,677 |
| Other Financing Sources (Uses): | | | |
| Transfers In | <u>485,513</u> | <u>314,798</u> | <u>(170,715)</u> |
| Total Other Financing Sources (Uses) | <u>485,513</u> | <u>314,798</u> | <u>(170,715)</u> |
| Net Change in Fund Balance | (159,282) | (228,320) | (69,038) |
| Fund Balance at Beginning of Year | 196,816 | 196,816 | 0 |
| Prior Year Encumbrances | <u>159,281</u> | <u>159,281</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 196,815</u> | <u>\$ 127,777</u> | <u>\$ (69,038)</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, 2006***

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------|-------------------|---|
| CEMETERY FUND | | | |
| Revenues: | | | |
| Taxes | \$ 300 | \$ 0 | \$ (300) |
| Charges for Services | 137,475 | 140,369 | 2,894 |
| Investment Earnings | 18,850 | 44,978 | 26,128 |
| All Other Revenues | 11,500 | 9,244 | (2,256) |
| Total Revenues | <u>168,125</u> | <u>194,591</u> | <u>26,466</u> |
| Expenditures: | | | |
| Public Health and Welfare Services: | | | |
| Personal Services | 237,654 | 235,160 | 2,494 |
| Materials and Supplies | 48,942 | 26,339 | 22,603 |
| Contractual Services | 55,463 | 41,292 | 14,171 |
| Other Expenditures | 3,640 | 2,346 | 1,294 |
| Total Expenditures | <u>345,699</u> | <u>305,137</u> | <u>40,562</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (177,574) | (110,546) | 67,028 |
| Other Financing Sources (Uses): | | | |
| Transfers In | 167,164 | 118,566 | (48,598) |
| Transfers Out | (23,000) | (23,000) | 0 |
| Total Other Financing Sources (Uses) | <u>144,164</u> | <u>95,566</u> | <u>(48,598)</u> |
| Net Change in Fund Balance | (33,410) | (14,980) | 18,430 |
| Fund Balance at Beginning of Year | 369,526 | 369,526 | 0 |
| Prior Year Encumbrances | 14,459 | 14,459 | 0 |
| Fund Balance at End of Year | <u>\$ 350,575</u> | <u>\$ 369,005</u> | <u>\$ 18,430</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, 2006**

PARKS AND RECREATION FUND

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------------|---------------------|----------------|---|
| Revenues: | | | |
| Charges for Services | \$ 4,500 | \$ 4,798 | \$ 298 |
| Licenses, Permits and Fees | 12,000 | 10,546 | (1,454) |
| All Other Revenues | 30,722 | 23,116 | (7,606) |
| Total Revenues | <u>47,222</u> | <u>38,460</u> | <u>(8,762)</u> |
| Expenditures: | | | |
| Leisure Time Activities: | | | |
| Parks and Recreation: | | | |
| Personal Services | 393,134 | 386,365 | 6,769 |
| Materials and Supplies | 98,531 | 62,471 | 36,060 |
| Contractual Services | 59,538 | 45,146 | 14,392 |
| Total Parks and Recreation | <u>551,203</u> | <u>493,982</u> | <u>57,221</u> |
| Summer Recreation Program: | | | |
| Materials and Supplies | 1,147 | 8 | 1,139 |
| Contractual Services | 387 | 80 | 307 |
| Total Summer Recreation Program | <u>1,534</u> | <u>88</u> | <u>1,446</u> |
| Youth Services: | | | |
| Materials and Supplies | 70 | 0 | 70 |
| Contractual Services | 5,556 | 5,328 | 228 |
| Total Youth Services | <u>5,626</u> | <u>5,328</u> | <u>298</u> |

(Continued)

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, 2006***

PARKS AND RECREATION FUND

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|----------------|---|
| Ice Skating Rink/Concession Trailer: | | | |
| Materials and Supplies | 870 | 346 | 524 |
| Contractual Services | 1,488 | 761 | 727 |
| Total Ice Skating Rink/Concession Trailer | <u>2,358</u> | <u>1,107</u> | <u>1,251</u> |
| Total Expenditures | <u>560,721</u> | <u>500,505</u> | <u>60,216</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (513,499) | (462,045) | 51,454 |
| Other Financing Sources (Uses): | | | |
| Transfers In | <u>480,756</u> | <u>417,300</u> | <u>(63,456)</u> |
| Total Other Financing Sources (Uses) | <u>480,756</u> | <u>417,300</u> | <u>(63,456)</u> |
| Net Change in Fund Balance | (32,743) | (44,745) | (12,002) |
| Fund Balance at Beginning of Year | 0 | 0 | 0 |
| Prior Year Encumbrances | <u>44,744</u> | <u>44,744</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 12,001</u> | <u>\$ (1)</u> | <u>\$ (12,002)</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, 2006***

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------|-----------|---|
| TRAFFIC CONTROL FUND | | | |
| Revenues: | | | |
| All Other Revenues | \$ 0 | \$ 11,283 | \$ 11,283 |
| Total Revenues | 0 | 11,283 | 11,283 |
| Expenditures: | | | |
| Security of Persons and Property: | | | |
| Personal Services | 50,072 | 49,918 | 154 |
| Materials and Supplies | 4,181 | 2,924 | 1,257 |
| Contractual Services | 5,268 | 2,333 | 2,935 |
| Total Expenditures | 59,521 | 55,175 | 4,346 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (59,521) | (43,892) | 15,629 |
| Other Financing Sources (Uses): | | | |
| Transfers In | 55,169 | 39,433 | (15,736) |
| Total Other Financing Sources (Uses) | 55,169 | 39,433 | (15,736) |
| Net Change in Fund Balance | (4,352) | (4,459) | (107) |
| Fund Balance at Beginning of Year | 1,228 | 1,228 | 0 |
| Prior Year Encumbrances | 3,231 | 3,231 | 0 |
| Fund Balance at End of Year | \$ 107 | \$ 0 | \$ (107) |

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, 2006***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|-----------------|---|
| Revenues: | | | |
| Charges for Services | \$ 11,032 | \$ 8,338 | \$ (2,694) |
| Total Revenues | <u>11,032</u> | <u>8,338</u> | <u>(2,694)</u> |
| Expenditures: | | | |
| Community Environment: | | | |
| Personal Services | 7,870 | 1,045 | 6,825 |
| Contractual Services | <u>15,310</u> | <u>6,497</u> | <u>8,813</u> |
| Total Expenditures | <u>23,180</u> | <u>7,542</u> | <u>15,638</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (12,148) | 796 | 12,944 |
| Other Financing Sources (Uses): | | | |
| Transfers In | <u>9,183</u> | <u>0</u> | <u>(9,183)</u> |
| Total Other Financing Sources (Uses) | <u>9,183</u> | <u>0</u> | <u>(9,183)</u> |
| Net Change in Fund Balance | (2,965) | 796 | 3,761 |
| Fund Balance at Beginning of Year | 0 | 0 | 0 |
| Prior Year Encumbrances | <u>2,965</u> | <u>2,965</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 0</u> | <u>\$ 3,761</u> | <u>\$ 3,761</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, 2006***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|------------------|---|
| Revenues: | | | |
| Investment Earnings | \$ 3,600 | \$ 4,257 | \$ 657 |
| All Other Revenues | <u>3,000</u> | <u>1,751</u> | <u>(1,249)</u> |
| Total Revenues | <u>6,600</u> | <u>6,008</u> | <u>(592)</u> |
| Expenditures: | | | |
| Leisure Time Activities: | | | |
| Contractual Services | <u>8,380</u> | <u>6,764</u> | <u>1,616</u> |
| Total Expenditures | <u>8,380</u> | <u>6,764</u> | <u>1,616</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,780) | (756) | 1,024 |
| Fund Balance at Beginning of Year | 97,037 | 97,037 | 0 |
| Prior Year Encumbrances | <u>830</u> | <u>830</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 96,087</u> | <u>\$ 97,111</u> | <u>\$ 1,024</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, 2006***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|-----------------|---|
| Revenues: | | | |
| Taxes | <u>\$ 40</u> | <u>\$ 8,828</u> | <u>\$ 8,788</u> |
| Total Revenues | <u>40</u> | <u>8,828</u> | <u>8,788</u> |
| Expenditures: | | | |
| Community Environment: | | | |
| Contractual Services | <u>34</u> | <u>34</u> | <u>0</u> |
| Total Expenditures | <u>34</u> | <u>34</u> | <u>0</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 6 | 8,794 | 8,788 |
| Fund Balance at Beginning of Year | <u>0</u> | <u>0</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 6</u> | <u>\$ 8,794</u> | <u>\$ 8,788</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, 2006**

| | POLICE GRANT FUND | | Variance with Final Budget Positive (Negative) |
|--|--------------------------|------------------|---|
| | <u>Final Budget</u> | <u>Actual</u> | |
| Revenues: | | | |
| Intergovernmental Revenues | \$ 113,389 | \$ 43,874 | \$ (69,515) |
| Investment Earnings | <u>0</u> | <u>7</u> | <u>7</u> |
| Total Revenues | <u>113,389</u> | <u>43,881</u> | <u>(69,508)</u> |
| Expenditures: | | | |
| Security of Persons and Property: | | | |
| Personal Services | 44,349 | 10,901 | 33,448 |
| Materials and Supplies | 672 | 527 | 145 |
| Contractual Services | 11,048 | 810 | 10,238 |
| Capital Outlay | <u>60</u> | <u>51</u> | <u>9</u> |
| Total Expenditures | <u>56,129</u> | <u>12,289</u> | <u>43,840</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 57,260 | 31,592 | (25,668) |
| Other Financing Sources (Uses): | | | |
| Transfers In | 15,185 | 0 | (15,185) |
| Advances Out | <u>(2,446)</u> | <u>(2,446)</u> | <u>0</u> |
| Total Other Financing Sources (Uses) | <u>12,739</u> | <u>(2,446)</u> | <u>(15,185)</u> |
| Net Change in Fund Balance | 69,999 | 29,146 | (40,853) |
| Fund Balance at Beginning of Year | (8,335) | (8,335) | 0 |
| Prior Year Encumbrances | <u>8,335</u> | <u>8,335</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 69,999</u> | <u>\$ 29,146</u> | <u>\$ (40,853)</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, 2006***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|------------------|---|
| Revenues: | | | |
| Taxes | \$ 497,049 | \$ 450,459 | \$ (46,590) |
| Intergovernmental Revenues | <u>0</u> | <u>45,451</u> | <u>45,451</u> |
| Total Revenues | <u>497,049</u> | <u>495,910</u> | <u>(1,139)</u> |
| Expenditures: | | | |
| Total Expenditures | <u>0</u> | <u>0</u> | <u>0</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 497,049 | 495,910 | (1,139) |
| Other Financing Sources (Uses): | | | |
| Transfers Out | <u>(540,208)</u> | <u>(540,208)</u> | <u>0</u> |
| Total Other Financing Sources (Uses) | <u>(540,208)</u> | <u>(540,208)</u> | <u>0</u> |
| Net Change in Fund Balance | (43,159) | (44,298) | (1,139) |
| Fund Balance at Beginning of Year | <u>92,720</u> | <u>92,720</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 49,561</u> | <u>\$ 48,422</u> | <u>\$ (1,139)</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, 2006**

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|------------------|---|
| Revenues: | | | |
| Charges for Services | \$ 7,200 | \$ 7,500 | \$ 300 |
| Total Revenues | <u>7,200</u> | <u>7,500</u> | <u>300</u> |
| Expenditures: | | | |
| Public Health and Welfare Services: | | | |
| Contractual Services | <u>4,200</u> | <u>4,197</u> | <u>3</u> |
| Total Expenditures | <u>4,200</u> | <u>4,197</u> | <u>3</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 3,000 | 3,303 | 303 |
| Other Financing Sources (Uses): | | | |
| Transfers Out | <u>(3,000)</u> | <u>(3,000)</u> | <u>0</u> |
| Total Other Financing Sources (Uses) | <u>(3,000)</u> | <u>(3,000)</u> | <u>0</u> |
| Net Change in Fund Balance | 0 | 303 | 303 |
| Fund Balance at Beginning of Year | <u>18,537</u> | <u>18,537</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 18,537</u> | <u>\$ 18,840</u> | <u>\$ 303</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, 2006***

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|------------------|---|
| STATE HIGHWAY FUND | | | |
| Revenues: | | | |
| Intergovernmental Revenues | \$ 150,000 | \$ 153,125 | \$ 3,125 |
| Total Revenues | <u>150,000</u> | <u>153,125</u> | <u>3,125</u> |
| Expenditures: | | | |
| Total Expenditures | <u>0</u> | <u>0</u> | <u>0</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 150,000 | 153,125 | 3,125 |
| Other Financing Sources (Uses): | | | |
| Transfers Out | <u>(150,000)</u> | <u>(147,042)</u> | <u>2,958</u> |
| Total Other Financing Sources (Uses) | <u>(150,000)</u> | <u>(147,042)</u> | <u>2,958</u> |
| Net Change in Fund Balance | 0 | 6,083 | 6,083 |
| Fund Balance at Beginning of Year | <u>5,909</u> | <u>5,909</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 5,909</u> | <u>\$ 11,992</u> | <u>\$ 6,083</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, 2006***

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------|------------|---|
| LAW ENFORCEMENT FUND | | | |
| Revenues: | | | |
| Intergovernmental Revenues | \$ 141,592 | \$ 122,920 | \$ (18,672) |
| Fines and Forfeitures | 18,000 | 23,113 | 5,113 |
| Total Revenues | 159,592 | 146,033 | (13,559) |
| Expenditures: | | | |
| Security of Persons and Property: | | | |
| Personal Services | 108,957 | 108,954 | 3 |
| Materials and Supplies | 188 | 0 | 188 |
| Contractual Services | 163,955 | 138,408 | 25,547 |
| Capital Outlay | 51,004 | 50,868 | 136 |
| Total Expenditures | 324,104 | 298,230 | 25,874 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (164,512) | (152,197) | 12,315 |
| Other Financing Sources (Uses): | | | |
| Transfers In | 41,370 | 41,365 | (5) |
| Total Other Financing Sources (Uses) | 41,370 | 41,365 | (5) |
| Net Change in Fund Balance | (123,142) | (110,832) | 12,310 |
| Fund Balance at Beginning of Year | 140,406 | 140,406 | 0 |
| Prior Year Encumbrances | 13,223 | 13,223 | 0 |
| Fund Balance at End of Year | \$ 30,487 | \$ 42,797 | \$ 12,310 |

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, 2006***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|------------------|---|
| Revenues: | | | |
| Intergovernmental Revenues | <u>\$ 105,000</u> | <u>\$ 48,589</u> | <u>\$ (56,411)</u> |
| Total Revenues | <u>105,000</u> | <u>48,589</u> | <u>(56,411)</u> |
| Expenditures: | | | |
| Security of Persons and Property: | | | |
| Contractual Services | 7,867 | 7,500 | 367 |
| Capital Outlay | <u>38,475</u> | <u>38,104</u> | <u>371</u> |
| Total Expenditures | <u>46,342</u> | <u>45,604</u> | <u>738</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 58,658 | 2,985 | (55,673) |
| Other Financing Sources (Uses): | | | |
| Advances Out | <u>(2,800)</u> | <u>(2,800)</u> | <u>0</u> |
| Total Other Financing Sources (Uses) | <u>(2,800)</u> | <u>(2,800)</u> | <u>0</u> |
| Net Change in Fund Balance | 55,858 | 185 | (55,673) |
| Fund Balance at Beginning of Year | <u>0</u> | <u>0</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 55,858</u> | <u>\$ 185</u> | <u>\$ (55,673)</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, 2006***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|-------------------|---|
| Revenues: | | | |
| Fines and Forfeitures | \$ 49,300 | \$ 164,526 | \$ 115,226 |
| Total Revenues | <u>49,300</u> | <u>164,526</u> | <u>115,226</u> |
| Expenditures: | | | |
| General Government: | | | |
| Personal Services | 35,750 | 30,896 | 4,854 |
| Materials and Supplies | 6,778 | 6,487 | 291 |
| Contractual Services | 88,010 | 80,439 | 7,571 |
| Capital Outlay | <u>30,161</u> | <u>26,077</u> | <u>4,084</u> |
| Total Expenditures | <u>160,699</u> | <u>143,899</u> | <u>16,800</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (111,399) | 20,627 | 132,026 |
| Fund Balance at Beginning of Year | 145,519 | 145,519 | 0 |
| Prior Year Encumbrances | <u>8,905</u> | <u>8,905</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 43,025</u> | <u>\$ 175,051</u> | <u>\$ 132,026</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, 2006**

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|------------------|---|
| Revenues: | | | |
| All Other Revenues | \$ 550,000 | \$ 526,009 | \$ (23,991) |
| Total Revenues | <u>550,000</u> | <u>526,009</u> | <u>(23,991)</u> |
| Expenditures: | | | |
| Leisure Time Activities: | | | |
| Materials and Supplies | 13,412 | 13,412 | 0 |
| Contractual Services | 787,976 | 459,146 | 328,830 |
| Capital Outlay | 3,496 | 65 | 3,431 |
| Debt Service: | | | |
| Principal Retirement | 550,000 | 550,000 | 0 |
| Interest and Fiscal Charges | <u>19,240</u> | <u>18,758</u> | <u>482</u> |
| Total Expenditures | <u>1,374,124</u> | <u>1,041,381</u> | <u>332,743</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (824,124) | (515,372) | 308,752 |
| Other Financing Sources (Uses): | | | |
| General Obligation Notes Issued | 550,000 | 224,000 | (326,000) |
| Transfers In | <u>20,350</u> | <u>19,086</u> | <u>(1,264)</u> |
| Total Other Financing Sources (Uses) | <u>570,350</u> | <u>243,086</u> | <u>(327,264)</u> |
| Net Change in Fund Balance | (253,774) | (272,286) | (18,512) |
| Fund Balance at Beginning of Year | <u>272,286</u> | <u>272,286</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 18,512</u> | <u>\$ 0</u> | <u>\$ (18,512)</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, 2006**

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|-----------------|---|
| Revenues: | | | |
| Intergovernmental Revenues | \$ 400,000 | \$ 0 | \$ (400,000) |
| Total Revenues | <u>400,000</u> | <u>0</u> | <u>(400,000)</u> |
| Expenditures: | | | |
| Transportation: | | | |
| Contractual Services | <u>435,181</u> | <u>434,333</u> | <u>848</u> |
| Total Expenditures | <u>435,181</u> | <u>434,333</u> | <u>848</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (35,181) | (434,333) | (399,152) |
| Fund Balance at Beginning of Year | 8,826 | 8,826 | 0 |
| Prior Year Encumbrances | <u>435,181</u> | <u>435,181</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 408,826</u> | <u>\$ 9,674</u> | <u>\$ (399,152)</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, 2006***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|------------------|---|
| PROBATION GRANT FUND | | | |
| Revenues: | | | |
| Intergovernmental Revenues | <u>\$ 65,692</u> | <u>\$ 53,905</u> | <u>\$ (11,787)</u> |
| Total Revenues | <u>65,692</u> | <u>53,905</u> | <u>(11,787)</u> |
| Expenditures: | | | |
| Security of Persons and Property: | | | |
| Personal Services | 51,219 | 50,402 | 817 |
| Materials and Supplies | 3,431 | 3,131 | 300 |
| Contractual Services | 3,345 | 220 | 3,125 |
| Other Expenditures | <u>5,128</u> | <u>5,128</u> | <u>0</u> |
| Total Expenditures | <u>63,123</u> | <u>58,881</u> | <u>4,242</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 2,569 | (4,976) | (7,545) |
| Other Financing Sources (Uses): | | | |
| Transfers In | <u>7,003</u> | <u>13,567</u> | <u>6,564</u> |
| Total Other Financing Sources (Uses) | <u>7,003</u> | <u>13,567</u> | <u>6,564</u> |
| Net Change in Fund Balance | 9,572 | 8,591 | (981) |
| Fund Balance at Beginning of Year | 17,778 | 17,778 | 0 |
| Prior Year Encumbrances | <u>3,300</u> | <u>3,300</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 30,650</u> | <u>\$ 29,669</u> | <u>\$ (981)</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, 2006**

| | IMPOUND FUND | | Variance with Final Budget Positive (Negative) |
|--|---------------------|------------------|---|
| | <u>Final Budget</u> | <u>Actual</u> | |
| Revenues: | | | |
| Charges for Services | \$ 80,000 | \$ 86,303 | \$ 6,303 |
| Total Revenues | <u>80,000</u> | <u>86,303</u> | <u>6,303</u> |
| Expenditures: | | | |
| Security of Persons and Property: | | | |
| Personal Services | 36,794 | 36,794 | 0 |
| Materials and Supplies | 2,770 | 900 | 1,870 |
| Contractual Services | 116,276 | 89,085 | 27,191 |
| Other Expenditures | 60 | 60 | 0 |
| Total Expenditures | <u>155,900</u> | <u>126,839</u> | <u>29,061</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (75,900) | (40,536) | 35,364 |
| Other Financing Sources (Uses): | | | |
| Sale of Capital Assets | 80,000 | 54,441 | (25,559) |
| Transfers Out | <u>(73,020)</u> | <u>(73,020)</u> | <u>0</u> |
| Total Other Financing Sources (Uses) | <u>6,980</u> | <u>(18,579)</u> | <u>(25,559)</u> |
| Net Change in Fund Balance | (68,920) | (59,115) | 9,805 |
| Fund Balance at Beginning of Year | 61,441 | 61,441 | 0 |
| Prior Year Encumbrances | 28,213 | 28,213 | 0 |
| Fund Balance at End of Year | <u>\$ 20,734</u> | <u>\$ 30,539</u> | <u>\$ 9,805</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, 2006***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|-------------------|---|
| Revenues: | | | |
| Intergovernmental Revenues | \$ 2,473,519 | \$ 1,131,412 | \$ (1,342,107) |
| Charges for Services | 346,800 | 364,118 | 17,318 |
| All Other Revenues | 1,000 | 7,994 | 6,994 |
| Total Revenues | <u>2,821,319</u> | <u>1,503,524</u> | <u>(1,317,795)</u> |
| Expenditures: | | | |
| Transportation: | | | |
| Personal Services | 75,363 | 67,497 | 7,866 |
| Materials and Supplies | 59,890 | 53,427 | 6,463 |
| Contractual Services | 1,342,838 | 1,157,892 | 184,946 |
| Other Expenditures | 4,000 | 462 | 3,538 |
| Capital Outlay | 235,500 | 199,790 | 35,710 |
| Total Expenditures | <u>1,717,591</u> | <u>1,479,068</u> | <u>238,523</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 1,103,728 | 24,456 | (1,079,272) |
| Fund Balance at Beginning of Year | 104,379 | 104,379 | 0 |
| Prior Year Encumbrances | 47,448 | 47,448 | 0 |
| Fund Balance at End of Year | <u>\$ 1,255,555</u> | <u>\$ 176,283</u> | <u>\$ (1,079,272)</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, 2006**

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------|------------|---|
| LITTER GRANT FUND | | | |
| Revenues: | | | |
| Intergovernmental Revenues | \$ 167,407 | \$ 167,407 | \$ 0 |
| All Other Revenues | 14,720 | 15,876 | 1,156 |
| Total Revenues | 182,127 | 183,283 | 1,156 |
| Expenditures: | | | |
| Community Environment: | | | |
| Personal Services | 121,459 | 120,137 | 1,322 |
| Materials and Supplies | 31,158 | 28,862 | 2,296 |
| Contractual Services | 26,520 | 26,162 | 358 |
| Total Expenditures | 179,137 | 175,161 | 3,976 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 2,990 | 8,122 | 5,132 |
| Other Financing Sources (Uses): | | | |
| Transfers In | 1,553 | 1,553 | 0 |
| Total Other Financing Sources (Uses) | 1,553 | 1,553 | 0 |
| Net Change in Fund Balance | 4,543 | 9,675 | 5,132 |
| Fund Balance at Beginning of Year | 11,078 | 11,078 | 0 |
| Prior Year Encumbrances | 13,898 | 13,898 | 0 |
| Fund Balance at End of Year | \$ 29,519 | \$ 34,651 | \$ 5,132 |

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, 2006**

| | FEMA FUND | | Variance with Final Budget Positive (Negative) |
|--|---------------------|------------------|---|
| | <u>Final Budget</u> | <u>Actual</u> | <u></u> |
| Revenues: | | | |
| Total Revenues | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| Expenditures: | | | |
| General Government: | | | |
| Materials and Supplies | 32,563 | 23,859 | 8,704 |
| Contractual Services | <u>84,974</u> | <u>44,408</u> | <u>40,566</u> |
| Total Expenditures | <u>117,537</u> | <u>68,267</u> | <u>49,270</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (117,537) | (68,267) | 49,270 |
| Fund Balance at Beginning of Year | 65,781 | 65,781 | 0 |
| Prior Year Encumbrances | <u>77,442</u> | <u>77,442</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 25,686</u> | <u>\$ 74,956</u> | <u>\$ 49,270</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, 2006***

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|---------------------|---------------|---|
| Revenues: | | | |
| Total Revenues | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| Expenditures: | | | |
| Public Health and Welfare Services: | | | |
| Contractual Services | <u>19,624</u> | <u>19,624</u> | <u>0</u> |
| Total Expenditures | <u>19,624</u> | <u>19,624</u> | <u>0</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (19,624) | (19,624) | 0 |
| Fund Balance at Beginning of Year | 0 | 0 | 0 |
| Prior Year Encumbrances | <u>19,624</u> | <u>19,624</u> | <u>0</u> |
| 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, 2006**

| | JUDICIAL FUND | | Variance with Final Budget Positive (Negative) |
|--|----------------------|-------------------|---|
| | <u>Final Budget</u> | <u>Actual</u> | |
| Revenues: | | | |
| Fines and Forfeitures | \$ 75,500 | \$ 103,773 | \$ 28,273 |
| Total Revenues | <u>75,500</u> | <u>103,773</u> | <u>28,273</u> |
| Expenditures: | | | |
| General Government: | | | |
| Contractual Services | 1,930 | 1,930 | 0 |
| Capital Outlay | <u>98,070</u> | <u>98,070</u> | <u>0</u> |
| Total Expenditures | <u>100,000</u> | <u>100,000</u> | <u>0</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (24,500) | 3,773 | 28,273 |
| Fund Balance at Beginning of Year | <u>195,137</u> | <u>195,137</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 170,637</u> | <u>\$ 198,910</u> | <u>\$ 28,273</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, 2006**

| | DEBT SERVICE FUND | | Variance with Final Budget Positive (Negative) |
|--|--------------------------|-------------------|---|
| | <u>Final Budget</u> | <u>Actual</u> | |
| Revenues: | | | |
| Special Assessments | \$ 500,000 | \$ 25,230 | \$ (474,770) |
| All Other Revenues | 1,750 | 1,750 | 0 |
| Total Revenues | <u>501,750</u> | <u>26,980</u> | <u>(474,770)</u> |
| Expenditures: | | | |
| General Government: | | | |
| Contractual Services | 1,200 | 0 | 1,200 |
| Debt Service: | | | |
| Principal Retirement | 1,612,129 | 1,612,128 | 1 |
| Interest and Fiscal Charges | 515,119 | 500,524 | 14,595 |
| Total Expenditures | <u>2,128,448</u> | <u>2,112,652</u> | <u>15,796</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,626,698) | (2,085,672) | (458,974) |
| Other Financing Sources (Uses): | | | |
| General Obligation Notes Issued | 1,302,000 | 1,302,000 | 0 |
| Transfers In | 775,743 | 775,743 | 0 |
| Total Other Financing Sources (Uses) | <u>2,077,743</u> | <u>2,077,743</u> | <u>0</u> |
| Net Change in Fund Balance | 451,045 | (7,929) | (458,974) |
| Fund Balance at Beginning of Year | 141,623 | 141,623 | 0 |
| Prior Year Encumbrances | 3,999 | 3,999 | 0 |
| Fund Balance at End of Year | <u>\$ 596,667</u> | <u>\$ 137,693</u> | <u>\$ (458,974)</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, 2006***

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

CITY OF NEWARK, OHIO

**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, 2006**

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------|-------------|---|
| Revenues: | | | |
| Taxes | \$ 90,000 | \$ 109,639 | \$ 19,639 |
| All Other Revenues | 0 | 889 | 889 |
| Total Revenues | 90,000 | 110,528 | 20,528 |
| Expenditures: | | | |
| Capital Outlay | 130,877 | 101,690 | 29,187 |
| Debt Service: | | | |
| Principal Retirement | 1,125,000 | 1,125,000 | 0 |
| Interest and Fiscal Charges | 31,938 | 25,467 | 6,471 |
| Total Expenditures | 1,287,815 | 1,252,157 | 35,658 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,197,815) | (1,141,629) | 56,186 |
| Other Financing Sources (Uses): | | | |
| General Obligation Notes Issued | 1,125,000 | 1,125,000 | 0 |
| Transfers In | 31,938 | 25,467 | (6,471) |
| Total Other Financing Sources (Uses) | 1,156,938 | 1,150,467 | (6,471) |
| Net Change in Fund Balance | (40,877) | 8,838 | 49,715 |
| Fund Balance at Beginning of Year | 129,262 | 129,262 | 0 |
| Prior Year Encumbrances | 55,877 | 55,877 | 0 |
| Fund Balance at End of Year | \$ 144,262 | \$ 193,977 | \$ 49,715 |

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, 2006***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|------------------|---|
| Revenues: | | | |
| Intergovernmental Revenues | \$ 214,308 | \$ 213,714 | \$ (594) |
| Total Revenues | <u>214,308</u> | <u>213,714</u> | <u>(594)</u> |
| Expenditures: | | | |
| Capital Outlay | <u>55,732</u> | <u>55,732</u> | <u>0</u> |
| Total Expenditures | <u>55,732</u> | <u>55,732</u> | <u>0</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 158,576 | 157,982 | (594) |
| Other Financing Sources (Uses): | | | |
| Advances Out | <u>(157,576)</u> | <u>(157,576)</u> | <u>0</u> |
| Total Other Financing Sources (Uses) | <u>(157,576)</u> | <u>(157,576)</u> | <u>0</u> |
| Net Change in Fund Balance | 1,000 | 406 | (594) |
| Fund Balance at Beginning of Year | (55,732) | (55,732) | 0 |
| Prior Year Encumbrances | <u>55,732</u> | <u>55,732</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 1,000</u> | <u>\$ 406</u> | <u>\$ (594)</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, 2006**

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|-------------------|---|
| Revenues: | | | |
| All Other Revenues | \$ 151,000 | \$ 548,044 | \$ 397,044 |
| Total Revenues | <u>151,000</u> | <u>548,044</u> | <u>397,044</u> |
| Expenditures: | | | |
| Capital Outlay | 7,500 | 7,500 | 0 |
| Debt Service: | | | |
| Principal Retirement | 1,868,000 | 1,868,000 | 0 |
| Interest and Fiscal Charges | <u>94,148</u> | <u>94,148</u> | <u>0</u> |
| Total Expenditures | <u>1,969,648</u> | <u>1,969,648</u> | <u>0</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,818,648) | (1,421,604) | 397,044 |
| Other Financing Sources (Uses): | | | |
| General Obligation Bonds Issued | 1,759,000 | 1,609,000 | (150,000) |
| Transfers In | <u>58,288</u> | <u>57,277</u> | <u>(1,011)</u> |
| Total Other Financing Sources (Uses) | <u>1,817,288</u> | <u>1,666,277</u> | <u>(151,011)</u> |
| Net Change in Fund Balance | (1,360) | 244,673 | 246,033 |
| Fund Balance at Beginning of Year | <u>150,440</u> | <u>150,440</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 149,080</u> | <u>\$ 395,113</u> | <u>\$ 246,033</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, 2006***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|-------------------|---|
| Revenues: | | | |
| Fines and Forfeitures | <u>\$ 24,500</u> | <u>\$ 36,459</u> | <u>\$ 11,959</u> |
| Total Revenues | <u>24,500</u> | <u>36,459</u> | <u>11,959</u> |
| Expenditures: | | | |
| Capital Outlay | <u>100,000</u> | <u>0</u> | <u>100,000</u> |
| Total Expenditures | <u>100,000</u> | <u>0</u> | <u>100,000</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (75,500) | 36,459 | 111,959 |
| Fund Balance at Beginning of Year | <u>227,233</u> | <u>227,233</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 151,733</u> | <u>\$ 263,692</u> | <u>\$ 111,959</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, 2006***

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|---------------------|-------------------|---|
| Revenues: | | | |
| Taxes | <u>\$ 375,000</u> | <u>\$ 369,806</u> | <u>\$ (5,194)</u> |
| Total Revenues | <u>375,000</u> | <u>369,806</u> | <u>(5,194)</u> |
| Expenditures: | | | |
| Capital Outlay | 163,388 | 142,215 | 21,173 |
| Debt Service: | | | |
| Principal Retirement | 130,000 | 130,000 | 0 |
| Interest and Fiscal Charges | <u>129,893</u> | <u>70,521</u> | <u>59,372</u> |
| Total Expenditures | <u>423,281</u> | <u>342,736</u> | <u>80,545</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (48,281) | 27,070 | 75,351 |
| Fund Balance at Beginning of Year | 85,828 | 85,828 | 0 |
| Prior Year Encumbrances | <u>38,387</u> | <u>38,387</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 75,934</u> | <u>\$ 151,285</u> | <u>\$ 75,351</u> |

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Permanent Fund
For the Year Ended December 31, 2006***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|-------------------|---|
| Revenues: | | | |
| Charges for Services | <u>\$ 10,000</u> | <u>\$ 7,444</u> | <u>\$ (2,556)</u> |
| Total Revenues | <u>10,000</u> | <u>7,444</u> | <u>(2,556)</u> |
| Expenditures: | | | |
| Total Expenditures | <u>0</u> | <u>0</u> | <u>0</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 10,000 | 7,444 | (2,556) |
| Fund Balance at Beginning of Year | <u>596,719</u> | <u>596,719</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 606,719</u> | <u>\$ 604,163</u> | <u>\$ (2,556)</u> |

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.

CITY OF NEWARK, OHIO

**Combining Statement of Net Assets
Internal Service Funds
December 31, 2006**

| | <u>Insurance</u> | <u>Workers' Compensation</u> | <u>Total</u> |
|----------------------------|---------------------|----------------------------------|---------------------|
| ASSETS: | | | |
| Current assets: | | | |
| Cash and Cash Equivalents | \$ 1,202,999 | \$ 1,362,406 | \$ 2,565,405 |
| Receivables: | | | |
| Interest | <u>1,613</u> | <u>0</u> | <u>1,613</u> |
| Total current assets | <u>1,204,612</u> | <u>1,362,406</u> | <u>2,567,018</u> |
| Total assets | <u>1,204,612</u> | <u>1,362,406</u> | <u>2,567,018</u> |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts Payable | 332 | 0 | 332 |
| Accrued Wages and Benefits | <u>0</u> | <u>308,336</u> | <u>308,336</u> |
| Total Current Liabilities | <u>332</u> | <u>308,336</u> | <u>308,668</u> |
| Total Liabilities | <u>332</u> | <u>308,336</u> | <u>308,668</u> |
| NET ASSETS | | | |
| Unrestricted | <u>1,204,280</u> | <u>1,054,070</u> | <u>2,258,350</u> |
| Total Net Assets | <u>\$ 1,204,280</u> | <u>\$ 1,054,070</u> | <u>\$ 2,258,350</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, 2006**

| | Insurance | Workers' Compensation | Total |
|---|---------------------|--------------------------|---------------------|
| Operating Revenues: | | | |
| Charges for Services | \$ 5,322,390 | \$ 648,064 | \$ 5,970,454 |
| Other Operating Revenue | 1,685 | 376,992 | 378,677 |
| Total Operating Revenues | <u>5,324,075</u> | <u>1,025,056</u> | <u>6,349,131</u> |
| Operating Expenses: | | | |
| Personal Services | 4,936,963 | 280,475 | 5,217,438 |
| Contractual Services | 0 | 9,541 | 9,541 |
| Total Operating Expenses | <u>4,936,963</u> | <u>290,016</u> | <u>5,226,979</u> |
| Operating Income | 387,112 | 735,040 | 1,122,152 |
| Nonoperating Revenue (Expenses): | | | |
| Investment Earnings | 20,811 | 0 | 20,811 |
| Total Nonoperating Revenues (Expenses) | <u>20,811</u> | <u>0</u> | <u>20,811</u> |
| Income Before Transfers | 407,923 | 735,040 | 1,142,963 |
| Transfers: | | | |
| Transfers In | 50,000 | 0 | 50,000 |
| Transfers Out | 0 | (230,000) | (230,000) |
| Total Transfers | <u>50,000</u> | <u>(230,000)</u> | <u>(180,000)</u> |
| Change in Net Assets | 457,923 | 505,040 | 962,963 |
| Net Assets Beginning of Year | 746,357 | 549,030 | 1,295,387 |
| Net Assets End of Year | <u>\$ 1,204,280</u> | <u>\$ 1,054,070</u> | <u>\$ 2,258,350</u> |

CITY OF NEWARK, OHIO

***Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2006***

| | <u>Insurance</u> | <u>Workers' Compensation</u> | <u>Totals</u> |
|---|--------------------|----------------------------------|--------------------|
| <u>Cash Flows from Operating Activities:</u> | | | |
| Cash Received from Customers | \$5,324,075 | \$1,025,056 | \$6,349,131 |
| Cash Payments for Goods and Services | (4,946,788) | (599,377) | (5,546,165) |
| Net Cash Provided by Operating Activities | <u>377,287</u> | <u>425,679</u> | <u>802,966</u> |
| <u>Cash Flows from Noncapital Financing Activities:</u> | | | |
| Transfers In from Other Funds | 50,000 | 0 | 50,000 |
| Transfers Out to Other Funds | 0 | (230,000) | (230,000) |
| Net Cash Provided (Used) by Noncapital Financing Activities | <u>50,000</u> | <u>(230,000)</u> | <u>(180,000)</u> |
| <u>Cash Flows from Investing Activities:</u> | | | |
| Receipts of Interest | 21,453 | 0 | 21,453 |
| Net Cash Provided by Investing Activities | <u>21,453</u> | <u>0</u> | <u>21,453</u> |
| Net Increase in Cash and Cash Equivalents | 448,740 | 195,679 | 644,419 |
| Cash and Cash Equivalents at Beginning of Year | 754,259 | 1,166,727 | 1,920,986 |
| Cash and Cash Equivalents at End of Year | <u>\$1,202,999</u> | <u>\$1,362,406</u> | <u>\$2,565,405</u> |
| <u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</u> | | | |
| Operating Income | \$387,112 | \$735,040 | \$1,122,152 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities | | | |
| Changes in Assets and Liabilities: | | | |
| Decrease in Accounts Payable | (9,825) | 0 | (9,825) |
| Decrease in Accrued Wages and Benefits | 0 | (309,361) | (309,361) |
| Total Adjustments | <u>(9,825)</u> | <u>(309,361)</u> | <u>(319,186)</u> |
| Net Cash Provided by Operating Activities | <u>\$377,287</u> | <u>\$425,679</u> | <u>\$802,966</u> |

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.

CITY OF NEWARK, OHIO

**Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2006**

| | Balance December 31, 2005 | Additions | Deductions | Balance December 31, 2006 |
|---|---------------------------------|--------------------|----------------------|---------------------------------|
| <u>Municipal Court Fund</u> | | | | |
| Restricted Assets: | | | | |
| Cash and Cash Equivalents | \$414,710 | \$5,091,198 | (\$4,918,011) | \$587,897 |
| Total Assets | <u>\$414,710</u> | <u>\$5,091,198</u> | <u>(\$4,918,011)</u> | <u>\$587,897</u> |
| Liabilities: | | | | |
| Intergovernmental Payable | \$162,068 | \$2,932,233 | (\$2,913,268) | \$181,033 |
| Due to Others | 252,642 | 2,158,965 | (2,004,743) | 406,864 |
| Total Liabilities | <u>\$414,710</u> | <u>\$5,091,198</u> | <u>(\$4,918,011)</u> | <u>\$587,897</u> |
| <u>Fire Code Fund</u> | | | | |
| Restricted Assets: | | | | |
| Cash and Cash Equivalents | \$46,724 | \$36,173 | (\$56,207) | \$26,690 |
| Total Assets | <u>\$46,724</u> | <u>\$36,173</u> | <u>(\$56,207)</u> | <u>\$26,690</u> |
| Liabilities: | | | | |
| Due to Others | \$46,724 | \$36,173 | (\$56,207) | \$26,690 |
| Total Liabilities | <u>\$46,724</u> | <u>\$36,173</u> | <u>(\$56,207)</u> | <u>\$26,690</u> |
| <u>Law Library Fund</u> | | | | |
| Restricted Assets: | | | | |
| Cash and Cash Equivalents | \$5,606 | \$59,003 | (\$59,003) | \$5,606 |
| Total Assets | <u>\$5,606</u> | <u>\$59,003</u> | <u>(\$59,003)</u> | <u>\$5,606</u> |
| Liabilities: | | | | |
| Due to Others | \$5,606 | \$59,003 | (\$59,003) | \$5,606 |
| Total Liabilities | <u>\$5,606</u> | <u>\$59,003</u> | <u>(\$59,003)</u> | <u>\$5,606</u> |
| <u>Totals - All Agency Funds</u> | | | | |
| Restricted Assets: | | | | |
| Cash and Cash Equivalents | \$467,040 | \$5,186,374 | (\$5,033,221) | \$620,193 |
| Total Assets | <u>\$467,040</u> | <u>\$5,186,374</u> | <u>(\$5,033,221)</u> | <u>\$620,193</u> |
| Liabilities: | | | | |
| Intergovernmental Payable | \$162,068 | \$2,932,233 | (\$2,913,268) | \$181,033 |
| Due to Others | 304,972 | 2,254,141 | (2,119,953) | 439,160 |
| Total Liabilities | <u>\$467,040</u> | <u>\$5,186,374</u> | <u>(\$5,033,221)</u> | <u>\$620,193</u> |

*CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS*

CITY OF NEWARK, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
December 31, 2006***

Capital Assets

| | |
|-----------------------------------|----------------------|
| Land | \$15,801,612 |
| Construction in Progress | 162,985 |
| Buildings | 18,148,687 |
| Improvements other than Buildings | 5,478,850 |
| Infrastructure | 51,735,593 |
| Machinery and Equipment | 15,118,780 |
| Total Capital Assets | <u>\$106,446,507</u> |

Investment in Capital Assets

| | |
|------------------------------------|----------------------|
| General Fund | \$9,078,910 |
| Special Revenue Funds | 4,856,480 |
| Capital Projects Funds | 89,656,543 |
| Enterprise Funds | 130,588 |
| Bonds | 982,580 |
| Grants | 496,699 |
| Donated | 1,244,707 |
| Total Investment in Capital Assets | <u>\$106,446,507</u> |

CITY OF NEWARK, OHIO

**Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2006**

| <u>Function and Activity</u> | <u>Land</u> | <u>Construction in Progress</u> | <u>Buildings</u> |
|--|---------------------|---|---------------------|
| <u>General Government:</u> | | | |
| Auditor | \$0 | \$0 | \$0 |
| Treasurer | 0 | 0 | 0 |
| Law | 0 | 0 | 0 |
| General Administration | 460,337 | 0 | 2,171,307 |
| Service | 0 | 162,985 | 1,512,198 |
| Engineer | 0 | 0 | 0 |
| Information System | 0 | 0 | 0 |
| Public Safety | 0 | 0 | 0 |
| Income Tax | 0 | 0 | 0 |
| Code Administration | 0 | 0 | 0 |
| Council/Clerk | 0 | 0 | 0 |
| Municipal Court | 0 | 0 | 0 |
| Adult Probation | 0 | 0 | 0 |
| Clerk of Court | 0 | 0 | 0 |
| Total | <u>460,337</u> | <u>162,985</u> | <u>3,683,505</u> |
| <u>Security of Persons and Property:</u> | | | |
| Police | 535,816 | 0 | 8,410,762 |
| Fire | 315,901 | 0 | 3,227,251 |
| Animal Control | 0 | 0 | 0 |
| Total | <u>851,717</u> | <u>0</u> | <u>11,638,013</u> |
| <u>Transportation:</u> | | | |
| Street | 14,489,558 | 0 | 1,426,281 |
| Traffic Control | 0 | 0 | 0 |
| Total | <u>14,489,558</u> | <u>0</u> | <u>1,426,281</u> |
| <u>Public Health and Welfare:</u> | | | |
| Health | 0 | 0 | 0 |
| Cemetery | 0 | 0 | 728,016 |
| Total | <u>0</u> | <u>0</u> | <u>728,016</u> |
| <u>Leisure Time Activities:</u> | | | |
| Recreation/Seniors | 0 | 0 | 672,872 |
| <u>Community Environment:</u> | | | |
| Economic and Community Development | 0 | 0 | 0 |
| Total Capital Assets | <u>\$15,801,612</u> | <u>\$162,985</u> | <u>\$18,148,687</u> |

CITY OF NEWARK, OHIO

| Improvements other than Buildings | Infrastructure | Machinery and Equipment | Total |
|---|---------------------|-------------------------------|----------------------|
| \$0 | \$0 | \$43,148 | \$43,148 |
| 0 | 0 | 6,539 | 6,539 |
| 0 | 0 | 38,064 | 38,064 |
| 0 | 0 | 583,568 | 3,215,212 |
| 302,150 | 0 | 201,880 | 2,179,213 |
| 515,738 | 0 | 274,823 | 790,561 |
| 793,998 | 0 | 233,585 | 1,027,583 |
| 0 | 0 | 31,478 | 31,478 |
| 0 | 0 | 107,970 | 107,970 |
| 0 | 0 | 253,603 | 253,603 |
| 3,987 | 0 | 7,445 | 11,432 |
| 3,800 | 0 | 240,503 | 244,303 |
| 0 | 0 | 7,200 | 7,200 |
| 4,607 | 0 | 80,695 | 85,302 |
| <u>1,624,280</u> | <u>0</u> | <u>2,110,501</u> | <u>8,041,608</u> |
| 129,550 | 0 | 2,124,002 | 11,200,130 |
| 11,828 | 0 | 5,722,588 | 9,277,568 |
| 0 | 0 | 3,500 | 3,500 |
| <u>141,378</u> | <u>0</u> | <u>7,850,090</u> | <u>20,481,198</u> |
| 1,270,450 | 51,735,593 | 3,085,571 | 72,007,453 |
| 0 | 0 | 514,063 | 514,063 |
| <u>1,270,450</u> | <u>51,735,593</u> | <u>3,599,634</u> | <u>72,521,516</u> |
| 0 | 0 | 348,331 | 348,331 |
| 573,754 | 0 | 289,962 | 1,591,732 |
| <u>573,754</u> | <u>0</u> | <u>638,293</u> | <u>1,940,063</u> |
| 1,264,674 | 0 | 617,893 | 2,555,439 |
| <u>604,314</u> | <u>0</u> | <u>302,369</u> | <u>906,683</u> |
| <u>\$5,478,850</u> | <u>\$51,735,593</u> | <u>\$15,118,780</u> | <u>\$106,446,507</u> |

CITY OF NEWARK, OHIO

**Capital Assets Used in the Operation of Governmental Funds
Schedule Changes by Function and Activity
For Year Ended December 31, 2006**

| Function and Activity | December 31, 2005 | Additions | Deletions | December 31, 2006 |
|--|----------------------|--------------------|--------------------|----------------------|
| General Government: | | | | |
| Auditor | \$43,148 | \$0 | \$0 | \$43,148 |
| Treasurer | 6,539 | 0 | 0 | 6,539 |
| Law | 38,064 | 0 | 0 | 38,064 |
| General Administration | 3,215,212 | 0 | 0 | 3,215,212 |
| Service | 2,016,228 | 162,985 | 0 | 2,179,213 |
| Engineer | 785,983 | 4,578 | 0 | 790,561 |
| Information System | 359,102 | 668,481 | 0 | 1,027,583 |
| Public Safety | 31,478 | 0 | 0 | 31,478 |
| Income Tax | 107,970 | 0 | 0 | 107,970 |
| Code Administration | 294,212 | 39,940 | (80,549) | 253,603 |
| Council/Clerk | 6,582 | 4,850 | 0 | 11,432 |
| Municipal Court | 144,033 | 0 | 0 | 144,033 |
| Adult Probation | 7,200 | 100,270 | 0 | 107,470 |
| Clerk of Court | 68,479 | 16,823 | 0 | 85,302 |
| Total | <u>7,124,230</u> | <u>997,927</u> | <u>(80,549)</u> | <u>8,041,608</u> |
| Security of Persons and Property: | | | | |
| Police | 10,977,994 | 243,589 | (21,453) | 11,200,130 |
| Fire | 8,543,941 | 733,627 | 0 | 9,277,568 |
| Animal Control | 3,500 | 0 | 0 | 3,500 |
| Total | <u>19,525,435</u> | <u>977,216</u> | <u>(21,453)</u> | <u>20,481,198</u> |
| Transportation: | | | | |
| Street | 70,246,386 | 2,115,543 | (354,475) | 72,007,454 |
| Traffic Control | 514,062 | 0 | 0 | 514,062 |
| Total | <u>70,760,448</u> | <u>2,115,543</u> | <u>(354,475)</u> | <u>72,521,516</u> |
| Public Health and Welfare: | | | | |
| Health | 348,331 | 0 | 0 | 348,331 |
| Cemetery | 1,591,732 | 0 | 0 | 1,591,732 |
| Total | <u>1,940,063</u> | <u>0</u> | <u>0</u> | <u>1,940,063</u> |
| Leisure Time Activities: | | | | |
| Recreation/Seniors | 2,555,439 | 0 | 0 | 2,555,439 |
| Community Environment: | | | | |
| Economic and Community Development | 906,683 | 0 | 0 | 906,683 |
| Total Capital Assets | <u>\$102,812,298</u> | <u>\$4,090,686</u> | <u>(\$456,477)</u> | <u>\$106,446,507</u> |

STATISTICAL
SECTION



LICKING COUNTY
COURTHOUSE

STATISTICAL TABLES

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 Four Years
(accrual basis of accounting)*

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

Source: City Auditor's Office

City of Newark

2006

\$41,597,859
10,001,298
7,065,973
\$58,665,130

\$16,901,941
7,692,238
\$24,594,179

\$58,499,800
10,001,298
14,758,211
\$83,259,309

City of Newark

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

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

City of Newark

2006

\$17,480,448

765,014

3,167,222

2,395,607

4,323,012

7,467,121

973,340

36,571,764

6,269,588

5,226,934

574,598

12,071,120

\$48,642,884

\$1,799,406

14,944

8,338

785,037

737,628

1,605,988

5,054,184

470,643

10,476,168

(Continued)

City of Newark

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

| | 2003 | 2004 | 2005 |
|---|----------------|----------------|----------------|
| Business-type Activities: | | | |
| Charges for Services | | | |
| Water | 5,671,764 | 5,433,915 | 5,590,409 |
| Sewer | 5,064,617 | 5,068,481 | 5,607,198 |
| Storm Water | 0 | 0 | 0 |
| Operating Grants and Contributions | 0 | 0 | 0 |
| Capital Grants and Contributions | 0 | 0 | 617,135 |
| <i>Total Business-type Activities Program Revenues</i> | 10,736,381 | 10,502,396 | 11,814,742 |
| <i>Total Primary Government Program Revenues</i> | 23,341,539 | 21,591,262 | 24,743,375 |
| Net (Expense)/Revenue | | | |
| Governmental Activities | (23,930,398) | (28,212,532) | (26,622,183) |
| Business-type Activities | (712,750) | (1,214,588) | 149,383 |
| <i>Total Primary Government Net (Expense)/Revenue</i> | (\$24,643,148) | (\$29,427,120) | (\$26,472,800) |
| General Revenues and Other Changes in Net Assets | | | |
| Governmental Activities: | | | |
| Property Taxes Levied for: | | | |
| General Purposes | \$2,842,328 | \$2,104,016 | \$2,085,941 |
| Special Purposes | 0 | 395,123 | 409,649 |
| Capital Purposes | 0 | 424,309 | 437,843 |
| Income Taxes | 17,760,950 | 18,301,809 | 19,033,478 |
| Intergovernmental, Unrestricted | 5,592,295 | 3,451,590 | 3,772,913 |
| Investment Earnings | 363,604 | 322,867 | 433,890 |
| Miscellaneous | 622,613 | 732,231 | 1,297,389 |
| Transfers | 234,050 | 234,050 | 223,686 |
| <i>Total Governmental Activities</i> | 27,415,840 | 25,965,995 | 27,694,789 |
| Business-type Activities: | | | |
| Transfers | (234,050) | (234,050) | (223,686) |
| <i>Total Business-type Activities</i> | (234,050) | (234,050) | (223,686) |
| <i>Total Primary Government</i> | \$27,181,790 | \$25,731,945 | \$27,471,103 |
| 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> | \$2,538,642 | (\$3,695,175) | \$998,303 |

Source: City Auditor's Office

City of Newark

2006

6,061,408

6,003,561

512,738

0

258,709

12,836,416

23,312,584

(26,095,596)

765,296

(\$25,330,300)

\$2,458,710

457,463

479,445

19,802,040

3,995,805

880,326

1,500,256

264,680

29,838,725

(264,680)

(264,680)

\$29,574,045

\$3,743,129

500,616

\$4,243,745

City of Newark

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

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> | <u>2001</u> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| General Fund | | | | | |
| Reserved | \$496,484 | \$464,454 | \$421,342 | \$385,433 | \$501,281 |
| Unreserved | 3,001,426 | 1,929,291 | 1,764,471 | 2,903,345 | 1,169,716 |
| <i>Total General Fund</i> | <u>3,497,910</u> | <u>2,393,745</u> | <u>2,185,813</u> | <u>3,288,778</u> | <u>1,670,997</u> |
| All Other Governmental Funds | | | | | |
| Reserved | 6,220,127 | 4,778,764 | 4,266,914 | 7,140,691 | 4,004,611 |
| Unreserved, Undesignated, Reported in: | | | | | |
| Special Revenue Funds | (1,062,739) | 9,917 | (1,124,244) | (1,483,505) | (769,124) |
| Capital Projects Funds | (2,992,099) | (3,555,826) | 253,084 | (1,378,125) | (2,469,407) |
| Total All Other Governmental Funds | <u>2,165,289</u> | <u>1,232,855</u> | <u>3,395,754</u> | <u>4,279,061</u> | <u>766,080</u> |
| <i>Total Governmental Funds</i> | <u>\$5,663,199</u> | <u>\$3,626,600</u> | <u>\$5,581,567</u> | <u>\$7,567,839</u> | <u>\$2,437,077</u> |

Source: City Auditor's Office

NOTE: Years 1997-2002 Do not include the Cemetery Endowment Fund or Mary E. Barnes Trust Fund which were classified as Fiduciary Funds prior to implementing GASB 34 in 2003.

City of Newark

| <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> |
|--------------------|---------------------|--------------------|--------------------|--------------------|
| \$634,867 | \$1,395,063 | \$487,274 | \$307,378 | \$739,920 |
| <u>2,677,438</u> | <u>792,041</u> | <u>970,399</u> | <u>528,313</u> | <u>1,114,748</u> |
| <u>3,312,305</u> | <u>2,187,104</u> | <u>1,457,673</u> | <u>835,691</u> | <u>1,854,668</u> |
| 4,606,077 | 10,474,790 | 4,689,768 | 2,546,268 | 4,515,664 |
| (789,461) | (175,460) | 4,371,326 | 4,428,725 | 4,891,038 |
| <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> |
| <u>633,372</u> | <u>13,307,162</u> | <u>6,848,089</u> | <u>4,085,025</u> | <u>7,409,242</u> |
| <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> |

City of Newark

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

| | 1997 | 1998 | 1999 | 2000 |
|--|-------------------|-------------------|-------------------|-------------------|
| Revenues: | | | | |
| Taxes | \$13,746,782 | \$14,763,241 | \$13,672,911 | \$14,460,762 |
| Intergovernmental Revenues | 8,043,581 | 7,483,801 | 8,718,932 | 10,529,901 |
| Charges for Services | 1,036,442 | 1,161,337 | 1,137,543 | 1,230,212 |
| Licenses, Permits and Fees | 1,097,596 | 1,127,598 | 1,395,993 | 1,422,641 |
| Investment Earnings | 998,319 | 1,203,931 | 941,367 | 1,139,430 |
| Special Assessments | 123,239 | 35,589 | 37,013 | 41,321 |
| Fines and Forfeitures | 1,130,498 | 1,138,238 | 1,393,728 | 1,686,475 |
| All Other Revenue | 423,868 | 389,946 | 480,820 | 469,901 |
| Total Revenue | 26,600,325 | 27,303,681 | 27,778,307 | 30,980,643 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | 10,713,937 | 11,633,701 | 12,060,959 | 12,401,045 |
| Public Health and Welfare Services | 1,530,374 | 1,553,417 | 1,987,846 | 2,028,556 |
| Leisure Time Activities | 719,179 | 741,535 | 781,835 | 774,609 |
| Community Environment | 2,927,923 | 2,676,503 | 2,496,316 | 2,518,321 |
| Transportation | 2,851,409 | 3,354,548 | 3,009,431 | 2,711,224 |
| General Government | 5,486,454 | 5,813,884 | 6,136,903 | 6,150,877 |
| Capital Outlay | 2,203,024 | 3,770,552 | 3,054,466 | 2,244,604 |
| Debt Service: | | | | |
| Principal Retirement | 10,093 | 22,214 | 23,093 | 123,093 |
| Interest and Fiscal Charges | 87,441 | 220,846 | 197,566 | 247,845 |
| Total Expenditures | 26,529,834 | 29,787,200 | 29,748,415 | 29,200,174 |
| Excess (Deficiency) of Revenues Over Expenditures | 70,491 | (2,483,519) | (1,970,108) | 1,780,469 |

City of Newark

| 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$14,473,914 | \$19,361,211 | \$20,584,344 | \$20,867,126 | \$21,765,717 | \$22,853,652 |
| 8,665,294 | 9,722,122 | 10,505,105 | 11,438,931 | 10,751,711 | 9,577,436 |
| 1,150,907 | 1,068,884 | 1,158,161 | 1,195,072 | 1,143,484 | 1,432,375 |
| 1,565,619 | 1,773,593 | 1,724,167 | 1,647,136 | 1,628,325 | 1,549,917 |
| 818,298 | 460,223 | 363,604 | 322,867 | 433,890 | 880,326 |
| 32,609 | 18,807 | 43,758 | 123,112 | 48,518 | 25,230 |
| 1,627,706 | 1,611,441 | 1,758,405 | 1,520,015 | 1,556,778 | 1,975,088 |
| 556,491 | 472,350 | 622,613 | 732,231 | 1,297,389 | 1,500,256 |
| <u>28,890,838</u> | <u>34,488,631</u> | <u>36,760,157</u> | <u>37,846,490</u> | <u>38,625,812</u> | <u>39,794,280</u> |
| 13,314,367 | 14,331,955 | 17,017,236 | 17,238,670 | 17,422,539 | 17,248,660 |
| 2,326,795 | 2,400,745 | 2,591,268 | 2,895,378 | 2,957,320 | 2,418,915 |
| 849,014 | 857,314 | 753,238 | 690,045 | 1,842,136 | 673,150 |
| 2,571,544 | 2,745,924 | 2,899,829 | 2,978,113 | 2,791,767 | 3,162,051 |
| 3,357,894 | 3,047,974 | 3,266,226 | 4,004,744 | 3,754,392 | 3,281,101 |
| 6,301,536 | 6,756,970 | 7,097,236 | 7,307,835 | 7,761,611 | 7,728,635 |
| 5,733,268 | 3,178,884 | 3,496,371 | 9,965,693 | 7,095,408 | 2,980,071 |
| 128,095 | 125,000 | 130,000 | 300,000 | 425,000 | 544,000 |
| 229,860 | 276,391 | 331,057 | 781,949 | 733,591 | 775,132 |
| <u>34,812,373</u> | <u>33,721,157</u> | <u>37,582,461</u> | <u>46,162,427</u> | <u>44,783,764</u> | <u>38,811,715</u> |
| (5,921,535) | 767,474 | (822,304) | (8,315,937) | (6,157,952) | 982,565 |

(Continued)

City of Newark

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

| | 1997 | 1998 | 1999 | 2000 |
|--|------------------|----------------------|--------------------|--------------------|
| Other Financing Sources (Uses): | | | | |
| Sale of Capital Assets | 0 | 0 | 34,975 | 34,578 |
| Other Financing Sources - Capital Lease | 0 | 150,972 | 406,800 | 0 |
| Special Assessment Bonds Issued | 177,121 | 0 | 0 | 0 |
| General Obligation Bonds Issued | 0 | 0 | 3,200,000 | 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 | 12,063,812 | 12,017,605 | 14,751,258 | 14,036,821 |
| Transfers Out | (11,854,762) | (11,791,153) | (14,484,489) | (13,837,271) |
| Total Other Financing Sources (Uses) | <u>386,171</u> | <u>377,424</u> | <u>3,908,544</u> | <u>234,128</u> |
| Net Change in Fund Balance | <u>\$456,662</u> | <u>(\$2,106,095)</u> | <u>\$1,938,436</u> | <u>\$2,014,597</u> |
| Debt Service as a Percentage of Noncapital Expenditures | 0.40% | 0.93% | 0.83% | 1.38% |

Source: City Auditor's Office

NOTE: Years 1997-2002 Do not include the Cemetery Endowment Fund or Mary E. Barnes Trust Fund which were classified as Fiduciary Funds prior to implementing GASB 34 in 2003.

City of Newark

| 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|---------------|--------------|--------------|---------------|---------------|--------------|
| 43,292 | 52,057 | 58,092 | 103,027 | 237,727 | 74,790 |
| 181,886 | 0 | 0 | 0 | 1,698,762 | 1,097,605 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 10,994,991 | 0 | 0 | 1,609,000 |
| 0 | 0 | 0 | 0 | 0 | 2,645,000 |
| 0 | 0 | 0 | 0 | 0 | (23,223) |
| 0 | 0 | 0 | 0 | 0 | (2,555,973) |
| 14,726,342 | 19,183,191 | 18,514,967 | 21,796,392 | 21,261,231 | 21,394,511 |
| (14,529,965) | (18,536,149) | (18,307,917) | (20,774,982) | (20,420,361) | (20,949,831) |
| 421,555 | 699,099 | 11,260,133 | 1,124,437 | 2,777,359 | 3,291,879 |
| (\$5,499,980) | \$1,466,573 | \$10,437,829 | (\$7,191,500) | (\$3,380,593) | \$4,274,444 |
| 1.23% | 1.31% | 1.29% | 2.93% | 3.24% | 3.80% |

City of Newark

Income Tax Revenues by Source, Governmental Funds Last Ten Years

| Tax year | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|---------------------|--------------|--------------|--------------|--------------|
| Income Tax Rate | 1.25% | 1.25% | 1.25% | 1.25% |
| Total Tax Collected | \$10,394,452 | \$11,160,646 | \$11,653,088 | \$11,995,005 |
| Income Tax Receipts | | | | |
| Withholding | 8,132,447 | 8,788,053 | 9,304,576 | 9,609,444 |
| Percentage | 78.24 | 78.74 | 79.85 | 80.11 |
| Corporate | 679,937 | 848,622 | 761,593 | 851,867 |
| Percentage | 6.54 | 7.6 | 6.54 | 7.1 |
| Individuals | 1,582,068 | 1,523,971 | 1,586,840 | 1,533,695 |
| Percentage | 15.22 | 13.65 | 13.62 | 12.79 |

Source: City Income Tax Department

City of Newark

| 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| 1.25% | 1.75% | 1.75% | 1.75% | 1.75% | 1.75% |
| \$12,103,631 | \$16,420,774 | \$17,371,837 | \$17,850,043 | \$18,657,251 | \$20,337,124 |
| 9,936,227 | 13,422,267 | 13,948,507 | 14,210,186 | 14,790,929 | 16,103,101 |
| 82.09 | 81.74 | 80.29 | 79.61 | 79.28 | 79.18 |
| 1,469,348 | 858,596 | 975,996 | 1,070,876 | 1,235,602 | 1,555,677 |
| 12.14 | 5.23 | 5.62 | 6 | 6.62 | 7.65 |
| 698,056 | 2,139,911 | 2,447,334 | 2,568,982 | 2,630,720 | 2,678,345 |
| 5.77 | 13.03 | 14.09 | 14.39 | 14.1 | 13.17 |



City of Newark

Income Tax Statistics Current Year and Nine Years Ago

Calendar Year 2006

| <u>Income Tax Filers</u> | <u>Number of Filers</u> | <u>Percent of Total</u> | <u>Taxable Income</u> | <u>Percent of Income</u> | <u>Income Tax Collections</u> | <u>Percent of Income</u> |
|------------------------------|-----------------------------|-----------------------------|---------------------------|------------------------------|-----------------------------------|------------------------------|
| Top Ten | 10 | 0.05% | \$21,639,059 | 2.74% | \$378,684 | 2.74% |
| All Others | 18,548 | 99.95% | 769,299,606 | 97.26% | 13,462,743 | 97.26% |
| Total | 18,558 | 100.00% | \$790,938,665 | 100.00% | \$13,841,427 | 100.00% |

Calendar Year 1997

| <u>Income Tax Filers</u> | <u>Number of Filers</u> | <u>Percent of Total</u> | <u>Taxable Income</u> | <u>Percent of Income</u> | <u>Income Tax Collections</u> | <u>Percent of Income</u> |
|------------------------------|-----------------------------|-----------------------------|---------------------------|------------------------------|-----------------------------------|------------------------------|
| Top Ten | 10 | 0.04% | \$20,849,929 | 3.14% | \$260,624 | 3.14% |
| All Others | 22,251 | 99.96% | 642,837,690 | 96.86% | 8,035,471 | 96.86% |
| Total | 22,261 | 100.00% | \$663,687,619 | 100.00% | \$8,296,095 | 100.00% |

Source: City Income Tax Department

City of Newark

Ratio of Outstanding Debt By Type Last Ten Years

| | 1997 | 1998 | 1999 | 2000 |
|--|---------------------|---------------------|---------------------|---------------------|
| Governmental Activities (1) | | | | |
| Special Assessment Bonds | \$211,495 | \$189,281 | \$166,188 | \$143,095 |
| General Obligation Bonds Payable | 0 | 0 | 3,200,000 | 3,100,000 |
| Capital Leases | 85,438 | 209,808 | 557,382 | 372,623 |
| Business-type Activities (1) | | | | |
| General Obligation Bonds Payable | \$17,408,558 | \$17,707,720 | \$16,707,486 | \$15,656,860 |
| Ohio Water Development Authority Loans Payable | 9,703,237 | 9,355,189 | 8,980,516 | 8,577,181 |
| Ohio Public Works Commission Loan Payable | 0 | 0 | 0 | 0 |
| Special Assessment Bonds | 0 | 0 | 0 | 0 |
| Capital Leases | 0 | 0 | 0 | 0 |
| Total Primary Government | <u>\$27,408,728</u> | <u>\$27,461,998</u> | <u>\$29,611,572</u> | <u>\$27,849,759</u> |
| Population (2) | | | | |
| City of Newark | 47,450 | 47,450 | 47,450 | 46,279 |
| Outstanding Debt Per Capita | \$578 | \$579 | \$624 | \$602 |
| Income (3) | | | | |
| Personal (in thousands) | 1,151,374 | 1,179,987 | 1,212,253 | 1,241,203 |
| Percentage of Personal Income | 2.38% | 2.33% | 2.44% | 2.24% |

Sources:

(1) City Auditor's Office

(2) US Bureau of Census, Population Division

(3) US Department of Commerce, Bureau of Economic Analysis

(a) Per Capita Income is only available by County, Total Personal Income is a calculation

City of Newark

| 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$120,000 | \$105,000 | \$85,000 | \$65,000 | \$45,000 | \$25,000 |
| 2,995,000 | 2,885,000 | 13,769,991 | 13,489,991 | 13,084,991 | 14,409,991 |
| 443,508 | 310,923 | 173,021 | 133,235 | 1,748,827 | 2,464,526 |
| \$14,329,016 | \$12,705,888 | \$11,537,306 | \$10,711,128 | \$9,887,329 | \$9,069,717 |
| 8,142,990 | 7,675,584 | 7,172,421 | 6,630,766 | 6,912,121 | 9,006,413 |
| 0 | 0 | 0 | 0 | 0 | 568,655 |
| 0 | 0 | 0 | 51,284 | 46,156 | 41,028 |
| 0 | 0 | 0 | 0 | 0 | 43,517 |
| <u>\$26,030,514</u> | <u>\$23,682,395</u> | <u>\$32,737,739</u> | <u>\$31,081,404</u> | <u>\$31,724,424</u> | <u>\$35,628,847</u> |
| 46,279 | 46,279 | 46,279 | 46,279 | 46,279 | 46,279 |
| \$562 | \$512 | \$707 | \$672 | \$686 | \$770 |
| 1,262,028 | 1,284,474 | 1,307,243 | 1,373,792 | 1,411,926 | 1,411,926 |
| 2.06% | 1.84% | 2.50% | 2.26% | 2.25% | 2.52% |

City of Newark

Ratios of General Bonded Debt Outstanding Last Ten Years

| Year | 1997 | 1998 | 1999 | 2000 |
|--|-----------------|-----------------|-----------------|-----------------|
| Population (1) | 47,450 | 47,450 | 47,450 | 46,279 |
| Personal Income (2) | \$1,151,374,250 | \$1,179,986,600 | \$1,212,252,600 | \$1,241,202,780 |
| General Bonded Debt | | | | |
| General Obligation Bonds | \$17,408,558 | \$17,707,720 | \$19,907,486 | \$18,756,860 |
| Resources Available to Pay Principal | \$67,240 | \$83,739 | \$67,437 | \$72,182 |
| Net General Bonded Debt | \$17,341,318 | \$17,623,981 | \$19,840,049 | \$18,684,678 |
| Ratio of Net Bonded Debt to Personal Income | 1.51% | 1.49% | 1.64% | 1.51% |
| Net Bonded Debt per Capita | \$365.47 | \$371.42 | \$418.13 | \$403.74 |

Source:

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

City of Newark

| 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 46,279 | 46,279 | 46,279 | 46,279 | 46,279 | 46,279 |
| \$1,262,028,330 | \$1,284,473,645 | \$1,307,242,913 | \$1,373,792,115 | \$1,411,926,011 | \$1,411,926,011 |
| \$17,324,016 | \$15,590,888 | \$25,307,297 | \$24,201,119 | \$22,972,320 | \$23,479,708 |
| \$9,889 | \$6,765 | \$31,546 | \$128,603 | \$145,622 | \$137,693 |
| \$17,314,127 | \$15,584,123 | \$25,275,751 | \$24,072,516 | \$22,826,698 | \$23,342,015 |
| 1.37% | 1.21% | 1.93% | 1.75% | 1.62% | 1.65% |
| \$374.12 | \$336.74 | \$546.16 | \$520.16 | \$493.24 | \$504.38 |



City of Newark

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2006*

| <u>Jurisdiction</u> | <u>Gross Debt Outstanding</u> | <u>Percentage Applicable to the City of Newark</u> | <u>Amount Applicable to the City of Newark</u> |
|---------------------|-----------------------------------|--|--|
| Direct: | | | |
| City of Newark | \$13,465,991 | 100.00% | \$13,465,991 |
| Overlapping: | | | |
| Licking County | 13,346,447 | 22.00% | <u>2,936,218</u> |
| | | Subtotal | <u>2,936,218</u> |
| | | Total | <u><u>\$16,402,209</u></u> |

Source: Licking County Auditor

City of Newark

Debt Limitations Last Ten Years

| Collection Year | 1997 | 1998 | 1999 | 2000 |
|--|---------------------|---------------------|---------------------|---------------------|
| <u>Total Debt</u> | | | | |
| Net Assessed Valuation | \$541,274,340 | \$562,805,780 | \$631,518,960 | \$654,701,680 |
| Legal Debt Limitation (%) (1) | 10.50% | 10.50% | 10.50% | 10.50% |
| Legal Debt Limitation (\$) (1) | 56,833,806 | 59,094,607 | 66,309,491 | 68,743,676 |
| City Debt Outstanding (2) | 4,275,000 | 5,681,000 | 890,000 | 795,000 |
| Less: Applicable Debt Service Fund Amounts | <u>(67,240)</u> | <u>(83,739)</u> | <u>(67,437)</u> | <u>(72,182)</u> |
| Net Indebtedness Subject to Limitation | <u>4,207,760</u> | <u>5,597,261</u> | <u>822,563</u> | <u>722,818</u> |
| Overall Legal Debt Margin | <u>\$52,626,046</u> | <u>\$53,497,346</u> | <u>\$65,486,928</u> | <u>\$68,020,858</u> |
| <u>Unvoted Debt</u> | | | | |
| Net Assessed Valuation | \$541,274,340 | \$562,805,780 | \$631,518,960 | \$654,701,680 |
| Legal Debt Limitation (%) (1) | 5.50% | 5.50% | 5.50% | 5.50% |
| Legal Debt Limitation (\$) (1) | 29,770,089 | 30,954,318 | 34,733,543 | 36,008,592 |
| City Debt Outstanding (2) | 4,275,000 | 5,681,000 | 890,000 | 795,000 |
| Less: Applicable Debt Service Fund Amounts | <u>(67,240)</u> | <u>(83,739)</u> | <u>(67,437)</u> | <u>(72,182)</u> |
| Net Indebtedness Subject to Limitation | <u>4,207,760</u> | <u>5,597,261</u> | <u>822,563</u> | <u>722,818</u> |
| Overall Legal Debt Margin | <u>\$25,562,329</u> | <u>\$25,357,057</u> | <u>\$33,910,980</u> | <u>\$35,285,774</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.
Enterprise Debt is not considered in the computation of the Legal Debt Margin.

Source: City Auditor's Office

City of Newark

| 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$658,882,190 | \$718,973,460 | \$736,438,580 | \$742,972,970 | \$828,435,710 | \$810,786,940 |
| 10.50% | 10.50% | 10.50% | 10.50% | 10.50% | 10.50% |
| 69,182,630 | 75,492,213 | 77,326,051 | 78,012,162 | 86,985,750 | 85,132,629 |
| 2,804,000 | 12,189,000 | 14,258,991 | 15,015,991 | 15,377,491 | 13,465,991 |
| (8,359) | (1,924) | (17,864) | (125,902) | (145,622) | (137,693) |
| <u>2,795,641</u> | <u>12,187,076</u> | <u>14,241,127</u> | <u>14,890,089</u> | <u>15,231,869</u> | <u>13,328,298</u> |
| <u>\$66,386,989</u> | <u>\$63,305,137</u> | <u>\$63,084,924</u> | <u>\$63,122,073</u> | <u>\$71,753,881</u> | <u>\$71,804,331</u> |
| | | | | | |
| \$658,882,190 | \$718,973,460 | \$736,438,580 | \$742,972,970 | \$828,435,710 | \$810,786,940 |
| 5.50% | 5.50% | 5.50% | 5.50% | 5.50% | 5.50% |
| 36,238,520 | 39,543,540 | 40,504,122 | 40,863,513 | 45,563,964 | 44,593,282 |
| 2,804,000 | 12,189,000 | 14,258,991 | 15,015,991 | 15,377,491 | 13,465,991 |
| (8,359) | (1,924) | (17,864) | (125,902) | (145,622) | (137,693) |
| <u>2,795,641</u> | <u>12,187,076</u> | <u>14,241,127</u> | <u>14,890,089</u> | <u>15,231,869</u> | <u>13,328,298</u> |
| <u>\$33,442,879</u> | <u>\$27,356,464</u> | <u>\$26,262,995</u> | <u>\$25,973,424</u> | <u>\$30,332,095</u> | <u>\$31,264,984</u> |

City of Newark

*Pledged Revenue Coverage
Last Ten Years*

| | 1997 | 1998 | 1999 | 2000 |
|--|----------|----------|----------|-----------|
| Special Assessment Bonds (1) | | | | |
| Special Assessment Collections | \$13,266 | \$35,589 | \$37,013 | \$41,321 |
| Debt Service | | | | |
| Principal | 10,093 | 22,214 | 23,093 | 23,093 |
| Interest | 3,345 | 13,187 | 9,989 | 8,650 |
| Coverage | 0.99 | 1.01 | 1.12 | 1.30 |
| Special Assessment Bonds (2) | | | | |
| Special Assessment Collections | \$0 | \$0 | \$0 | \$0 |
| Debt Service | | | | |
| Principal | 0 | 0 | 0 | 0 |
| Interest | 0 | 0 | 0 | 0 |
| Coverage | 0.00 | 0.00 | 0.00 | 0.00 |
| Tax Increment Financing (TIF) (3) | | | | |
| Payment in Lieu of Taxes | \$0 | \$0 | \$0 | \$355,400 |
| Debt Service | | | | |
| Principal | 0 | 0 | 0 | 100,000 |
| Interest | 0 | 0 | 0 | 204,609 |
| Coverage | 0.00 | 0.00 | 0.00 | 1.17 |

(1) Hudson Avenue Street Lighting, Governmental Activities

(2) Morgan Manor Sewer, Business-type Activities

(3) East Main Street Improvement

Source: City Auditor's Office

City of Newark

| 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|-----------|-----------|-----------|-----------|-----------|-----------|
| \$32,609 | \$18,807 | \$43,758 | \$123,112 | \$48,518 | \$25,230 |
| 23,095 | 15,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| 7,312 | 5,963 | 5,963 | 4,230 | 3,942 | 2,250 |
| 1.07 | 0.90 | 1.69 | 5.08 | 2.03 | 1.13 |
| \$0 | \$0 | \$0 | \$15,864 | \$25,741 | \$16,479 |
| 0 | 0 | 0 | 0 | 5,128 | 5,128 |
| 0 | 0 | 0 | 609 | 2,436 | 2,192 |
| 0.00 | 0.00 | 0.00 | 26.05 | 3.40 | 2.25 |
| \$353,135 | \$396,527 | \$349,731 | \$346,398 | \$346,814 | \$369,806 |
| 105,000 | 110,000 | 110,000 | 115,000 | 125,000 | 130,000 |
| 159,838 | 155,428 | 150,698 | 145,858 | 140,682 | 136,325 |
| 1.33 | 1.49 | 1.34 | 1.33 | 1.31 | 1.39 |

City of Newark

Demographic and Economic Statistics Last Ten Years

| Calendar Year | 1997 | 1998 | 1999 | 2000 | 2001 |
|--|-----------|-----------|-----------|-----------|-----------|
| Population (1) | | | | | |
| City of Newark | 47,450 | 47,450 | 47,450 | 46,279 | 46,279 |
| Licking County | 128,300 | 128,300 | 128,300 | 145,491 | 145,491 |
| Income (2) (a) | | | | | |
| Total Personal (in thousands) | 1,151,374 | 1,179,987 | 1,212,253 | 1,241,203 | 1,262,028 |
| Per Capita | 24,265 | 24,868 | 25,548 | 26,820 | 27,270 |
| Unemployment Rate (3) | | | | | |
| Federal | 5.4% | 4.9% | 4.5% | 4.2% | 3.8% |
| State | 4.8% | 4.6% | 4.3% | 4.3% | 3.7% |
| Licking County | 3.8% | 3.8% | 3.6% | 3.6% | 3.6% |
| Civilian Work Force Estimates (3) | | | | | |
| State | 5,710,000 | 5,678,000 | 5,749,000 | 5,900,400 | 5,857,000 |
| Licking County | 71,800 | 72,800 | 72,500 | 73,100 | 75,100 |

Sources:

(1) US Bureau of Census of Population

(2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2005 for the presentation of 2006 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

| 2002 | 2003 | 2004 | 2005 | 2006 |
|-----------|-----------|-----------|-----------|-----------|
| 46,279 | 46,279 | 46,279 | 46,279 | 46,279 |
| 145,491 | 145,491 | 145,491 | 154,806 | 154,806 |
| 1,284,474 | 1,307,243 | 1,373,792 | 1,411,926 | 1,411,926 |
| 27,755 | 28,247 | 29,685 | 30,509 | 30,509 |
| 4.8% | 5.8% | 6.0% | 5.5% | 5.0% |
| 4.3% | 5.7% | 6.1% | 6.0% | 5.9% |
| 4.7% | 5.3% | 5.9% | 5.8% | 5.1% |
| 5,828,000 | 5,915,000 | 5,875,300 | 5,900,400 | 5,934,000 |
| 77,800 | 78,800 | 80,500 | 81,100 | 82,700 |



City of Newark

Principal Employers Current Year and Nine Years Ago

| | | 2006 | | |
|----------------------------------|--------------------------------|---------------------|------|--------------------------------|
| Employer | Nature of Business | Number of Employees | Rank | Percentage of Total Employment |
| State Farm Insurance | Insurance | 1,398 | 1 | 0.07 |
| Newark City Schools | School District | 1,389 | 2 | 0.07 |
| Licking County Government | Government | 1,277 | 3 | 0.06 |
| Licking Memorial Hospital | Hospital | 1,220 | 4 | 0.06 |
| Anomatic Corp. | Metal Finishings | 1,145 | 5 | 0.06 |
| Owens Corning, Inc. | Fiberglass Insulation | 1,024 | 6 | 0.05 |
| OSUN/COTC | Education | 660 | 7 | 0.03 |
| Longaberger Corp. | Decorative Basket Manufacturer | 505 | 8 | 0.03 |
| Park National Bank | Financial | 500 | 9 | 0.02 |
| City of Newark | Government | 485 | 10 | 0.02 |
| Total | | <u>9,603</u> | | |
| Total Employment within the City | | <u>20,101</u> | | |
| | | 1997 | | |
| Employer | Nature of Business | Number of Employees | Rank | Percentage of Total Employment |
| Owens Corning Fiberglass | Fiberglass Insulation | 1,870 | 1 | 0.10 |
| Newark City Schools | School District | 1,283 | 2 | 0.07 |
| State Farm Insurance | Insurance | 1,257 | 3 | 0.07 |
| Licking Memorial Hospital | Hospital | 1,194 | 4 | 0.06 |
| Licking County Government | Government | 1,182 | 5 | 0.06 |
| Kelly Services | Temporary Agency | 1,115 | 6 | 0.06 |
| Anomatic Corporation | Metal Finishings | 959 | 7 | 0.05 |
| OSUN/COTC | Education | 601 | 8 | 0.03 |
| Holophane | Lighting Products | 599 | 9 | 0.03 |
| Meijer, Inc. | Retail | 587 | 10 | 0.03 |
| Total | | <u>10,647</u> | | |
| Total Employment within the City | | <u>18,957</u> | | |

Source: City Auditor's Office

City of Newark

Full Time Equivalent Employees by Function Last Ten Years

| | 1997 | 1998 | 1999 | 2000 | 2001 |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Governmental Activities | | | | | |
| General Government | | | | | |
| Finance | 18.00 | 19.00 | 19.00 | 19.00 | 19.00 |
| Legal/Court | 52.00 | 52.00 | 52.00 | 52.00 | 52.00 |
| Administration | 29.00 | 30.00 | 29.00 | 29.00 | 31.00 |
| Maintenance | 21.00 | 20.00 | 20.00 | 20.00 | 21.00 |
| Security of Persons and Property | | | | | |
| Police | 101.00 | 101.00 | 101.00 | 101.00 | 100.00 |
| Fire | 82.00 | 82.00 | 82.00 | 82.00 | 82.00 |
| Transportation | | | | | |
| Street | 35.00 | 35.00 | 35.00 | 35.00 | 35.00 |
| Leisure Time Activities | | | | | |
| Recreation/Seniors | 19.00 | 19.00 | 20.00 | 20.00 | 20.00 |
| Community Environment | 39.00 | 40.00 | 44.00 | 44.00 | 43.00 |
| Community Development | 7.00 | 7.00 | 6.00 | 6.00 | 6.00 |
| Business-Type Activities | | | | | |
| Utilities | | | | | |
| Water | 44.00 | 43.00 | 43.00 | 43.00 | 44.00 |
| Sewer | 25.00 | 26.00 | 26.00 | 24.00 | 24.00 |
| Storm Water | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| <i>Total Employees</i> | <u>472.00</u> | <u>474.00</u> | <u>477.00</u> | <u>475.00</u> | <u>464.00</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>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> |
|---------------|---------------|---------------|---------------|---------------|
| 20.00 | 20.00 | 20.00 | 20.00 | 20.00 |
| 53.00 | 51.00 | 51.00 | 52.00 | 52.00 |
| 31.00 | 33.00 | 32.00 | 32.00 | 31.00 |
| 19.00 | 19.00 | 20.00 | 19.00 | 18.00 |
| 100.00 | 101.00 | 103.00 | 104.00 | 106.00 |
| 82.00 | 85.00 | 85.00 | 85.00 | 85.00 |
| 34.00 | 34.00 | 34.00 | 32.00 | 32.00 |
| 20.00 | 20.00 | 20.00 | 20.00 | 20.00 |
| 42.00 | 44.00 | 43.00 | 43.00 | 42.00 |
| 6.00 | 7.00 | 6.00 | 6.00 | 7.00 |
| 44.00 | 44.00 | 45.00 | 45.00 | 45.00 |
| 25.00 | 25.00 | 26.00 | 26.00 | 26.00 |
| 0.00 | 0.00 | 1.00 | 1.00 | 1.00 |
| <u>476.00</u> | <u>483.00</u> | <u>486.00</u> | <u>485.00</u> | <u>485.00</u> |

City of Newark

Operating Indicators by Function Last Ten Years

| | 1997 | 1998 | 1999 | 2000 |
|---|--------|--------|--------|--------|
| Governmental Activities | | | | |
| General Government | | | | |
| Court | | | | |
| Number of Traffic Cases | 2,996 | N/A | 3,193 | 3,434 |
| Licenses and Permits | | | | |
| Number of Building Permits | 532 | 505 | 499 | 524 |
| Security of Persons and Property | | | | |
| Police | | | | |
| Number of Citations Issued | 1,789 | 1,721 | 1,699 | 1,732 |
| Number of Arrests | 1,604 | 1,583 | 1,618 | 1,599 |
| Fire | | | | |
| Number of Fire Calls | 5,591 | 5,532 | 5,412 | 5,361 |
| Number of EMS Runs | 6,587 | 6,602 | 6,567 | 6,434 |
| Transportation | | | | |
| Street | | | | |
| Number of Streets Resurfaced | 34 | 28 | 30 | 24 |
| Leisure Time Activities | | | | |
| Recreation/Seniors | | | | |
| Number of Programs Offered | 8 | 8 | 9 | 9 |
| Number of Pool Passes Issued | N/A | N/A | 224 | 265 |
| Community Environment | | | | |
| Number of Code Violations | N/A | N/A | N/A | N/A |
| Business-Type Activities | | | | |
| Water | | | | |
| Number of Service Connections | 17,268 | 17,299 | 17,373 | 18,021 |
| Water Main Breaks | 15 | 18 | 13 | 21 |
| Daily Average Consumption (thousands of gallons) | 8.1M | 8.1M | 8.1M | 8.4M |
| Sewer | | | | |
| Number of Service Connections | 15,017 | 15,233 | 15,602 | 16,332 |
| Daily Average Sewage Treatment (thousands of gallons) | 8.10M | 8.10M | 8.22M | 8.24M |

Source: City Auditor's Office

City of Newark

| 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|--------|--------|--------|--------|--------|--------|
| 3,519 | 3,601 | 3,612 | 3,498 | 3,544 | 3,571 |
| 500 | 573 | 777 | 568 | 581 | 534 |
| 1,902 | 1,818 | 1,845 | 2,096 | 2,112 | 2,001 |
| 1,520 | 1,667 | 1,629 | 1,882 | 1,723 | 1,750 |
| 5,416 | 5,420 | 5,583 | 5,764 | 5,870 | 6,146 |
| 6,567 | 6,999 | 7,095 | 6,949 | 7,228 | 7,672 |
| 20 | 13 | 16 | 20 | 31 | 33 |
| 9 | 9 | 9 | N/A | N/A | N/A |
| 277 | 290 | 199 | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | 3 |
| 18,970 | 19,322 | 19,867 | 19,993 | 20,212 | 20,342 |
| 20 | 19 | 26 | 24 | 27 | 18 |
| 8.5M | 8.7M | 8.7M | 8.8M | 8.9M | 8.9M |
| 16,899 | 17,477 | 17,777 | 17,936 | 18,243 | 18,657 |
| 8.26M | 8.29M | 8.30M | 8.30M | 8.33M | 8.4M |

City of Newark

Capital Asset Statistics by Function Last Ten Years

| | 1997 | 1998 | 1999 | 2000 |
|----------------------------------|-------|-------|-------|-------|
| Governmental Activities | | | | |
| General Government | | | | |
| Public Land and Buildings | | | | |
| Land (acres) | 455 | 455 | 457 | 457 |
| Buildings | 26 | 26 | 27 | 27 |
| Security of Persons and Property | | | | |
| Police | | | | |
| Stations | 1 | 1 | 1 | 1 |
| Vehicles | 19 | 19 | 19 | 19 |
| Fire | | | | |
| Stations | 4 | 4 | 4 | 4 |
| Vehicles | 16 | 16 | 16 | 16 |
| Transportation | | | | |
| Street | | | | |
| Streets (lane miles) | 217 | 217 | 217 | 217 |
| Traffic Signals | 3,318 | 319 | 3,319 | 3,319 |
| Vehicles | 33 | 33 | 34 | 34 |
| Leisure Time Activities | | | | |
| Recreation/Seniors | | | | |
| Land (acres) | | | | |
| Buildings | 12 | 12 | 14 | 14 |
| Parks | 37 | 37 | 38 | 38 |
| Playgrounds | 12 | 12 | 12 | 14 |
| Swimming Pools | 1 | 1 | 1 | 1 |
| Baseball/Softball Diamonds | 12 | 12 | 12 | 12 |
| Business-Type Activities | | | | |
| Utilities | | | | |
| Water | | | | |
| Waterlines (Miles) | 193 | 193 | 195 | 196 |
| Number of Hydrants | 246 | 246 | 256 | 256 |
| Sewer | | | | |
| Sewerlines (Miles) | 177 | 177 | 179 | 179 |
| Lift Stations | | 7 | 7 | 7 |
| Storm Water Drainage | | | | |
| Storm Drains (Miles) | N/A | 86 | 86 | 86 |
| Number of Catch Basins | N/A | 3,898 | 3,955 | 3,955 |

Source: City Auditor's Office

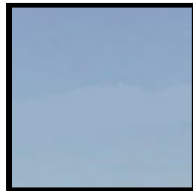
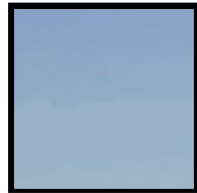
City of Newark

| 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|-------|-------|-------|-------|-------|-------|
| 457 | 458 | 458 | 459 | 459 | 459 |
| 28 | 28 | 28 | 29 | 29 | 29 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 19 | 21 | 21 | 21 | 22 | 22 |
| 4 | 4 | 4 | 4 | 4 | 4 |
| 16 | 17 | 17 | 17 | 18 | 18 |
| 218 | 218 | 220 | 220 | 221 | 226 |
| 3,326 | 3,326 | 3,334 | 3,334 | 3,338 | 3,338 |
| 35 | 35 | 36 | 36 | 37 | 37 |
| 16 | 16 | 16 | 16 | 16 | 16 |
| 38 | 39 | 39 | 39 | 39 | 39 |
| 14 | 14 | 14 | 14 | 14 | 14 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 12 | 12 | 12 | 12 | 12 | 12 |
| 196 | 197 | 197 | 197 | 199 | 199 |
| 266 | 268 | 277 | 281 | 281 | 281 |
| 181 | 182 | 185 | 185 | 187 | 187 |
| 7 | 7 | 7 | 7 | 7 | 7 |
| 86 | 86 | 93 | 96 | 100 | 102 |
| 3,955 | 3,999 | 4,144 | 4,144 | 4,167 | 4,485 |



WEST MAIN
FIRE STATION

CEDAR HILL
CEMETERY





Mary Taylor, CPA
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.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 19, 2007**