

**CITY OF NEWARK
LICKING COUNTY**

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2010



Dave Yost • Auditor of State

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, 2010 through December 31, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

August 15, 2011

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CITY OF NEWARK
LICKING COUNTY
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2010

Federal Grantor/ Sub-Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u>			
(Direct Award)			
Community Development Block Grant	B10-MC-39-00024	14.218	\$ 943,523
Community Development Block Grant-R-ARRA	B-09-MY-39-0024	14.253	145,820
Community Development Block Grant-NSP	A-2-08-293-1	14.228	421,701
Lead Based Paint Hazard Control	OHLHB-0370-07 OHLHB-0438-09	14.900	501,715 99,036 <u>600,751</u>
(pass through Ohio Department of Development) HOME Investment Partnership Program	A-C-03-293-2	14.239	<u>100,911</u>
Total U.S. Department of Housing and Urban Development			2,212,706
<u>U.S. DEPARTMENT OF ENERGY:</u>			
(Direct Award)			
Energy Efficiency and Conservation Block Grant -ARRA	DE-EE-0001498	81.128	<u>205,936</u>
Total U.S. Department of Energy			205,936
<u>U.S. DEPARTMENT OF TRANSPORTATION:</u>			
Pass through Ohio Department of Transportation			
Federal Transit Capital/Operating Grant	OH-90-X699-00	20.507	313,548
ARRA Federal Transit Capital/Operating Grant	OH-96-X021-00	20.507	<u>124,392</u>
Total U.S. Department of Transportation			437,940
<u>U.S. DEPARTMENT OF JUSTICE:</u>			
Pass through Ohio Department of Justice			
Edward Bryne Memorial Justice Assistance Grant	2009-DJ-BX-0346 2010-DJ-BX-0172	16.738	13,344 16,770 <u>30,114</u>
Edward Bryne Jag Grant - ARRA	2009-SB-B9-0989	16.804	35
Bulletproof Vest Grant	n/a	16.607	243
Total U.S. Department of Justice			30,392
<u>ENVIRONMENTAL PROTECTION AGENCY:</u>			
Pass through Ohio Water Development Authority			
ARRA Wastewater Treatment Conservation	n/a	66.458	<u>1,657,977</u>
Total U.S. Department of Health and Human Services			1,657,977
<u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u>			
Direct Award			
Disaster Assistance Grant (FEMA)	n/a	97.036	2,901
Assistance to Firefighters Grant	EMW-2008-FF-06165 EMW-2008-FF-00624	97.044	9,787 139,828 <u>149,615</u>
Total U.S. Department of Homeland Security			152,516
Total Federal Awards Expenditures			\$ 4,697,467

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 City 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, 2010, and have issued our report thereon dated June 16, 2011. 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's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purposes described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as Finding 2010-01, that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 we must report under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance which we have reported to management of City of Newark in a separate letter dated June 16, 2011.

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

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 16, 2011

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

**REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of 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 could have a direct and material effect on each of City of Newark's major federal programs for the year ended December 31, 2010. 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 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 City of Newark's compliance with those requirements.

In our opinion, City of Newark complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each major federal program for the year ended December 31, 2010.

Internal Control Over Compliance

Management of City of Newark is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Newark's internal control over compliance.

Internal Control Over Compliance (Continued)

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses in internal control over compliance. We did not identify any deficiencies in internal control over compliance that we consider to be material weakness, as defined above.

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 City of Newark as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 16, 2011. 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 basic 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 16, 2011

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

**CITY OF NEWARK
DECEMBER 31, 2010**

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 significant deficiencies In internal control reported at the financial statement level (GAGAS)?	YES
<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 significant deficiencies In internal control reported for major federal programs?	Yes
<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 NSP#14.228 Transit #20.507 ARRA Wastewater #66.458
<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
Finding 2010-01**

Significant Deficiency

The City’s internal control system in regards to debt service did not accurately report debt service balances in previous years. A restatement of beginning balances was done for OPWC loans as of January 1, 2010. Failure to maintain accurate information can lead to inaccurate information that future decisions may be based on. The City should verify all loan information on a yearly basis.

Client Response: We will review debt transactions yearly.

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

**CITY OF NEWARK
DECEMBER 31, 2010**

3. Findings And Questioned Costs For Federal Awards

NONE

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City of Newark, Ohio

Licking County



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2010



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2010

Prepared by the Auditor's Office

Stephen E. Johnson
City Auditor



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LICKING COUNTY, OHIO

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INTRODUCTORY SECTION





CITY OF NEWARK

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

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fax (740) 670-7561

June 16, 2011

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, 2010. 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, 2010***

Historical Information:

The hub of a metropolitan area with in excess of 150,000 citizens and the county seat of Licking County, Newark, "Land of Legend," has served for nearly two centuries as a center of commerce and industry.

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

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

The decline of the railroad as a primary source of transportation has changed the emphasis of commerce and business in recent years, but Newark and the surrounding area continue to enjoy great progress in community development and are becoming one of the fastest growing areas in Ohio. Newark is the largest city in Licking County. Results of the 2010 census show that Newark exhibited continued and steady growth throughout the decade of 2000 through 2010. The 2010 census placed the population at 47,537.

Form of Government:

Statutory

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

***Letter of Transmittal
For the Year Ended December 31, 2010***

City Charter

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

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

Location:

Newark is located in the central part of the state, approximately 33 miles east of Columbus, the state capital. Its 22.30 square mile area serves a residential population of 47,537. The City's elevation is approximately 830 feet above sea level. Its median temperatures are 75 degrees in summer and 30.2 degrees in winter. State highways 79, 13 and 16 serve as the City's major transportation arteries. The City is also served by the east-west interstate highway I-70 which lies approximately 9 miles to the south.

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2010***

Municipal Services:

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

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

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

ECONOMIC OUTLOOK

Local Economy:

The Newark-Licking County area continues to benefit from a stable economy but unemployment rates, as in many places, increased during 2010. 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, 2010***

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

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

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

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2010***

Unemployment Rates:

The Ohio Bureau of Employment Services does not maintain statistics for the City of Newark, but unemployment within the City was estimated to be 9.9%.

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 2007 through 2009. The contracts were extended through 2010 and negotiations continued as the year ended.

MAJOR INITIATIVE

During 2010, continuing efforts were made to upgrade services and improve the quality of life for the citizens of Newark through the following projects:

Infrastructure Improvements

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2010***

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

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

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

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

Parks and Recreation

Throughout 2010, activities were provided at the City's youth center and community meeting hall in the newly renovated Everett Pool House. The building was remodeled to provide a meeting center for youth and adults who live on the near east side. It has been a very successful improvement project and has been well received by the near east side residents. In addition, Denman Park was rebuilt and new playground equipment installed. Also included in the renovation was a new road and entrance to the park. Improvements have been made at Hollander Pool on the City's north side, including a waterslide. The City entered into a management agreement with the Newark-Licking County YMCA for Hollander Pool operations. Major renovations were made to the City's ice arena including new mechanicals. The funding for the one million dollar project came from private donations. The facility has been leased to the Newark Sport and Event Commission and remains open to the public.

City-Wide Initiatives

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

***Letter of Transmittal
For the Year Ended December 31, 2010***

Long-Term Financial Planning

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

FINANCIAL INFORMATION

Internal Control, Budgetary Control and the Accounting System:

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

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

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2010***

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 |

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, 2009. 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 nineteen consecutive years (1991 - 2009). We believe this current report continues to conform to the Certificate of Achievement for Excellence in Financial Reporting program requirements and are submitting it to the GFOA.

***Letter of Transmittal
For the Year Ended December 31, 2010***

Public Disclosure:

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

Acknowledgments:

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

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

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

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

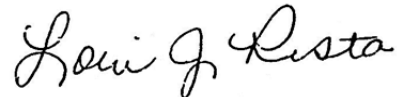
Respectfully,



Stephen E. Johnson
City Auditor



Jacqueline S. Prince
Accounting Manager



Lori J. Resta
Deputy City Auditor

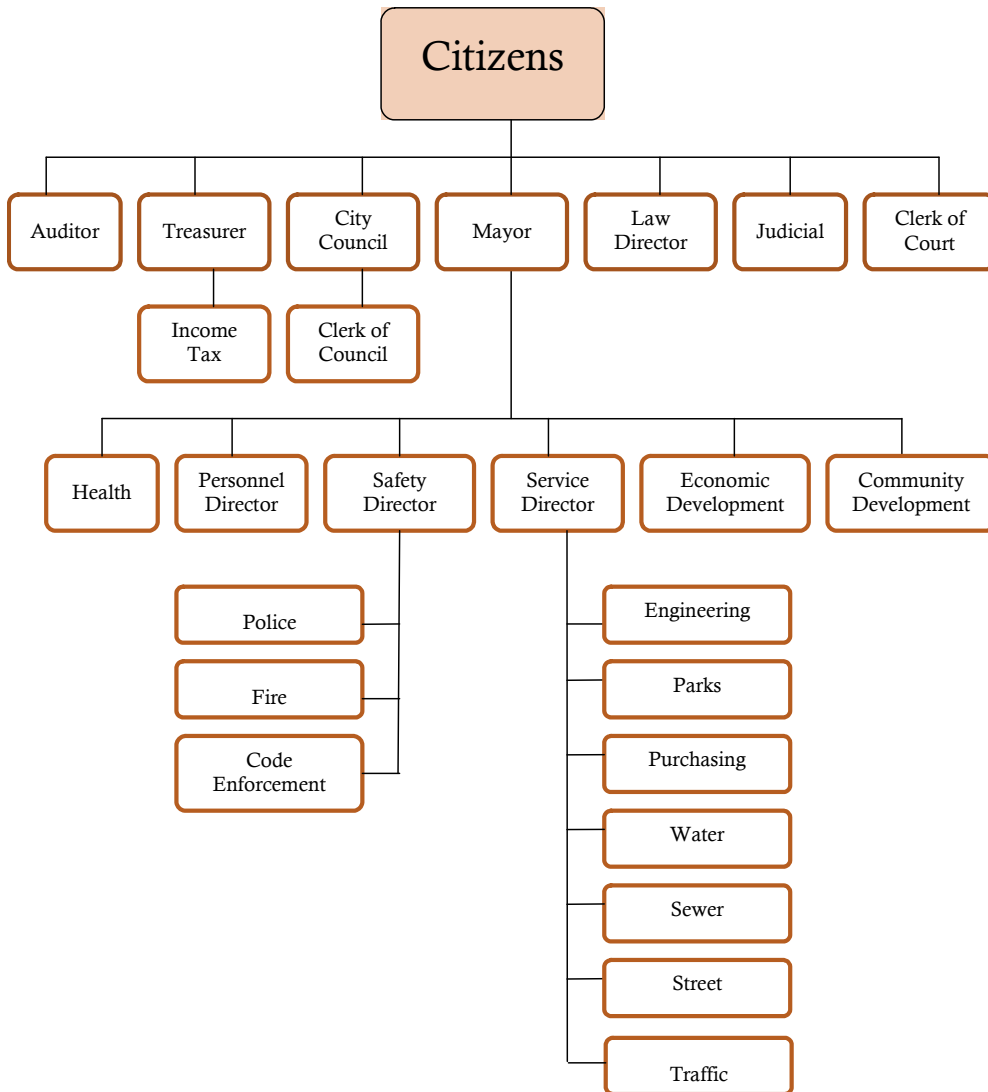
CITY OF NEWARK, OHIO

***List of Principal Officials
For the Year Ended December 31, 2010***

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

* - Ohio Casualty Insurance Company

***City Organizational Chart
For the Year Ended December 31, 2010***



*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, 2009

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



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, 2010, 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, 2010, 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 16, 2011, 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.

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

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



Zanesville, Ohio
June 16, 2011

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, 2010. 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 2010 are as follows:

- ❑ In total, net assets decreased \$1,061,400. Net assets of governmental activities decreased \$3,421,691, which represents a 6% change from 2009. Net assets of business-type activities increased \$2,360,291 or 10% from 2009.
- ❑ General revenues accounted for \$26,491,200 in revenue or 51% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$26,300,233, or 49% of total revenues of \$52,791,433.
- ❑ The City had \$40,371,158 in expenses related to governmental activities; only \$10,378,877 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$26,487,953 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$27,142,039 in revenues and other financing sources and \$27,767,943 in expenditures and other financing uses. The general fund's fund balance decreased from \$2,983,260 to \$2,345,055.

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, 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, 2010***

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 2010 compared to 2009.

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	Restated	2010	Restated
				2009		2009
Current and other assets	\$25,662,126	\$26,628,452	\$12,380,882	\$11,463,852	\$38,043,008	\$38,092,304
Capital assets, Net	58,912,220	60,311,539	51,383,733	41,152,800	110,295,953	101,464,339
Total assets	84,574,346	86,939,991	63,764,615	52,616,652	148,338,961	139,556,643
Long-term debt outstanding	25,205,986	22,820,483	35,896,640	26,753,315	61,102,626	49,573,798
Other liabilities	5,657,857	6,987,314	1,974,692	2,330,345	7,632,549	9,317,659
Total liabilities	30,863,843	29,807,797	37,871,332	29,083,660	68,735,175	58,891,457
Net assets						
Invested in capital assets, net of related debt	40,274,220	41,316,426	21,621,744	22,335,180	61,895,964	63,651,606
Restricted	11,967,071	10,280,743	0	0	11,967,071	10,280,743
Unrestricted	1,469,212	5,535,025	4,271,539	1,197,812	5,740,751	6,732,837
Total net assets	\$53,710,503	\$57,132,194	\$25,893,283	\$23,532,992	\$79,603,786	\$80,665,186

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**Management's Discussion and Analysis
For the Year Ended December 31, 2010**

Unaudited

Changes in Net Assets – The following table shows the changes in net assets for the fiscal year 2010 compared with 2009:

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues						
Program Revenues:						
Charges for Services and Sales	\$4,337,451	\$5,425,370	\$15,170,911	\$13,998,355	\$19,508,362	\$19,423,725
Operating Grants and Contributions	5,745,895	5,488,390	0	0	5,745,895	5,488,390
Capital Grants and Contributions	295,531	184,019	750,445	3,691,191	1,045,976	3,875,210
Total Program Revenues	10,378,877	11,097,779	15,921,356	17,689,546	26,300,233	28,787,325
General Revenues:						
Property Taxes	2,813,772	2,828,643	0	0	2,813,772	2,828,643
Income Taxes	18,880,522	18,845,278	0	0	18,880,522	18,845,278
Other Local Taxes	361,444	358,197	0	0	361,444	358,197
Intergovernmental, Unrestricted	3,554,614	4,214,287	0	0	3,554,614	4,214,287
Investment Earnings	219,412	369,406	3,247	15,908	222,659	385,314
Miscellaneous	658,189	1,134,938	0	0	658,189	1,134,938
Total General Revenues	26,487,953	27,750,749	3,247	15,908	26,491,200	27,766,657
Total Revenues	36,866,830	38,848,528	15,924,603	17,705,454	52,791,433	56,553,982
Program Expenses						
Security of Persons and Property	18,825,824	18,993,822	0	0	18,825,824	18,993,822
Leisure Time Activities	0	52,511	0	0	0	52,511
Community Environment	2,666,668	2,984,886	0	0	2,666,668	2,984,886
Public Health and Welfare Services	157,745	10,329	0	0	157,745	10,329
Transportation	5,686,444	6,762,557	0	0	5,686,444	6,762,557
General Government	12,247,040	11,046,798	0	0	12,247,040	11,046,798
Interest and Fiscal Charges	787,437	760,156	0	0	787,437	760,156
Water	0	0	6,120,509	6,604,911	6,120,509	6,604,911
Sewer	0	0	5,238,347	5,941,006	5,238,347	5,941,006
Storm Water	0	0	2,122,819	989,162	2,122,819	989,162
Total Expenses	40,371,158	40,611,059	13,481,675	13,535,079	53,852,833	54,146,138
Change in Net Assets before transfers	(3,504,328)	(1,762,531)	2,442,928	4,170,375	(1,061,400)	2,407,844
Transfers	82,637	938,020	(82,637)	(938,020)	0	0
Total Change in Net Assets	(3,421,691)	(824,511)	2,360,291	3,232,355	(1,061,400)	2,407,844
Beginning Net Assets - Restated	57,132,194	57,956,705	23,532,992	20,300,637	80,665,186	78,257,342
Ending Net Assets	\$53,710,503	\$57,132,194	\$25,893,283	\$23,532,992	\$79,603,786	\$80,665,186

***Management's Discussion and Analysis
For the Year Ended December 31, 2010***

Unaudited

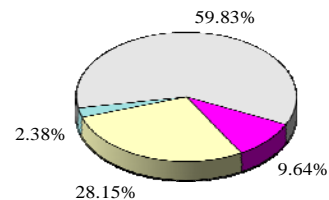
Governmental Activities

Net assets of the City's governmental activities decreased \$3,421,691. This represents a 6% change from 2009. The City's building code department was abolished, resulting in decreases in charges for services as well as community environment expenses. Income tax receipts stabilized in 2010, after experiencing sharp declines in recent years. Overall, expenses remained stable, but continued to outpace total revenues.

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

Income taxes and property taxes made up 51% and 8% respectively of revenues for governmental activities for the City in fiscal year 2010. The City's reliance upon tax revenues is demonstrated by the following graph indicating 60% of total revenues from general tax revenues:

Revenue Sources	2010	Percent of Total
General Tax Revenues	\$22,055,738	59.83%
Intergovernmental, Unrestricted	3,554,614	9.64%
Program Revenues	10,378,877	28.15%
General Other	877,601	2.38%
Total Revenue	<u>\$36,866,830</u>	<u>100.00%</u>



Business-Type Activities

Net assets of the business-type activities increased \$2,360,291. This represents a 10% change from the previous year. The sewer department received American Reinvestment and Recovery Act capital grant monies in 2010. These grant monies were received in the form of Ohio Water Development Authority Loan forgiveness. A rate increase in the storm water department resulted in an increase in charges for services.

**Management's Discussion and Analysis
For the Year Ended December 31, 2010**

Unaudited

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$10,525,069, which is an increase from last year's balance of \$8,165,055. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2010 and 2009:

	Fund Balance December 31, 2010	Fund Balance December 31, 2009	Increase (Decrease)
General	\$2,345,055	\$2,983,260	(\$638,205)
Income Tax	2,277,645	1,242,591	1,035,054
Community Development	(30,594)	52,853	(83,447)
Capital Improvement	1,173,807	(568,409)	1,742,216
Other Governmental	4,759,156	4,454,760	304,396
Total	<u>\$10,525,069</u>	<u>\$8,165,055</u>	<u>\$2,360,014</u>

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

	2010 Revenues	2009 Revenues	Increase (Decrease)
Taxes	\$2,458,566	\$2,445,743	\$12,823
Intergovernmental Revenues	3,840,260	4,080,746	(240,486)
Charges for Services	2,104,952	2,255,311	(150,359)
Licenses, Permits and Fees	63,204	739,218	(676,014)
Investment Earnings	168,593	297,856	(129,263)
Special Assessments	16,355	27,533	(11,178)
Fines and Forfeitures	1,551,666	1,709,811	(158,145)
All Other Revenue	249,943	274,723	(24,780)
Total	<u>\$10,453,539</u>	<u>\$11,830,941</u>	<u>(\$1,377,402)</u>

General Fund revenues in 2010 decreased \$1,377,402 or approximately 12% when compared with the previous year. A decrease in local government support resulted in the decrease in intergovernmental revenues. A decrease in building permits resulted in a substantial decrease in licenses, permits and fees, which was the result of the ending of the City's building code department. The decrease in investment earnings can be attributed to a decrease in interest rates.

	2010 Expenditures	2009 Expenditures	Increase (Decrease)
Security of Persons and Property	\$17,778,765	\$17,796,736	(\$17,971)
Public Health and Welfare Services	27,829	7,911	19,918
Community Environment	86,571	1,017,924	(931,353)
General Government	8,501,293	8,823,508	(322,215)
Total	<u>\$26,394,458</u>	<u>\$27,646,079</u>	<u>(\$1,251,621)</u>

***Management's Discussion and Analysis
For the Year Ended December 31, 2010***

Unaudited

General Fund expenditures decreased \$1,251,621 or approximately 5% when compared with the prior year. The ending of the City's building code department resulted in the decrease in community environment.

	2010	2009	Increase (Decrease)
	<u>Other Financing Sources (Uses)</u>	<u>Other Financing Sources (Uses)</u>	<u> </u>
Transfers In	\$16,688,500	\$17,278,424	(\$589,924)
Transfers Out	<u>(1,373,485)</u>	<u>(1,566,790)</u>	<u>193,305</u>
Total	<u><u>\$15,315,015</u></u>	<u><u>\$15,711,634</u></u>	<u><u>(\$396,619)</u></u>

Income Tax Fund – The City's Income Tax Fund balance increased \$1,035,054 from the previous year. This represented an 83% increase. Income tax receipts remained stable when compared with the previous year. A decrease in amounts transferred out to other funds resulted in the increase in ending fund balance.

Community Development Fund – The Community Development Fund balance continued to decrease due to decreases in community development block grants.

Capital Improvement Fund – The issuance of general obligation bonds resulted in a substantial increase in the City's Capital Improvement Fund balance.

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

During the course of fiscal year 2010 the City amended its General Fund budget several times, none significant.

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

**Management's Discussion and Analysis
For the Year Ended December 31, 2010**

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2010 the City had \$110,295,953 net of accumulated depreciation invested in land, construction in progress, buildings, improvements, infrastructure, equipment and vehicles. Of this total, \$58,912,220 was related to governmental activities and \$51,383,733 to the business-type activities. The following table shows fiscal year 2010 and 2009 balances:

	Governmental Activities		Increase (Decrease)
	2010	2009	
Land	\$16,259,070	\$16,259,070	\$0
Construction In Progress	1,464,652	1,464,652	0
Buildings	17,995,435	17,995,435	0
Improvements Other than Buildings	5,195,884	5,195,884	0
Infrastructure	56,798,367	55,576,127	1,222,240
Machinery and Equipment	12,802,714	13,008,286	(205,572)
Less: Accumulated Depreciation	<u>(51,603,902)</u>	<u>(49,187,915)</u>	<u>(2,415,987)</u>
Totals	<u>\$58,912,220</u>	<u>\$60,311,539</u>	<u>(\$1,399,319)</u>

The increase in infrastructure was the result of routine road maintenance costs.

	Business-Type Activities		Increase (Decrease)
	2010	2009	
Land	\$161,800	\$161,800	\$0
Construction in Progress	22,045,580	12,850,975	9,194,605
Buildings and Improvements	31,542,020	28,698,020	2,844,000
Infrastructure	12,608,961	12,608,961	0
Machinery and Equipment	30,522,296	30,492,724	29,572
Less: Accumulated Depreciation	<u>(45,496,924)</u>	<u>(43,659,680)</u>	<u>(1,837,244)</u>
Totals	<u>\$51,383,733</u>	<u>\$41,152,800</u>	<u>\$10,230,933</u>

The increase in buildings and improvements was the result of an electrical upgrade project at the waste water treatment plant. Construction in progress consisted of a standby power generator project at the water treatment plant, a high rate treatment system project at the waste water treatment plant, and a combined sewer overflow project. Additional information on the City's capital assets can be found in Note 8.

**Management's Discussion and Analysis
For the Year Ended December 31, 2010****Unaudited****Debt**

At December 31, 2010, the City had \$26.5 million in General Obligation bonds outstanding, \$1.5 million due within one year. The following table summarizes the City's debt outstanding as of December 31, 2010 and 2009:

	2010	Restated 2009
Governmental Activities:		
General Obligation Bonds	\$15,561,303	\$14,337,666
ODOT State Infrastructure Bank Loan	1,184,313	1,021,359
Capital Leases	2,218,696	2,253,763
Accrued Pension Liability	1,889,506	1,932,816
Pollution Remediation Liability	1,215,577	0
Compensated Absences	3,136,591	3,274,879
Total Governmental Activities	<u>25,205,986</u>	<u>22,820,483</u>
Business-Type Activities:		
General Obligation Bonds	\$10,961,630	\$11,919,866
Special Assessment Bonds	20,516	25,644
OWDA Loans	22,899,357	12,687,667
OPWC Loans	1,049,964	1,119,535
Capital Leases	319,995	362,395
Compensated Absences	645,178	638,208
Total Business-Type Activities	<u>35,896,640</u>	<u>26,753,315</u>
Totals	<u>\$61,102,626</u>	<u>\$49,573,798</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, 2010, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 12.

ECONOMIC FACTORS

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

A Tax Increment Finance (T.I.F.) district was created in 2003 to aid in the retail development of the north side of the City. The T.I.F. district provided infrastructure as well as road improvements. The T.I.F. district was expanded during 2004 to allow for continued development. A new T.I.F., abutting the two previously mentioned was established in 2006 to improve traffic flow and allow for continuing development. The City has received a State Infrastructure Bank loan (SIB) for the project and construction was completed in 2010.

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

***Management's Discussion and Analysis
For the Year Ended December 31, 2010***

Unaudited

The City's operating budget has been affected by the recession and economic uncertainty in recent years. To balance the budget, capital improvement funds were used for general operating expenses thus causing delays in capital projects. However, the 2005 and 2006 budgets contained funding for a major street paving campaign. The city income tax was increased by the voters to allow for a police station to be built and construction of a replacement fire station. Both were completed during 2004. The 2011 budget is projected to increase slightly over the previous year. The City's ending cash balance had been declining over the past ten years but yearend 2007 saw a 60% increase. Due to declining tax revenues and declining building permit collections, the cash carry over at year end 2008 saw a decrease of 20% and the need for increased cash reserves has been addressed in recent operating budgets with the creation of cash reserves. The 2010 end of year cash carryover remained nearly equal to the 2009.

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, 2010**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Pooled Cash and Investments	\$ 10,252,820	\$ 8,847,205	\$ 19,100,025
Investments	378,938	0	378,938
Receivables:			
Taxes	5,945,243	0	5,945,243
Accounts	360,935	1,795,343	2,156,278
Intergovernmental	3,333,940	0	3,333,940
Interest	12,467	0	12,467
Special Assessments	5,317	0	5,317
Loans	4,099,262	0	4,099,262
Internal Balance	(734,798)	734,798	0
Inventory of Supplies at Cost	420,799	953,447	1,374,246
Prepaid Items	41,974	19,686	61,660
Deferred Charge	0	16,346	16,346
Restricted Assets:			
Cash and Cash Equivalents	501,258	0	501,258
Cash and Cash Equivalents with Fiscal Agent	9,574	14,057	23,631
Investments	627,500	0	627,500
Investments with Fiscal Agent	406,897	0	406,897
Non-Depreciable Capital Assets	17,723,722	22,207,380	39,931,102
Depreciable Capital Assets, Net	41,188,498	29,176,353	70,364,851
Total Assets	84,574,346	63,764,615	148,338,961
Liabilities:			
Accounts Payable	521,081	1,578,824	2,099,905
Accrued Wages and Benefits	1,776,372	239,729	2,016,101
Intergovernmental Payable	105,370	0	105,370
Claims Payable	286,384	0	286,384
Retainage Payable	4,806	0	4,806
Matured Bonds and Interest Payable	0	14,057	14,057
Unearned Revenue	2,883,951	0	2,883,951
Accrued Interest Payable	79,893	142,082	221,975
Noncurrent liabilities:			
Due within one year	3,200,040	2,177,700	5,377,740
Due in more than one year	22,005,946	33,718,940	55,724,886
Total Liabilities	30,863,843	37,871,332	68,735,175

CITY OF NEWARK, OHIO

	Governmental Activities	Business-Type Activities	Total
Net Assets:			
Invested in Capital Assets, Net of Related Debt	40,274,220	21,621,744	61,895,964
Restricted For:			
Capital Projects	1,779,137	0	1,779,137
Debt Service	24,066	0	24,066
Security of Persons	861,283	0	861,283
Street Improvement	2,371,296	0	2,371,296
Community Environment	4,207,419	0	4,207,419
Transportation	586,062	0	586,062
Judiciary	799,736	0	799,736
Cemetery Maintenance:			
Expendable	316,489	0	316,489
Nonexpendable	893,668	0	893,668
Other Purposes	127,915	0	127,915
Unrestricted	1,469,212	4,271,539	5,740,751
Total Net Assets	\$ 53,710,503	\$ 25,893,283	\$ 79,603,786

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

**Statement of Activities
For the Year Ended December 31, 2010**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 18,825,824	\$ 3,650,730	\$ 724,886	\$ 0
Community Environment	2,666,668	44,318	1,900,452	0
Public Health and Welfare Services	157,745	73,932	73,851	0
Transportation	5,686,444	108,475	3,035,706	295,531
General Government	12,247,040	459,996	11,000	0
Interest and Fiscal Charges	787,437	0	0	0
Total Governmental Activities	40,371,158	4,337,451	5,745,895	295,531
Business-Type Activities:				
Water	6,120,509	6,094,605	0	0
Sewer	5,238,347	6,563,274	0	750,445
Storm Water	2,122,819	2,513,032	0	0
Total Business-Type Activities	13,481,675	15,170,911	0	750,445
Totals	\$ 53,852,833	\$ 19,508,362	\$ 5,745,895	\$ 1,045,976

General Revenues

Property Taxes Levied for:

General Purposes

Special Purposes

Capital Purposes

Income Tax

Other Local Taxes

Intergovernmental, Unrestricted

Investment Earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year

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
\$ (14,450,208)	\$ 0	\$ (14,450,208)
(721,898)	0	(721,898)
(9,962)	0	(9,962)
(2,246,732)	0	(2,246,732)
(11,776,044)	0	(11,776,044)
(787,437)	0	(787,437)
<u>(29,992,281)</u>	<u>0</u>	<u>(29,992,281)</u>
0	(25,904)	(25,904)
0	2,075,372	2,075,372
0	390,213	390,213
<u>0</u>	<u>2,439,681</u>	<u>2,439,681</u>
<u>(29,992,281)</u>	<u>2,439,681</u>	<u>(27,552,600)</u>
2,126,951	0	2,126,951
421,153	0	421,153
265,668	0	265,668
18,880,522	0	18,880,522
361,444	0	361,444
3,554,614	0	3,554,614
219,412	3,247	222,659
658,189	0	658,189
82,637	(82,637)	0
<u>26,570,590</u>	<u>(79,390)</u>	<u>26,491,200</u>
(3,421,691)	2,360,291	(1,061,400)
<u>57,132,194</u>	<u>23,532,992</u>	<u>80,665,186</u>
<u>\$ 53,710,503</u>	<u>\$ 25,893,283</u>	<u>\$ 79,603,786</u>

CITY OF NEWARK, OHIO

**Balance Sheet
Governmental Funds
December 31, 2010**

	General	Income Tax	Community Development	Capital Improvement
Assets:				
Pooled Cash and Investments	\$ 2,446,248	\$ 865,830	\$ 26,697	\$ 874,900
Investments	0	0	0	303,938
Receivables:				
Taxes	2,350,772	2,841,559	0	0
Accounts	312,709	0	0	0
Intergovernmental	1,418,052	0	120,859	0
Interest	12,400	0	0	0
Special Assessments	0	0	0	0
Loans	0	0	4,099,262	0
Interfund Loans Receivable	399,081	0	0	0
Inventory of Supplies, at Cost	79,473	0	0	0
Prepaid Items	41,974	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	0	0	0
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
Investments	0	0	0	0
Investments with Fiscal Agent	0	0	0	0
Total Assets	\$ 7,060,709	\$ 3,707,389	\$ 4,246,818	\$ 1,178,838
Liabilities:				
Accounts Payable	\$ 231,361	\$ 24,921	\$ 135,753	\$ 225
Accrued Wages and Benefits Payable	1,144,414	27,211	40,066	0
Intergovernmental Payable	11,143	11,089	2,331	0
Retainage Payable	0	0	0	4,806
Interfund Loans Payable	0	0	0	0
Deferred Revenue	3,328,736	1,366,523	4,099,262	0
Total Liabilities	4,715,654	1,429,744	4,277,412	5,031

CITY OF NEWARK, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 3,017,648	\$ 7,231,323
75,000	378,938
752,912	5,945,243
48,226	360,935
1,795,029	3,333,940
67	12,467
5,317	5,317
0	4,099,262
0	399,081
341,326	420,799
0	41,974
501,258	501,258
9,574	9,574
627,500	627,500
406,897	406,897
<u>\$ 7,580,754</u>	<u>\$ 23,774,508</u>
\$ 125,383	\$ 517,643
90,628	1,302,319
80,807	105,370
0	4,806
399,081	399,081
2,125,699	10,920,220
<u>2,821,598</u>	<u>13,249,439</u>

(Continued)

CITY OF NEWARK, OHIO

**Balance Sheet
Governmental Funds
December 31, 2010**

	General	Income Tax	Community Development	Capital Improvement
Fund Balance:				
Reserved for Encumbrances	449,326	14,784	299,886	392,826
Reserved for Prepaid Items	41,974	0	0	0
Reserved for Supplies Inventory	79,473	0	0	0
Reserved for Debt Service	0	0	0	0
Reserved for Endowments	0	0	0	0
Undesignated, Unreserved in:				
General Fund	1,774,282	0	0	0
Special Revenue Funds (Deficit)	0	2,262,861	(330,480)	0
Capital Projects Funds (Deficit)	0	0	0	780,981
Total Fund Balance	<u>2,345,055</u>	<u>2,277,645</u>	<u>(30,594)</u>	<u>1,173,807</u>
Total Liabilities and Fund Balance	<u>\$ 7,060,709</u>	<u>\$ 3,707,389</u>	<u>\$ 4,246,818</u>	<u>\$ 1,178,838</u>

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
2,034,609	3,191,431
0	41,974
341,326	420,799
12,749	12,749
893,668	893,668
0	1,774,282
1,926,402	3,858,783
<u>(449,598)</u>	<u>331,383</u>
<u>4,759,156</u>	<u>10,525,069</u>
<u>\$ 7,580,754</u>	<u>\$ 23,774,508</u>

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
December 31, 2010***

Total Governmental Fund Balances		\$ 10,525,069
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>		
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.		58,912,220
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		8,036,269
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.		1,522,824
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	(15,561,303)	
ODOT State Infrastructure Bank Loan	(1,184,313)	
Capital Leases Payable	(2,218,696)	
Accrued Pension Liability	(1,889,506)	
Compensated Absences Payable	(3,136,591)	
Pollution Remediation Liability	(1,215,577)	
Accrued Interest Payable	(79,893)	(25,285,879)
<i>Net Assets of Governmental Activities</i>		<u>\$ 53,710,503</u>

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, 2010**

	General	Income Tax	Community Development	Capital Improvement
Revenues:				
Taxes	\$ 2,458,566	\$ 18,998,424	\$ 0	\$ 0
Intergovernmental Revenues	3,840,260	0	1,464,839	295,531
Charges for Services	2,104,952	0	0	0
Licenses, Permits and Fees	63,204	0	0	0
Investment Earnings	168,593	23	260	4,637
Special Assessments	16,355	0	0	0
Fines and Forfeitures	1,551,666	0	0	0
All Other Revenue	249,943	1,048	206,624	33,751
Total Revenue	10,453,539	18,999,495	1,671,723	333,919
Expenditures:				
Current:				
Security of Persons and Property	17,778,765	0	0	0
Public Health and Welfare Services	27,829	0	0	0
Community Environment	86,571	0	1,755,170	0
Transportation	0	0	0	0
General Government	8,501,293	1,578,386	0	0
Capital Outlay	0	0	0	2,342,028
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	93,099
Total Expenditures	26,394,458	1,578,386	1,755,170	2,435,127
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(15,940,919)	17,421,109	(83,447)	(2,101,208)
Other Financing Sources (Uses):				
Other Financing Sources - Capital Lease	0	0	0	718,698
Loan Issuance	0	0	0	0
General Obligation Bond Issuance	0	0	0	1,486,000
Transfers In	16,688,500	0	0	1,819,275
Transfers Out	(1,373,485)	(16,386,055)	0	(180,549)
Total Other Financing Sources (Uses)	15,315,015	(16,386,055)	0	3,843,424
Net Change in Fund Balance	(625,904)	1,035,054	(83,447)	1,742,216
Fund Balance (Deficit) at Beginning of Year	2,983,260	1,242,591	52,853	(568,409)
Increase (Decrease) in Inventory Reserve	(12,301)	0	0	0
Fund Balance (Deficit) End of Year	\$ 2,345,055	\$ 2,277,645	\$ (30,594)	\$ 1,173,807

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 681,943	\$ 22,138,933
4,667,232	10,267,862
184,438	2,289,390
0	63,204
44,042	217,555
11,280	27,635
504,937	2,056,603
<u>166,823</u>	<u>658,189</u>
<u>6,260,695</u>	<u>37,719,371</u>
428,800	18,207,565
113,094	140,923
707,782	2,549,523
3,936,324	3,936,324
270,255	10,349,934
117,977	2,460,005
550,000	550,000
<u>629,372</u>	<u>722,471</u>
<u>6,753,604</u>	<u>38,916,745</u>
(492,909)	(1,197,374)
0	718,698
162,954	162,954
224,000	1,710,000
1,167,912	19,675,687
<u>(852,961)</u>	<u>(18,793,050)</u>
<u>701,905</u>	<u>3,474,289</u>
208,996	2,276,915
4,454,760	8,165,055
<u>95,400</u>	<u>83,099</u>
<u>\$ 4,759,156</u>	<u>\$ 10,525,069</u>

CITY OF NEWARK, OHIO

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For the Year Ended December 31, 2010***

Net Change in Fund Balances - Total Governmental Funds \$ 2,276,915

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

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

Capital Outlay	1,513,480	
Depreciation Expense	<u>(2,887,930)</u>	(1,374,450)

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.		(24,869)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(854,398)
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, however, has no effect on net assets.

ODOT State Infrastructure Bank Loan	(162,954)	
General Obligation Bond Issuance	(1,710,000)	
Capital Leases Issued	(718,698)	
Pollution Remediation Liability	<u>(1,215,577)</u>	(3,807,229)

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

Interest Accretion on General Obligation Bonds	(63,637)	
General Obligation Bond Principal Payment	550,000	
Capital Lease Principal Payment	753,765	
Pension Liability Principal Payment	<u>43,310</u>	1,283,438

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(1,329)
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Compensated Absences	138,288	
Change in Inventory	<u>83,099</u>	221,387

Internal Service Funds are used by management to charge the costs of insurance to individual funds and are not reported in the statement of activities.

Governmental fund expenditures and related internal service revenues are eliminated. The net revenue (expense) of the internal service funds is allocated among the governmental activities.		<u>(1,141,156)</u>
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<i>Change in Net Assets of Governmental Activities</i>		<u>\$ (3,421,691)</u>
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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, 2010**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 2,789,121	\$ 2,716,271	\$ 2,529,790	\$ (186,481)
Intergovernmental Revenue	3,679,615	3,860,459	4,213,059	352,600
Charges for Services	1,929,000	1,971,000	2,064,390	93,390
Licenses, Permits and Fees	44,785	56,785	48,606	(8,179)
Investment Earnings	212,450	212,450	203,563	(8,887)
Special Assessments	31,500	31,500	16,355	(15,145)
Fines and Forfeitures	1,731,150	1,759,070	1,573,398	(185,672)
All Other Revenue	72,550	136,746	231,716	94,970
Total Revenues	10,490,171	10,744,281	10,880,877	136,596
Expenditures:				
Current:				
Security of Persons and Property	18,633,279	18,677,896	18,006,375	671,521
Public Health and Welfare Services	54,107	54,107	53,485	622
Community Environment	100,421	127,071	107,999	19,072
General Government	9,275,026	9,415,193	9,032,845	382,348
Total Expenditures	28,062,833	28,274,267	27,200,704	1,073,563
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,572,662)	(17,529,986)	(16,319,827)	1,210,159
Other Financing Sources (Uses):				
Transfers In	35,968,432	36,756,767	35,976,848	(779,919)
Transfers Out	(20,920,628)	(21,197,014)	(20,365,077)	831,937
Advances In	0	424,915	424,915	0
Advances Out	0	(399,081)	(399,081)	0
Total Other Financing Sources (Uses):	15,047,804	15,585,587	15,637,605	52,018
Net Change in Fund Balance	(2,524,858)	(1,944,399)	(682,222)	1,262,177
Fund Balance at Beginning of Year	1,998,974	1,998,974	1,998,974	0
Prior Year Encumbrances	474,478	474,478	474,478	0
Fund Balance at End of Year	\$ (51,406)	\$ 529,053	\$ 1,791,230	\$ 1,262,177

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, 2010**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 18,007,200	\$ 18,107,200	\$ 18,780,236	\$ 673,036
Investment Earnings	0	0	23	23
All Other Revenue	0	0	1,048	1,048
Total Revenues	<u>18,007,200</u>	<u>18,107,200</u>	<u>18,781,307</u>	<u>674,107</u>
Expenditures:				
Current:				
General Government	<u>1,737,623</u>	<u>1,768,736</u>	<u>1,627,807</u>	<u>140,929</u>
Total Expenditures	<u>1,737,623</u>	<u>1,768,736</u>	<u>1,627,807</u>	<u>140,929</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,269,577	16,338,464	17,153,500	815,036
Other Financing Sources (Uses):				
Transfers Out	<u>(16,272,806)</u>	<u>(16,386,055)</u>	<u>(16,386,055)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(16,272,806)</u>	<u>(16,386,055)</u>	<u>(16,386,055)</u>	<u>0</u>
Net Change in Fund Balance	(3,229)	(47,591)	767,445	815,036
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	<u>47,591</u>	<u>47,591</u>	<u>47,591</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 44,362</u>	<u>\$ 0</u>	<u>\$ 815,036</u>	<u>\$ 815,036</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, 2010**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 3,643,465	\$ 3,943,465	\$ 1,343,980	\$ (2,599,485)
Investment Earnings	680	680	283	(397)
All Other Revenue	<u>268,193</u>	<u>268,193</u>	<u>206,624</u>	<u>(61,569)</u>
Total Revenues	<u>3,912,338</u>	<u>4,212,338</u>	<u>1,550,887</u>	<u>(2,661,451)</u>
Expenditures:				
Current:				
Community Environment	<u>3,835,218</u>	<u>4,165,791</u>	<u>2,137,582</u>	<u>2,028,209</u>
Total Expenditures	<u>3,835,218</u>	<u>4,165,791</u>	<u>2,137,582</u>	<u>2,028,209</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	77,120	46,547	(586,695)	(633,242)
Fund Balance at Beginning of Year	(147,090)	(147,090)	(147,090)	0
Prior Year Encumbrances	<u>322,510</u>	<u>322,510</u>	<u>322,510</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 252,540</u>	<u>\$ 221,967</u>	<u>\$ (411,275)</u>	<u>\$ (633,242)</u>

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

**Statement of Net Assets
Proprietary Funds
December 31, 2010**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
ASSETS:			
Current Assets:			
Pooled Cash and Investments	\$ 2,353,608	\$ 4,832,696	\$ 1,660,901
Investments	0	0	0
Receivables:			
Accounts	773,168	771,115	251,060
Inventory of Supplies at Cost	745,570	207,877	0
Prepaid Items	10,565	8,975	146
Total Current Assets	3,882,911	5,820,663	1,912,107
Noncurrent Assets:			
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agent	352	13,705	0
Total Restricted Assets	352	13,705	0
Deferred Charges	16,346	0	0
Non Depreciable Capital Assets	1,297,852	19,432,239	1,477,289
Depreciable Capital Assets, Net	18,133,532	9,822,473	1,220,348
Total Noncurrent Assets	19,448,082	29,268,417	2,697,637
Total Assets	23,330,993	35,089,080	4,609,744
LIABILITIES:			
Current Liabilities:			
Accounts Payable	81,037	1,099,977	397,810
Accrued Wages and Benefits	141,064	90,801	7,864
Claims Payable	0	0	0
Compensated Absences Payable - Current	125,422	95,458	3,121
Accrued Interest Payable	0	135,269	6,813
Capital Leases Payable - Current	44,093	0	0
General Obligation Bonds Payable - Current	774,290	0	45,000
Special Assessment Bonds Payable - Current	0	5,128	0
OWDA Loans Payable - Current	0	1,015,617	0
OPWC Loans Payable - Current	0	69,571	0
Total Current Liabilities	1,165,906	2,511,821	460,608

CITY OF NEWARK, OHIO

Total	Governmental Activities - Internal Service Funds
\$ 8,847,205	\$ 2,781,497
0	240,000
1,795,343	0
953,447	0
19,686	0
<u>11,615,681</u>	<u>3,021,497</u>
14,057	0
<u>14,057</u>	<u>0</u>
16,346	0
22,207,380	0
<u>29,176,353</u>	<u>0</u>
<u>51,414,136</u>	<u>0</u>
<u>63,029,817</u>	<u>3,021,497</u>
1,578,824	3,438
239,729	474,053
0	286,384
224,001	0
142,082	0
44,093	0
819,290	0
5,128	0
1,015,617	0
69,571	0
<u>4,138,335</u>	<u>763,875</u>

(Continued)

CITY OF NEWARK, OHIO

**Statement of Net Assets
Proprietary Funds
December 31, 2010**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
Noncurrent Liabilities:			
Matured Bonds and Interest Payable	352	13,705	0
Capital Leases Payable	275,902	0	0
General Obligation Bonds Payable	8,432,340	0	1,710,000
Special Assessment Bonds Payable	0	15,388	0
OWDA Loans Payable	1,837,896	19,334,592	711,252
OPWC Loans Payable	0	980,393	0
Compensated Absences Payable	235,824	179,485	5,868
Total Noncurrent Liabilities	<u>10,782,314</u>	<u>20,523,563</u>	<u>2,427,120</u>
Total Liabilities	<u>11,948,220</u>	<u>23,035,384</u>	<u>2,887,728</u>
NET ASSETS:			
Invested in Capital Assets, Net of Related Debt	12,522,373	7,834,023	1,265,348
Unrestricted	<u>(1,139,600)</u>	<u>4,219,673</u>	<u>456,668</u>
Total Net Assets	<u>\$ 11,382,773</u>	<u>\$ 12,053,696</u>	<u>\$ 1,722,016</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>
14,057	0
275,902	0
10,142,340	0
15,388	0
21,883,740	0
980,393	0
421,177	0
<u>33,732,997</u>	<u>0</u>
<u>37,871,332</u>	<u>763,875</u>
21,621,744	0
<u>3,536,741</u>	<u>2,257,622</u>
<u>\$ 25,158,485</u>	<u>\$ 2,257,622</u>

734,798
\$ 25,893,283

CITY OF NEWARK, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2010**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
Operating Revenues:			
Charges for Services	\$ 5,969,145	\$ 6,064,605	\$ 2,511,802
Other Operating Revenues	125,460	498,669	1,230
Total Operating Revenues	6,094,605	6,563,274	2,513,032
Operating Expenses:			
Personal Services	2,067,352	1,326,502	187,733
Contractual Services	1,211,212	2,216,788	1,656,645
Materials and Supplies	1,343,079	341,194	120,071
Depreciation	799,781	1,054,437	22,264
Total Operating Expenses	5,421,424	4,938,921	1,986,713
Operating Income (Loss)	673,181	1,624,353	526,319
Non-Operating Revenue (Expenses):			
Interest Income	1,831	1,416	0
Interest and Fiscal Charges	(591,875)	(299,426)	(134,436)
Other Nonoperating Expense	(11,670)	0	(1,670)
Total Non-Operating Revenues (Expenses)	(601,714)	(298,010)	(136,106)
Income (Loss) Before Transfers and Contributions	71,467	1,326,343	390,213
Transfers and Contributions:			
Transfers In	0	6,346	0
Transfers Out	0	0	(88,983)
Capital Contributions	0	750,445	0
Total Transfers and Contributions	0	756,791	(88,983)
Change in Net Assets	71,467	2,083,134	301,230
Net Assets Beginning of Year - Restated	11,311,306	9,970,562	1,420,786
Net Assets End of Year	\$ 11,382,773	\$ 12,053,696	\$ 1,722,016

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>
\$ 14,545,552	\$ 5,156,190
625,359	20,774
<u>15,170,911</u>	<u>5,176,964</u>
3,581,587	5,605,395
5,084,645	10,122
1,804,344	0
1,876,482	0
<u>12,347,058</u>	<u>5,615,517</u>
2,823,853	(438,553)
3,247	1,857
(1,025,737)	0
(13,340)	0
<u>(1,035,830)</u>	<u>1,857</u>
1,788,023	(436,696)
6,346	0
(88,983)	(800,000)
750,445	0
<u>667,808</u>	<u>(800,000)</u>
2,455,831	(1,236,696)
<u>22,702,654</u>	<u>3,494,318</u>
\$ 25,158,485	\$ 2,257,622
\$ 2,455,831	
(95,540)	
<u>\$ 2,360,291</u>	

CITY OF NEWARK, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2010**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$5,931,841	\$6,408,140	\$2,460,171
Cash Payments for Goods and Services	(3,021,458)	(2,696,701)	(1,722,230)
Cash Payments to Employees	(2,082,808)	(1,319,465)	(185,925)
Net Cash Provided (Used) by Operating Activities	827,575	2,391,974	552,016
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	0	6,346	0
Transfers Out to Other Funds	0	0	(88,983)
Net Cash Provided (Used) by Noncapital Financing Activities	0	6,346	(88,983)
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(274,616)	(11,226,189)	(782,541)
Capital Contributions	0	750,445	0
Principal Paid on Capital Lease	(42,400)	0	0
Principal Paid on General Obligation Bonds	(825,975)	0	(45,000)
Principal Paid on Special Assessment Bonds	0	(5,128)	0
Ohio Water Development Authority Loans Issued	1,054,499	10,325,183	0
Principal Paid on Ohio Water Development Authority Loans	0	(1,123,512)	(44,480)
Principal Paid on Ohio Public Works Commission Loan	0	(69,571)	0
Interest Paid on All Debt	(674,025)	(329,566)	(134,527)
Net Cash Provided (Used) by Capital and Related Financing Activities	(762,517)	(1,678,338)	(1,006,548)
<u>Cash Flows from Investing Activities:</u>			
Sale (Purchase) of Investments	2,193,835	3,945,200	2,115,780
Receipts of Interest	2,813	2,236	0
Net Cash Provided (Used) by Investing Activities	2,196,648	3,947,436	2,115,780
Net Increase (Decrease) in Cash and Cash Equivalents	2,261,706	4,667,418	1,572,265
Cash and Cash Equivalents at Beginning of Year	92,254	178,983	88,636
Cash and Cash Equivalents at End of Year	\$2,353,960	\$4,846,401	\$1,660,901
<u>Reconciliation of Cash and</u>			
<u>Cash Equivalents per the Statement of Net Assets:</u>			
Cash and Cash Equivalents	\$2,353,608	\$4,832,696	\$1,660,901
Restricted Cash with Fiscal Agent	352	13,705	0
Cash and Cash Equivalents at End of Year	\$2,353,960	\$4,846,401	\$1,660,901

CITY OF NEWARK, OHIO

<u>Totals</u>	<u>Governmental- Activities Internal Services</u>
\$14,800,152	\$5,178,655
(7,440,389)	(10,122)
<u>(3,588,198)</u>	<u>(5,634,491)</u>
3,771,565	(465,958)
6,346	0
<u>(88,983)</u>	<u>(800,000)</u>
<u>(82,637)</u>	<u>(800,000)</u>
(12,283,346)	0
750,445	0
(42,400)	0
(870,975)	0
(5,128)	0
11,379,682	0
(1,167,992)	0
(69,571)	0
<u>(1,138,118)</u>	<u>0</u>
<u>(3,447,403)</u>	<u>0</u>
8,254,815	(240,000)
5,049	2,088
<u>8,259,864</u>	<u>(237,912)</u>
8,501,389	(1,503,870)
359,873	4,285,367
<u>\$8,861,262</u>	<u>\$2,781,497</u>
\$8,847,205	\$2,781,497
14,057	0
<u>\$8,861,262</u>	<u>\$2,781,497</u>

(Continued)

CITY OF NEWARK, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2010**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	\$673,181	\$1,624,353	\$526,319
Adjustments to Reconcile Operating Income (Loss) to			
Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	799,781	1,054,437	22,264
Nonoperating Expense	(11,670)	0	(1,670)
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(162,764)	(155,134)	(52,861)
(Increase) Decrease in Inventory	(409,176)	8,095	0
(Increase) Decrease in Prepaid Items	6,586	(7,509)	(146)
Increase (Decrease) in Accounts Payable	(52,907)	(139,305)	56,302
Decrease in Accrued Wages and Benefits	(13,024)	(493)	(64)
Increase in Claims Payable	0	0	0
Increase (Decrease) in Compensated Absences	(2,432)	7,530	1,872
Total Adjustments	154,394	767,621	25,697
Net Cash Provided (Used) by Operating Activities	<u>\$827,575</u>	<u>\$2,391,974</u>	<u>\$552,016</u>

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2010 the Sewer and Storm Water Funds had outstanding liabilities of \$1,071,318, and \$310,538, respectively, for the purchase of certain capital assets. In addition, the Sewer Fund received capital contributions of \$1,657,979 in the form of OWDA loan forgiveness.

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

<u>Totals</u>	<u>Governmental- Activities Internal Services</u>
\$2,823,853	(\$438,553)
1,876,482	0
(13,340)	0
(370,759)	1,691
(401,081)	0
(1,069)	0
(135,910)	(2,165)
(13,581)	(42,219)
0	15,288
6,970	0
<u>947,712</u>	<u>(27,405)</u>
<u>\$3,771,565</u>	<u>(\$465,958)</u>

CITY OF NEWARK, OHIO

**Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2010**

	<u>Agency Funds</u>
Assets:	
Receivables:	
Taxes	\$ 8,023
Restricted Assets:	
Cash and Cash Equivalents	<u>725,237</u>
Total Assets	<u>733,260</u>
Liabilities:	
Intergovernmental Payable	390,938
Due to Others	<u>342,322</u>
Total Liabilities	<u>\$ 733,260</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

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, 2010 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

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

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

B. Basis of Presentation - Fund Accounting

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Governmental Funds

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

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

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

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

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

Proprietary Funds

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

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

Fiduciary Funds

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

C. Basis of Presentation – Financial Statements

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

Interfund receivables and payables between governmental and business-type activities have been eliminated in the government-wide Statement of Net Assets

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function or program of the City’s governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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

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

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

D. Basis of Accounting

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

Revenue considered susceptible to accrual at year end includes income taxes, interest on investments and state levied locally shared taxes (including motor vehicle license fees and local government assistance). Licenses, permits, charges for service and other miscellaneous revenues are recorded as revenue when received in cash because generally this revenue is not measurable until received.

Special assessment installments including related accrued interest, which are measurable but not available at December 31, are recorded as deferred revenue. Property taxes, which are measurable at December 31, 2010 but are not intended to finance 2010 operations, and delinquent property taxes whose availability is indeterminate, are recorded as deferred revenue as further described in Note 5.

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

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

E. Budgetary Process

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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

1. Tax Budget

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

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2010.

3. Appropriations

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

3. Appropriations (Continued)

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

4. Lapsing of Appropriations

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

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

5. Budgetary Basis of Accounting

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

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

	Net Change in Fund Balances		
	General Fund	Income Tax Fund	Community Development Fund
GAAP Basis (as reported)	(\$625,904)	\$1,035,054	(\$83,447)
Increase (Decrease):			
Accrued Revenues at December 31, 2010 received during 2011	(1,127,467)	(1,475,036)	(120,859)
Accrued Revenues at December 31, 2009 received during 2010	1,580,639	1,256,848	23
Accrued Expenditures at December 31, 2010 paid during 2011	1,386,918	63,221	178,150
Accrued Expenditures at December 31, 2009 paid during 2010	(1,256,746)	(61,848)	(122,590)
2009 Prepays for 2010	94,141	0	0
2010 Prepays for 2011	(41,974)	0	0
Outstanding Encumbrances	(691,829)	(50,794)	(437,972)
Budget Basis	<u>(\$682,222)</u>	<u>\$767,445</u>	<u>(\$586,695)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

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 2010. 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, 2010.

H. Inventory

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

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2010, 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, 2010***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation

Capital assets are defined by the City as assets with an initial, individual cost of more than \$10,000.

1. Property, Plant and Equipment - Governmental Activities

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

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

2. Property, Plant and Equipment – Business Type Activities

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

3. Depreciation

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

<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, 2010**

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, Storm Water Fund Tax Increment Financing Fund Debt Service Fund
Special Assessment Bonds	Sewer Fund
OWDA Loan	Water Fund, Sewer Fund, Storm Water Fund
OPWC Loan	Sewer Fund
Capital Leases	Street Department Fund Capital Improvement Fund, Water Fund
Compensated Absences	General Fund Street Department Fund Income Tax Fund Community Development Fund Court Computerization Fund Probation Grant Fund Water Fund Sewer Fund Storm Water Fund
Accrued Pension Liability	General Fund

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, 2010***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Compensated Absences (Continued)

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

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

N. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. In order to avoid distorting the measurement of the cost of individual functional activities, entries are made to eliminate the activity provided by the internal service funds to those funds considered governmental and those considered business-type. The elimination of the internal service funds is based on the activity of each fund to which it provides service. Interfund services provided and used are not eliminated through the process of consolidation.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Pensions

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

P. Reservations of Fund Balance

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

Q. Restricted Assets

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

R. Operating Revenues and Expenses

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City and that are either unusual in nature or infrequent in occurrence. The City had no special or extraordinary items to report during 2010.

NOTE 2 - COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Equities – The fund deficits at December 31, 2010 of \$30,594 in the Community Development Fund, \$263,382 in the American Recovery and Reinvestment Act/Housing and Economic Recovery Act (ARRA/HERA) Fund (special revenue fund) and \$13,879 in the Local Public Agency Project Fund (capital projects fund) arise from the recognition of expenditures on the modified accrual basis which are greater than expenditures recognized on the budgetary/cash basis. The General Fund provides transfers when cash is required, not when accruals occur.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2010**

NOTE 3 – RESTATEMENT OF NET ASSETS/FUND BALANCE

Certain adjustments were made to the Business Type Activities and Enterprise Fund net asset beginning balances due to errors in accounting for Ohio Public Works Commission (OPWC) Loans. This restatement had the following effect on beginning of year net assets/fund balance:

Net Assets	Business-Type Activities	Enterprise Funds	Sewer Fund
Reported December 31, 2009	\$24,154,953	\$23,324,615	\$10,592,523
OPWC Loans	(621,961)	(621,961)	(621,961)
Restated December 31, 2009	<u>\$23,532,992</u>	<u>\$22,702,654</u>	<u>\$9,970,562</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, 2010***

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

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

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

A. Deposits

At year end the carrying amount of the City's deposits was \$13,829,159 and the bank balance was \$14,435,298. Federal depository insurance covered \$755,700 of the bank balance and \$13,679,598 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>\$13,679,598</u>
Total Balance	<u><u>\$13,679,598</u></u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2010**

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

B. Investments

The City's investments at December 31, 2010 are summarized below:

	Fair Value	Credit Rating	Investment Maturities (in Years)		
			less than 1	1-3	3-5
Repurchase Agreement	\$1,242,421	N/A	\$1,242,421	\$0	\$0
STAR Ohio	3,068,078	AAAm ¹	3,068,078	0	0
Government Agency MM	740,000	AAAm ¹	740,000	0	0
Corporate Equities	346,235	N/A	346,235	0	0
Corporate Notes/Bonds	10,026	AAA ^{1,2}	0	10,026	0
FHLB	532,977	AAA ^{1,2}	0	20,294	512,683
FHLMC	1,004,860	AAA ^{1,2}	0	0	1,004,860
FNMA	989,730	AAA ^{1,2}	0	0	989,730
Total Investments	<u>\$7,934,327</u>		<u>\$5,396,734</u>	<u>\$30,320</u>	<u>\$2,507,273</u>

¹ Standard & Poor's

² Moody's Investor Service

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

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

Concentration of Credit Risk – The City places no limit on the amount the City may invest in one issuer.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

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 2010 were levied after October 1, 2009 on assessed values as of January 1, 2009, 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.

Tangible personal property tax revenues received in 2010 (other than public utility property) represent the collection of 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009 on values as of January 1, 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. House Bill No. 66 was to hold governments harmless by replacing a portion of the revenue lost due to the phasing out of the tax. In years 2006-2009, the lost revenue was fully reimbursed. In years 2010-2018, the lost revenue will not be reimbursed.

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, 2010 was \$3.70 per \$1,000 of assessed value. The assessed value upon which the 2010 collections were based was \$799,841,220. This amount constitutes \$777,623,060 in real property assessed value and \$22,218,160 in public utility assessed value.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

NOTE 5 - TAXES (Continued)

A. Property Taxes (Continued)

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, 2010 consisted of taxes, interest, accounts, loans, special assessments and intergovernmental receivables arising from shared revenues.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2010**

NOTE 7 – INTERFUND ACTIVITY

A. Transfers

Following is a summary of transfers in and out for all funds for 2010:

Fund	Transfer In	Transfer Out
General Fund	\$16,688,500	\$1,373,485
Income Tax Fund	0	16,386,055
Capital Improvement Fund	1,819,275	180,549
Other Governmental Funds	1,167,912	852,961
Total Governmental Funds	19,675,687	18,793,050
Sewer Fund	6,346	0
Storm Water Fund	0	88,983
Total Proprietary Funds	6,346	88,983
Internal Service Funds	0	800,000
Totals	<u>\$19,682,033</u>	<u>\$19,682,033</u>

Transfers for the year ended December 31, 2010 included a \$536,180 transfer from the General Fund to Capital Improvement Fund which were EMS receipts dedicated to capital improvements. \$180,549 was transferred from the Capital Improvement Fund to the Debt Service Fund for debt payments. Transfers out of Other Governmental Funds included \$509,947 transferred from the Police and Fire Pension fund to the General Fund for police and fire pension contributions and \$147,266 from the State Highway Fund to the Street Fund for work performed on state highways within the City. The Storm Water fund transferred \$360,000 to the Sewer fund for costs related to the High Rate Treatment System improvement project.

B. Interfund Receivables/Payables

The following is a summary of interfund loans receivable and payable for all funds for 2010:

Fund	Interfund Loans Receivable	Interfund Loans Payable
General Fund	\$399,081	\$0
Other Governmental Funds	0	399,081
Totals	<u>\$399,081</u>	<u>\$399,081</u>

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2010**

NOTE 8 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2010:

Historical Cost:

Class	December 31, 2009	Additions	Deletions	December 31, 2010
<i>Capital assets not being depreciated:</i>				
Land	\$16,259,070	\$0	\$0	\$16,259,070
Construction in Progress	1,464,652	0	0	1,464,652
Sub-Total	17,723,722	0	0	17,723,722
<i>Capital assets being depreciated:</i>				
Buildings	17,995,435	0	0	17,995,435
Improvements Other than Buildings	5,195,884	0	0	5,195,884
Infrastructure	55,576,127	1,473,560	(251,320)	56,798,367
Machinery and Equipment	13,008,286	39,920	(245,492)	12,802,714
Total Cost	<u>\$109,499,454</u>	<u>\$1,513,480</u>	<u>(\$496,812)</u>	<u>\$110,516,122</u>

Accumulated Depreciation:

Class	December 31, 2009	Additions	Deletions	December 31, 2010
Buildings	(\$5,335,843)	(\$363,926)	\$0	(\$5,699,769)
Improvements Other than Buildings	(3,337,448)	(128,852)	0	(3,466,300)
Infrastructure	(30,682,898)	(1,621,909)	226,451	(32,078,356)
Machinery and Equipment	(9,831,726)	(773,243)	245,492	(10,359,477)
Total Depreciation	<u>(\$49,187,915)</u>	<u>(\$2,887,930) *</u>	<u>\$471,943</u>	<u>(\$51,603,902)</u>
<i>Net Value:</i>	<u>\$60,311,539</u>			<u>\$58,912,220</u>

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$545,883
Community Environment	133,109
Public Health and Welfare Services	16,822
Transportation	1,799,227
General Government	392,889
Total Depreciation Expense	<u>\$2,887,930</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2010**

NOTE 8 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2010:

Historical Cost:

Class	December 31, 2009	Additions	Deletions	December 31, 2010
Capital assets not being depreciated:				
Land	\$161,800	\$0	\$0	\$161,800
Construction in Progress	12,850,975	12,038,605	(2,844,000)	22,045,580
Sub-Total	13,012,775	12,038,605	(2,844,000)	22,207,380
Capital assets being depreciated:				
Buildings and Improvements	28,698,020	2,844,000	0	31,542,020
Infrastructure	12,608,961	0	0	12,608,961
Machinery and Equipment	30,492,724	112,507	(82,935)	30,522,296
Total Cost	<u>\$84,812,480</u>	<u>\$14,995,112</u>	<u>(\$2,926,935)</u>	<u>\$96,880,657</u>
Accumulated Depreciation:				
Class	December 31, 2009	Additions	Deletions	December 31, 2010
Buildings and Improvements	(\$11,559,636)	(\$823,126)	\$0	(\$12,382,762)
Infrastructure	(3,654,907)	(192,023)	0	(3,846,930)
Machinery and Equipment	(28,445,137)	(905,030)	82,935	(29,267,232)
Total Depreciation	<u>(\$43,659,680)</u>	<u>(\$1,920,179)</u>	<u>\$82,935</u>	<u>(\$45,496,924)</u>
Net Value:	<u>\$41,152,800</u>			<u>\$51,383,733</u>

NOTE 9 – DEFINED BENEFIT PENSION PLANS

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

The ORC provides statutory authority for employee and employer contributions. For 2010, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 10.0%. The 2010 employer contribution rate for local government employer units was 14.00%, of covered payroll which is the maximum contribution rate set by State statutes. Employer contribution rates are actuarially determined. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits. The portion of employer contributions allocated to pension obligations for members in the Traditional Plan was 8.5% from January 1 through February 28, 2010 and 9.0% from March 1 through December 31, 2010. The portion of employer contributions allocated to pension obligations for members in the Combined Plan was 9.27% from January 1 through February 28, 2010, and 9.77% from March 1 through December 31, 2010. The contribution requirements of plan members and the City are established and may be amended by the OPERS Board. The City’s required contributions for pension obligations to OPERS for the years ending December 31, 2010, 2009, and 2008 were \$837,846, \$907,495 and \$733,231, respectively, which were equal to the required contributions for each year. Contributions to the member-directed plan for 2010 were \$12,060 made by the City and \$8,615 made by the plan members.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for 2010, 12.75% of annual covered salary for police and 17.25% of annual covered salary for firefighters, respectively, were the portions used to fund pension obligations. The City’s contributions for pension obligations to the OP&F Fund for the years ending December 31, 2010, 2009, and 2008 were \$589,430, \$599,294 and \$596,102 for police and \$875,359, \$897,510 and \$923,318 for firefighters, respectively, which were equal to the required contributions for each year.

NOTE 10 - POSTEMPLOYMENT BENEFITS

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

NOTE 10 - POSTEMPLOYMENT BENEFITS (Continued)

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

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

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

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010, local government employers contributed at a rate of 14.00% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

The OPERS Postemployment Health Care plan was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5% from January 1 through February 28, 2010 and 5.0% from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73% from January 1 through February 28, 2010, and 4.23% from March 1 through December 31, 2010. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OPERS for the years ending December 31, 2010, 2009, and 2008 were \$477,650, \$651,471 and \$733,231, respectively, which were equal to the required contributions for each year.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

NOTE 10 - POSTEMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2010, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees’ primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OP&F for the years ending December 31, 2010, 2009, and 2008 were \$312,051, \$317,273 and \$315,584 for police and \$342,532, \$351,200 and \$361,298 for firefighters, respectively, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

NOTE 11 - NOTES PAYABLE

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

	Balance January 1, 2010	Issued (Retired)	Balance December 31, 2010
Capital Projects Notes Payable:			
1.65% Police and Fire Facilities	\$871,000	(\$871,000)	\$0
1.25% Ice Rink Renovations	224,000	(224,000)	0
1.70% Evans Boulevard	550,000	(550,000)	0
Total Capital Projects Notes Payable	<u>\$1,645,000</u>	<u>(\$1,645,000)</u>	<u>\$0</u>

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CITY OF NEWARK, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2010**

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

Long-term debt and other long-term obligations of the City at December 31, 2010 were as follows:

			Balance December 31, 2009	Additions	Deductions	Balance December 31, 2010	Amount Due Within One Year
Governmental Activities:							
General Obligation Bonds:							
East Main Street							
Improvement Refunding (TIF)	4.0%-4.25%	2028	\$2,420,000	\$0	(\$85,000)	\$2,335,000	\$90,000
East Main Street Bridge	4.50%	2021	1,200,000	0	(100,000)	1,100,000	100,000
Police and Fire Facilities	2.0%-4.75%	2031	9,369,991	0	(320,000)	9,049,991	330,000
Police and Fire Facilities	1.0%-4.00%	2030	0	905,000	0	905,000	35,000
Ice Arena Renovations	1.0%-4.00%	2030	0	235,000	0	235,000	10,000
Evans Boulevard Construction	1.0%-2.70%	2020	0	570,000	0	570,000	55,000
Deo Drive Improvement (TIF)	3.75%-4.38%	2027	1,085,000	0	(45,000)	1,040,000	55,000
			14,074,991	1,710,000	(550,000)	15,234,991	675,000
Interest Accretion			262,675	63,637	0	326,312	0
Total General Obligation Bonds			14,337,666	1,773,637	(550,000)	15,561,303	675,000
ODOT State Infrastructure Bank Loan:							
Waterworks Road Improvements	3.00%	2018	1,021,359	162,954	0	1,184,313	0
Capital Leases			2,253,763	718,698	(753,765)	2,218,696	537,121
Accrued Pension Liability			1,932,816	0	(43,310)	1,889,506	45,170
Pollution Remediation Liability			0	1,215,577	0	1,215,577	911,683
Compensated Absences Payable			3,274,879	1,019,141	(1,157,429)	3,136,591	1,031,066
Total Governmental Activities			\$22,820,483	\$4,890,007	(\$2,504,504)	\$25,205,986	\$3,200,040

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CITY OF NEWARK, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2010**

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

			Restated Balance December 31, 2009	Additions	Deductions	Balance December 31, 2010	Amount Due Within One Year
Business-Type Activities:							
General Obligation Bonds:							
Water System Improvement Refunding	3.75%-4.50%	2018	\$5,923,825	\$0	(\$825,975)	\$5,097,850	\$774,290
Deferred Loss on Early Retirement of Debt			(390,072)	0	43,342	(346,730)	0
			5,533,753	0	(782,633)	4,751,120	774,290
Interest Accretion			4,586,113	543,422	(674,025)	4,455,510	0
			10,119,866	543,422	(1,456,658)	9,206,630	774,290
Storm Water Improvement	2.50%-5.50%	2034	1,800,000	0	(45,000)	1,755,000	45,000
Total General Obligation Bonds			11,919,866	543,422	(1,501,658)	10,961,630	819,290
Special Assessment Bond: (with governmental commitment)							
Morgan Manor	4.75%	2015	25,644	0	(5,128)	20,516	5,128
Ohio Water Development:							
Authority Loan (OWDA):							
Sewer Improvements	7.00%	2012	3,233,793	0	(842,960)	2,390,833	907,447
Licking River Interceptor Construction	3.25%	2026	2,333,269	0	(104,738)	2,228,531	108,170
Stormwater Utility Planning	3.36%	2028	755,732	0	(44,480)	711,252	0
Wastewater Electrical Improvements	0.61%	2027	2,562,626	0	(146,862)	2,415,764	0
Wastewater High Rate Treatment System	4.67%	2013	2,148,194	9,823,040	(5,001)	11,966,233	0
CSO Sewer Separation	3.36%	2028	870,655	0	(23,951)	846,704	0
Water Plant Generator	3.53%	2030	783,398	246,933	0	1,030,331	0
CSO Sewer Separation	3.25%	2031	0	502,143	0	502,143	0
Automated Meter Reading	3.53%	2031	0	807,566	0	807,566	0
Total OWDA Loans			12,687,667	11,379,682	(1,167,992)	22,899,357	1,015,617
Ohio Public Works:							
Commission Loan (OPWC):							
Licking River Interceptor Construction	0.00%	2026	497,574	0	(28,433)	469,141	28,433
Sewer Improvements	0.00%	2022	56,131	0	(4,318)	51,813	4,318
Idlewilde Park Sewer Phase I	0.00%	2022	45,628	0	(3,259)	42,369	3,259
Idlewilde Park Sewer Phase II	0.00%	2024	520,202	0	(33,561)	486,641	33,561
Total OPWC Loans			1,119,535	0	(69,571)	1,049,964	69,571
Capital Leases			362,395	0	(42,400)	319,995	44,093
Compensated Absences			638,208	267,085	(260,115)	645,178	224,001
Total Business-Type Activities			\$26,753,315	\$12,190,189	(\$3,046,864)	\$35,896,640	\$2,177,700

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

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

The principal amount of the City's special assessment debt outstanding at December 31, 2010, \$20,516, is general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners.

The City's liability for past service costs relating to the Police and Firemen's Pension Fund at December 31, 2010 was \$3,056,874 in principal and interest payments through the year 2035. Only the principal amount of \$1,889,506 is included in the Government-wide Statement of Net Assets.

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

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

The Police and Fire facilities bonds were issued in 2003 in the amount of \$11 million to provide for the construction of state of the art police and fire buildings. In 2010, \$905,000 of additional bonds were issued to fund cost overruns for this project.

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

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

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

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

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

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

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

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

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

Wastewater High Rate Treatment System - In 2007 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for installation of a wastewater high rate treatment system. The total amount is subject to change and has not been finalized. The interest rate on the loan is 4.67%, per annum. This loan is payable from wastewater collection and treatment charges and is received by the City in increments as the project is completed. As of December 31, 2010, the City had received \$16,686,994 from OWDA. In 2010, the City received \$1,657,979 of American Recovery and Reinvestment Act monies in the form of OWDA loan forgiveness for the High Rate Treatment System Loan. In total, \$5,000,000 of the loan balance has been forgiven through American Recovery and Reinvestment Act monies received. Subsequent amounts will be received in future years. An estimate of future financing requirements has been made based on the \$11,966,233 loan balance at December 31, 2010.

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

Water Plant Generator - In 2008 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for installation of a back up power generator at the water plant. The total amount is subject to change and has not been finalized. The interest rate on the loan is 3.53%, per annum. This loan is payable from water charges and is received by the City in increments as the project is completed. As of December 31, 2010, the City had received \$1,030,331 from OWDA. Subsequent amounts will be received in future years. An estimate of future financing requirements has been made based on the \$1,030,331 loan balance at December 31, 2010.

Combined Sewer Overflow (CSO) Separation - In 2010 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for a combined sewer overflow separation project. The total amount is subject to change and has not been finalized. The interest rate on the loan is 3.25%, per annum. This loan is payable from wastewater collection and treatment charges and is received by the City in increments as the project is completed. As of December 31, 2010, the City had received \$502,143 from OWDA. Subsequent amounts will be received in future years. An estimate of future financing requirements has been made based on the \$502,143 loan balance at December 31, 2010.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2010**

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

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

Automated Meter Reading - In 2010 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for an automated meter reading system. The total amount is subject to change and has not been finalized. The interest rate on the loan is 3.53%, per annum. This loan is payable from water charges and is received by the City in increments as the project is completed. As of December 31, 2010, the City had received \$807,566 from OWDA. Subsequent amounts will be received in future years. An estimate of future financing requirements has been made based on the \$807,566 loan balance at December 31, 2010.

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, 2010 follows:

Years	Business-Type Activities			
	General Obligation Bonds		Special Assessment Bond	
	Principal	Interest	Principal	Interest
2011	\$819,290	\$805,290	\$5,128	\$974
2012	774,934	848,522	5,128	730
2013	731,920	885,410	5,128	488
2014	700,176	926,031	5,132	244
2015	664,804	960,152	0	0
2016-2020	1,916,726	3,209,192	0	0
2021-2025	340,000	303,500	0	0
2026-2030	450,000	171,602	0	0
2031-2035	455,000	94,878	0	0
Totals	\$6,852,850	\$8,204,577	\$20,516	\$2,436

Years	OWDA Loans		OPWC Loan	
	Principal	Interest	Principal	Interest
2011	\$1,015,617	\$238,915	\$69,571	\$0
2012	1,779,142	807,248	69,571	0
2013	1,335,317	712,249	69,571	0
2014	856,332	649,351	69,571	0
2015	884,925	620,759	69,571	0
2016-2020	4,893,469	2,634,954	347,855	0
2021-2025	5,792,734	1,735,788	311,602	0
2026-2030	6,341,821	723,860	42,652	0
Totals	\$22,899,357	\$8,123,124	\$1,049,964	\$0

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2010**

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

B. Future Long-Term Financing Requirements (Continued)

Years	Governmental Activities					
	General Obligation Bonds		Accrued Pension Liability		ODOT SIB Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$675,000	\$639,393	\$45,170	\$79,830	\$0	\$0
2012	690,000	615,031	47,112	77,888	103,110	34,119
2013	710,000	590,069	49,134	75,866	106,247	30,983
2014	730,000	564,203	51,244	73,756	109,478	27,751
2015	351,476	750,069	53,446	71,554	112,809	24,422
2016-2020	3,318,515	3,068,014	303,702	321,298	617,644	68,505
2021-2025	3,880,000	1,626,846	374,772	250,228	135,025	2,204
2026-2030	4,175,000	739,415	462,474	162,526	0	0
2031-2035	705,000	33,488	502,452	54,422	0	0
Totals	\$15,234,991	\$8,626,528	\$1,889,506	\$1,167,368	\$1,184,313	\$187,984

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 \$9,480,000 at December 31, 2010 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In September 2006, the City defeased \$2,405,000 of General Obligation Bonds for East Main Street Improvements dated September 1, 1999 (the "1999 Bonds") through the issuance of \$2,645,000 of East Main Street Improvement Refunding Bonds (the "2006 Bonds"). The net proceeds of the 2006 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$1,825,000 at December 31, 2010 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

NOTE 13 – POLLUTION REMEDIATION

At December 31, 2010, the City recognized an estimated liability of \$1.2 million for pollution remediation activities due to violation of an Ohio EPA National Pollutant Discharge Elimination System permit. The liability, which is reported in the Government-wide Statement of Net Assets, was recorded at the current value of the costs the City expects to incur to perform the work.

NOTE 14 - CAPITALIZED LEASES

The City leases several assets under capital leases. The original cost of equipment of \$2,589,329, and the related liability reported as Governmental Activities capital leases are reported on the Government – wide Statement of Net Assets. The original cost of equipment of \$458,396 and the related liability reported as Business Type activities capital leases are reported on the Government – wide Statement of Net Assets as well as in the respective funds.

The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 2010:

Year Ending December 31,	Governmental Activities	Business-Type Activities
2011	\$636,789	\$56,302
2012	570,396	56,302
2013	370,262	56,302
2014	370,262	56,302
2015	242,432	56,302
2016 - 2017	318,544	84,453
Minimum Lease Payments	2,508,685	365,963
Less amount representing interest at the City's incremental borrowing rate of interest	(289,989)	(45,968)
Present value of minimum lease payments	<u>\$2,218,696</u>	<u>\$319,995</u>

NOTE 15 - INSURANCE AND RISK MANAGEMENT

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

A. Shared Risk Pool

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

NOTE 15 - INSURANCE AND RISK MANAGEMENT (Continued)

A. Shared Risk Pool (Continued)

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

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

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

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

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

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

B. Self Insurance

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2010**

NOTE 15 - INSURANCE AND RISK MANAGEMENT (Continued)

B. Self Insurance (Continued)

A liability of unpaid claims cost of \$286,384 is based on the requirements of GASB 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Interfund premiums are based primarily upon the insured funds' claims experience.

Changes in the fund's claims liability in 2009 and 2010 were:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year End</u>
2009	\$360,936	\$4,510,268	(\$4,600,108)	\$271,096
2010	271,096	5,033,525	(5,018,237)	286,384

NOTE 16 - CONTINGENCIES

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

NOTE 17 - CONSTRUCTION COMMITMENTS

The City had the following contractual commitments at December 31, 2010:

<u>Project</u>	<u>Remaining Contractual Commitment</u>	<u>Expected Date of Completion</u>
Waste Water High Rate Treatment System	\$3,342,576	2011
Combined Sewer Overflow Project	1,689,291	2011
Automated Meter Reader Project	922,763	2013

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Street Department Fund

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

Cemetery Fund

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

Special Improvement District Fund

To account for funds received through a voluntary assessment for improvements to properties located on the downtown square. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Veterans Memorial Sidewalk Fund

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

American Recovery and Reinvestment Act/Housing and Economic Recovery Act (ARRA/HERA) Fund

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

Safety Grants Fund

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

Police/Fire Pension Fund

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

(Continued)

Special Revenue Funds

Cemetery Rental Fund

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

State Highway Fund

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

Law Enforcement Fund

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

Landfill Reclamation Fund

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

Court Computerization Fund

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

Ice Arena Renovation Fund

To account for note proceeds and donations used for renovation of the ice arena. (This fund is not part of the City's appropriated budget, therefore no budgetary schedule is presented. The Balance Sheet is not presented because there are no assets or liabilities at year end.)

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

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.

Deo Drive Improvement Fund

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

Local Public Agency (LPA) Projects Fund

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

Court Capital Improvement Fund

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

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

CITY OF NEWARK, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2010**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Pooled Cash and Investments	\$ 2,328,144	\$ 18,749	\$ 670,755	\$ 0	\$ 3,017,648
Investments	75,000	0	0	0	75,000
Receivables:					
Taxes	460,712	0	292,200	0	752,912
Accounts	46,489	0	1,737	0	48,226
Intergovernmental	1,795,029	0	0	0	1,795,029
Interest	67	0	0	0	67
Special Assessments	0	5,317	0	0	5,317
Inventory of Supplies, at Cost	341,326	0	0	0	341,326
Restricted Assets:					
Cash and Cash Equivalents	497,346	0	0	3,912	501,258
Cash and Cash Equivalents with Fiscal Agent	5,296	0	0	4,278	9,574
Investments	0	0	0	627,500	627,500
Investments with Fiscal Agent	148,919	0	0	257,978	406,897
Total Assets	\$ 5,698,328	\$ 24,066	\$ 964,692	\$ 893,668	\$ 7,580,754
Liabilities:					
Accounts Payable	\$ 111,504	\$ 0	\$ 13,879	\$ 0	\$ 125,383
Accrued Wages and Benefits Payable	90,628	0	0	0	90,628
Intergovernmental Payable	80,807	0	0	0	80,807
Interfund Loans Payable	399,081	0	0	0	399,081
Deferred Revenue	1,828,182	5,317	292,200	0	2,125,699
Total Liabilities	2,510,202	5,317	306,079	0	2,821,598
Fund Balance:					
Reserved for Encumbrances	920,398	6,000	1,108,211	0	2,034,609
Reserved for Supplies Inventory	341,326	0	0	0	341,326
Reserved for Debt Service	0	12,749	0	0	12,749
Reserved for Endowments	0	0	0	893,668	893,668
Undesignated/Unreserved	1,926,402	0	(449,598)	0	1,476,804
Total Fund Balance	3,188,126	18,749	658,613	893,668	4,759,156
Total Liabilities and Fund Balance	\$ 5,698,328	\$ 24,066	\$ 964,692	\$ 893,668	\$ 7,580,754

CITY OF NEWARK, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2010**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Taxes	\$ 416,275	\$ 0	\$ 265,668	\$ 0	\$ 681,943
Intergovernmental Revenues	4,667,232	0	0	0	4,667,232
Charges for Services	178,083	0	0	6,355	184,438
Investment Earnings	13,089	0	0	30,953	44,042
Special Assessments	5,035	6,245	0	0	11,280
Fines and Forfeitures	479,220	0	25,717	0	504,937
All Other Revenue	81,830	21,913	63,080	0	166,823
Total Revenue	5,840,764	28,158	354,465	37,308	6,260,695
Expenditures:					
Current:					
Security of Persons and Property	428,800	0	0	0	428,800
Public Health and Welfare Services	92,892	0	0	20,202	113,094
Community Environment	707,782	0	0	0	707,782
Transportation	3,936,324	0	0	0	3,936,324
General Government	270,255	0	0	0	270,255
Capital Outlay	0	0	117,977	0	117,977
Debt Service:					
Principal Retirement	0	420,000	130,000	0	550,000
Interest and Fiscal Charges	2,139	484,198	143,035	0	629,372
Total Expenditures	5,438,192	904,198	391,012	20,202	6,753,604
Excess (Deficiency) of Revenues Over (Under) Expenditures	402,572	(876,040)	(36,547)	17,106	(492,909)
Other Financing Sources (Uses):					
Loan Issuance	0	0	162,954	0	162,954
General Obligation Bond Issuance	224,000	0	0	0	224,000
Transfers In	226,446	919,524	21,942	0	1,167,912
Transfers Out	(657,213)	(32,794)	(162,954)	0	(852,961)
Total Other Financing Sources (Uses)	(206,767)	886,730	21,942	0	701,905
Net Change in Fund Balance	195,805	10,690	(14,605)	17,106	208,996
Fund Balance at Beginning of Year	2,896,921	8,059	673,218	876,562	4,454,760
Increase in Inventory Reserve	95,400	0	0	0	95,400
Fund Balance End of Year	\$ 3,188,126	\$ 18,749	\$ 658,613	\$ 893,668	\$ 4,759,156

CITY OF NEWARK, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010**

	Street Department	Cemetery	Veterans Memorial Sidewalk	ARRA/HERA
Assets:				
Pooled Cash and Investments	\$ 265,253	\$ 316,489	\$ 17,826	\$ 0
Investments	0	0	75,000	0
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	881,439	0	0	124,392
Interest	0	0	67	0
Inventory of Supplies, at Cost	341,326	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	0	0	0
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
Investments with Fiscal Agent	0	0	0	0
Total Assets	<u>\$ 1,488,018</u>	<u>\$ 316,489</u>	<u>\$ 92,893</u>	<u>\$ 124,392</u>
Liabilities:				
Accounts Payable	\$ 75,410	\$ 0	\$ 1,010	\$ 3,658
Accrued Wages and Benefits Payable	86,754	0	0	0
Intergovernmental Payable	0	0	0	78,557
Interfund Loans Payable	0	0	0	305,559
Deferred Revenue	587,626	0	0	0
Total Liabilities	<u>749,790</u>	<u>0</u>	<u>1,010</u>	<u>387,774</u>
Fund Balance:				
Reserved for Encumbrances	338,499	0	600	23,244
Reserved for Supplies Inventory	341,326	0	0	0
Undesignated/Unreserved	58,403	316,489	91,283	(286,626)
Total Fund Balance	<u>738,228</u>	<u>316,489</u>	<u>91,883</u>	<u>(263,382)</u>
Total Liabilities and Fund Balance	<u>\$ 1,488,018</u>	<u>\$ 316,489</u>	<u>\$ 92,893</u>	<u>\$ 124,392</u>

CITY OF NEWARK, OHIO

<u>Safety Grants</u>	<u>Police/Fire Pension</u>	<u>Cemetery Rental</u>	<u>State Highway</u>	<u>Law Enforcement</u>	<u>Landfill Reclamation</u>
\$ 43,446	\$ 46,749	\$ 26,335	\$ 0	\$ 219,915	\$ 9,397
0	0	0	0	0	0
0	460,712	0	0	0	0
0	0	300	0	17,491	0
38,037	33,888	0	71,468	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>\$ 81,483</u>	<u>\$ 541,349</u>	<u>\$ 26,635</u>	<u>\$ 71,468</u>	<u>\$ 237,406</u>	<u>\$ 9,397</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	0	0	0	2,250	0
0	0	0	0	0	0
0	494,600	0	47,645	0	0
0	494,600	0	47,645	2,250	0
0	0	0	0	12,993	0
0	0	0	0	0	0
81,483	46,749	26,635	23,823	222,163	9,397
<u>81,483</u>	<u>46,749</u>	<u>26,635</u>	<u>23,823</u>	<u>235,156</u>	<u>9,397</u>
<u>\$ 81,483</u>	<u>\$ 541,349</u>	<u>\$ 26,635</u>	<u>\$ 71,468</u>	<u>\$ 237,406</u>	<u>\$ 9,397</u>

(Continued)

CITY OF NEWARK, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010**

	Court Computerization	Permissive License Tax	Probation Grant	Impound
Assets:				
Pooled Cash and Investments	\$ 183,919	\$ 352,429	\$ 60,255	\$ 178,975
Investments	0	0	0	0
Receivables:				
Taxes	0	0	0	0
Accounts	14,911	0	0	1,440
Intergovernmental	0	301,448	30,809	0
Interest	0	0	0	0
Inventory of Supplies, at Cost	0	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	497,346	0	0
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
Investments with Fiscal Agent	0	0	0	0
Total Assets	\$ 198,830	\$ 1,151,223	\$ 91,064	\$ 180,415
Liabilities:				
Accounts Payable	\$ 6,509	\$ 0	\$ 0	\$ 3,242
Accrued Wages and Benefits Payable	246	0	422	0
Intergovernmental Payable	0	0	0	0
Interfund Loans Payable	0	0	0	0
Deferred Revenue	0	698,311	0	0
Total Liabilities	6,755	698,311	422	3,242
Fund Balance:				
Reserved for Encumbrances	93,831	258,386	7,532	8,113
Reserved for Supplies Inventory	0	0	0	0
Undesignated/Unreserved	98,244	194,526	83,110	169,060
Total Fund Balance	192,075	452,912	90,642	177,173
Total Liabilities and Fund Balance	\$ 198,830	\$ 1,151,223	\$ 91,064	\$ 180,415

CITY OF NEWARK, OHIO

Federal Transit Administration	FEMA	Mary E. Barnes Trust	Brownfield Cleanup	Judicial	Total Nonmajor Special Revenue Funds
\$ 0	\$ 5,941	\$ 0	\$ 0	\$ 601,215	\$ 2,328,144
0	0	0	0	0	75,000
0	0	0	0	0	460,712
374	0	0	0	11,973	46,489
313,548	0	0	0	0	1,795,029
0	0	0	0	0	67
0	0	0	0	0	341,326
0	0	0	0	0	497,346
0	0	5,296	0	0	5,296
0	0	148,919	0	0	148,919
<u>\$ 313,922</u>	<u>\$ 5,941</u>	<u>\$ 154,215</u>	<u>\$ 0</u>	<u>\$ 613,188</u>	<u>\$ 5,698,328</u>
\$ 16,148	\$ 0	\$ 0	\$ 0	\$ 5,527	\$ 111,504
3,206	0	0	0	0	90,628
0	0	0	0	0	80,807
93,522	0	0	0	0	399,081
0	0	0	0	0	1,828,182
<u>112,876</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,527</u>	<u>2,510,202</u>
126,253	5,941	0	45,006	0	920,398
0	0	0	0	0	341,326
74,793	0	154,215	(45,006)	607,661	1,926,402
<u>201,046</u>	<u>5,941</u>	<u>154,215</u>	<u>0</u>	<u>607,661</u>	<u>3,188,126</u>
<u>\$ 313,922</u>	<u>\$ 5,941</u>	<u>\$ 154,215</u>	<u>\$ 0</u>	<u>\$ 613,188</u>	<u>\$ 5,698,328</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, 2010**

	Street Department	Cemetery	Special Improvement District	Veterans Memorial Sidewalk
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	1,817,574	0	0	0
Charges for Services	0	0	0	0
Investment Earnings	0	342	0	929
Special Assessments	0	0	5,035	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	29,507	0	0	1,900
Total Revenue	1,847,081	342	5,035	2,829
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Public Health and Welfare Services	0	19,041	0	0
Community Environment	0	0	9,840	0
Transportation	2,011,109	0	0	0
General Government	0	0	0	6,002
Debt Service:				
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	2,011,109	19,041	9,840	6,002
Excess (Deficiency) of Revenues Over (Under) Expenditures	(164,028)	(18,699)	(4,805)	(3,173)
Other Financing Sources (Uses):				
General Obligation Bonds Issued	0	0	0	0
Transfers In	167,266	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	167,266	0	0	0
Net Change in Fund Balance	3,238	(18,699)	(4,805)	(3,173)
Fund Balance (Deficit) at Beginning of Year	639,590	335,188	4,805	95,056
Increase in Inventory Reserve	95,400	0	0	0
Fund Balance (Deficit) End of Year	\$ 738,228	\$ 316,489	\$ 0	\$ 91,883

CITY OF NEWARK, OHIO

ARRA/HERA	Safety Grants	Police/Fire Pension	Cemetery Rental	State Highway	Law Enforcement	Landfill Reclamation
\$ 0	\$ 0	\$ 416,275	\$ 0	\$ 0	\$ 0	\$ 0
737,166	209,828	102,460	0	147,371	28,767	0
0	0	0	3,600	0	0	18,794
0	23	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	87,393	0
0	0	0	0	0	0	0
<u>737,166</u>	<u>209,851</u>	<u>518,735</u>	<u>3,600</u>	<u>147,371</u>	<u>116,160</u>	<u>18,794</u>
0	202,413	6,935	0	0	46,280	0
0	0	0	0	0	0	0
697,942	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	9,397
0	0	0	0	0	0	0
<u>697,942</u>	<u>202,413</u>	<u>6,935</u>	<u>0</u>	<u>0</u>	<u>46,280</u>	<u>9,397</u>
39,224	7,438	511,800	3,600	147,371	69,880	9,397
0	0	0	0	0	0	0
0	41,041	0	0	0	0	0
0	0	(509,947)	0	(147,266)	0	0
<u>0</u>	<u>41,041</u>	<u>(509,947)</u>	<u>0</u>	<u>(147,266)</u>	<u>0</u>	<u>0</u>
39,224	48,479	1,853	3,600	105	69,880	9,397
(302,606)	33,004	44,896	23,035	23,718	165,276	0
0	0	0	0	0	0	0
<u>\$ (263,382)</u>	<u>\$ 81,483</u>	<u>\$ 46,749</u>	<u>\$ 26,635</u>	<u>\$ 23,823</u>	<u>\$ 235,156</u>	<u>\$ 9,397</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, 2010**

	Court Computerization	Ice Arena Renovation	Permissive License Tax	Probation Grant
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	659,609	126,776
Charges for Services	0	0	0	0
Investment Earnings	0	0	0	0
Special Assessments	0	0	0	0
Fines and Forfeitures	218,870	0	0	0
All Other Revenue	0	0	15,890	0
Total Revenue	<u>218,870</u>	<u>0</u>	<u>675,499</u>	<u>126,776</u>
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	130,010
Public Health and Welfare Services	0	0	0	0
Community Environment	0	0	0	0
Transportation	0	0	1,070,708	0
General Government	234,737	0	0	0
Debt Service:				
Interest and Fiscal Charges	0	2,139	0	0
Total Expenditures	<u>234,737</u>	<u>2,139</u>	<u>1,070,708</u>	<u>130,010</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,867)	(2,139)	(395,209)	(3,234)
Other Financing Sources (Uses):				
General Obligation Bonds Issued	0	224,000	0	0
Transfers In	0	2,792	0	15,347
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>226,792</u>	<u>0</u>	<u>15,347</u>
Net Change in Fund Balance	(15,867)	224,653	(395,209)	12,113
Fund Balance (Deficit) at Beginning of Year	207,942	(224,653)	848,121	78,529
Increase in Inventory Reserve	0	0	0	0
Fund Balance (Deficit) End of Year	<u>\$ 192,075</u>	<u>\$ 0</u>	<u>\$ 452,912</u>	<u>\$ 90,642</u>

CITY OF NEWARK, OHIO

Impound	Federal Transit Administration	FEMA	Mary E. Barnes Trust	Brownfield Cleanup	Judicial	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 416,275
0	763,830	0	0	73,851	0	4,667,232
47,214	108,475	0	0	0	0	178,083
0	0	0	11,795	0	0	13,089
0	0	0	0	0	0	5,035
0	0	0	0	0	172,957	479,220
31,632	2,901	0	0	0	0	81,830
<u>78,846</u>	<u>875,206</u>	<u>0</u>	<u>11,795</u>	<u>73,851</u>	<u>172,957</u>	<u>5,840,764</u>
42,632	0	0	530	0	0	428,800
0	0	0	0	73,851	0	92,892
0	0	0	0	0	0	707,782
0	854,507	0	0	0	0	3,936,324
0	0	0	0	0	20,119	270,255
0	0	0	0	0	0	2,139
<u>42,632</u>	<u>854,507</u>	<u>0</u>	<u>530</u>	<u>73,851</u>	<u>20,119</u>	<u>5,438,192</u>
36,214	20,699	0	11,265	0	152,838	402,572
0	0	0	0	0	0	224,000
0	0	0	0	0	0	226,446
0	0	0	0	0	0	(657,213)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(206,767)</u>
36,214	20,699	0	11,265	0	152,838	195,805
140,959	180,347	5,941	142,950	0	454,823	2,896,921
0	0	0	0	0	0	95,400
<u>\$ 177,173</u>	<u>\$ 201,046</u>	<u>\$ 5,941</u>	<u>\$ 154,215</u>	<u>\$ 0</u>	<u>\$ 607,661</u>	<u>\$ 3,188,126</u>

CITY OF NEWARK, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2010**

	Deo Drive Improvement	LPA Projects	Court Capital Improvement	Tax Increment Financing	Total Nonmajor Capital Projects Funds
Assets:					
Pooled Cash and Investments	\$ 21,050	\$ 0	\$ 339,456	\$ 310,249	\$ 670,755
Receivables:					
Taxes	0	0	0	292,200	292,200
Accounts	0	0	1,737	0	1,737
Total Assets	\$ 21,050	\$ 0	\$ 341,193	\$ 602,449	\$ 964,692
Liabilities:					
Accounts Payable	\$ 0	\$ 13,879	\$ 0	\$ 0	\$ 13,879
Deferred Revenue	0	0	0	292,200	292,200
Total Liabilities	0	13,879	0	292,200	306,079
Fund Balance:					
Reserved for Encumbrances	18,850	1,079,865	0	9,496	1,108,211
Undesignated/Unreserved	2,200	(1,093,744)	341,193	300,753	(449,598)
Total Fund Balance	21,050	(13,879)	341,193	310,249	658,613
Total Liabilities and Fund Balance	\$ 21,050	\$ 0	\$ 341,193	\$ 602,449	\$ 964,692

CITY OF NEWARK, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2010**

	Deo Drive Improvement	LPA Projects	Court Capital Improvement	Tax Increment Financing	Total Nonmajor Capital Project Funds
Revenues:					
Taxes	\$ 0	\$ 0	\$ 0	\$ 265,668	\$ 265,668
Fines and Forfeitures	0	0	25,717	0	25,717
All Other Revenue	0	0	0	63,080	63,080
Total Revenue	0	0	25,717	328,748	354,465
Expenditures:					
Capital Outlay	0	33,731	0	84,246	117,977
Debt Service:					
Principal Retirement	0	0	0	130,000	130,000
Interest and Fiscal Charges	0	0	0	143,035	143,035
Total Expenditures	0	33,731	0	357,281	391,012
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	0	(33,731)	25,717	(28,533)	(36,547)
Other Financing Sources (Uses):					
Loan Issuance	0	162,954	0	0	162,954
Transfers In	0	21,942	0	0	21,942
Transfers Out	0	(162,954)	0	0	(162,954)
Total Other Financing Sources (Uses)	0	21,942	0	0	21,942
Net Change in Fund Balance	0	(11,789)	25,717	(28,533)	(14,605)
Fund Balance (Deficit) at Beginning of Year	21,050	(2,090)	315,476	338,782	673,218
Fund Balance (Deficit) End of Year	\$ 21,050	\$ (13,879)	\$ 341,193	\$ 310,249	\$ 658,613

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, 2010**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 2,789,121	\$ 2,716,271	\$ 2,529,790	\$ (186,481)
Intergovernmental Revenues	3,679,615	3,860,459	4,213,059	352,600
Charges for Services	1,929,000	1,971,000	2,064,390	93,390
Licenses, Permits and Fees	44,785	56,785	48,606	(8,179)
Investment Earnings	212,450	212,450	203,563	(8,887)
Special Assessments	31,500	31,500	16,355	(15,145)
Fines and Forfeitures	1,731,150	1,759,070	1,573,398	(185,672)
All Other Revenue	<u>72,550</u>	<u>136,746</u>	<u>231,716</u>	<u>94,970</u>
Total Revenues	<u>10,490,171</u>	<u>10,744,281</u>	<u>10,880,877</u>	<u>136,596</u>
Expenditures:				
Security of Persons and Property:				
Police:				
Personal Services	8,558,720	8,558,720	8,338,907	219,813
Materials and Supplies	208,599	230,665	224,264	6,401
Contractual Services	517,509	512,389	457,381	55,008
Other Expenditures	7,987	8,237	2,114	6,123
Capital Outlay	<u>8,158</u>	<u>35,328</u>	<u>34,570</u>	<u>758</u>
Total Police	<u>9,300,973</u>	<u>9,345,339</u>	<u>9,057,236</u>	<u>288,103</u>
Fire:				
Personal Services	8,035,749	8,036,844	7,855,174	181,670
Materials and Supplies	353,478	357,210	284,548	72,662
Contractual Services	933,838	929,262	804,343	124,919
Other Expenditures	3,000	3,000	1,000	2,000
Capital Outlay	<u>6,241</u>	<u>6,241</u>	<u>4,074</u>	<u>2,167</u>
Total Fire	<u>9,332,306</u>	<u>9,332,557</u>	<u>8,949,139</u>	<u>383,418</u>
Total Security of Persons and Property	<u>18,633,279</u>	<u>18,677,896</u>	<u>18,006,375</u>	<u>671,521</u>
Public Health and Welfare Services:				
Solid Waste:				
Contractual Services	54,107	51,757	51,135	622
Capital Outlay	<u>0</u>	<u>2,350</u>	<u>2,350</u>	<u>0</u>
Total Solid Waste	<u>54,107</u>	<u>54,107</u>	<u>53,485</u>	<u>622</u>
Total Public Health and Welfare Services	<u>54,107</u>	<u>54,107</u>	<u>53,485</u>	<u>622</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, 2010***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Community Environment:				
Code Administration:				
Personal Services	84,056	97,665	97,154	511
Materials and Supplies	5,861	5,427	2,323	3,104
Contractual Services	9,445	22,805	7,901	14,904
Other Expenditures	250	500	450	50
Capital Outlay	809	674	171	503
Total Code Administration	<u>100,421</u>	<u>127,071</u>	<u>107,999</u>	<u>19,072</u>
Total Community Environment	<u>100,421</u>	<u>127,071</u>	<u>107,999</u>	<u>19,072</u>
General Government:				
City Council:				
Personal Services	100,343	100,343	100,133	210
Contractual Services	38	38	0	38
Total City Council	<u>100,381</u>	<u>100,381</u>	<u>100,133</u>	<u>248</u>
Clerk of Council:				
Personal Services	59,580	59,580	58,649	931
Materials and Supplies	1,908	2,158	1,408	750
Contractual Services	23,365	23,115	20,416	2,699
Total Clerk of Council	<u>84,853</u>	<u>84,853</u>	<u>80,473</u>	<u>4,380</u>
Mayor:				
Personal Services	153,316	153,316	152,048	1,268
Materials and Supplies	205	355	300	55
Contractual Services	800,500	834,757	834,542	215
Other Expenditures	0	10	0	10
Total Mayor	<u>954,021</u>	<u>988,438</u>	<u>986,890</u>	<u>1,548</u>
Auditor:				
Personal Services	357,194	357,194	336,341	20,853
Materials and Supplies	13,642	13,642	5,123	8,519
Contractual Services	216,253	214,253	150,461	63,792
Other Expenditures	0	2,000	2,000	0
Total Auditor	<u>587,089</u>	<u>587,089</u>	<u>493,925</u>	<u>93,164</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, 2010***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Treasurer:				
Personal Services	115,489	115,489	101,188	14,301
Materials and Supplies	7,226	5,151	2,140	3,011
Contractual Services	13,754	13,829	13,754	75
Capital Outlay	0	2,000	0	2,000
Total Treasurer	136,469	136,469	117,082	19,387
Law Director:				
Personal Services	773,390	773,391	762,487	10,904
Materials and Supplies	5,254	4,604	3,114	1,490
Contractual Services	36,925	37,575	31,083	6,492
Total Law Director	815,569	815,570	796,684	18,886
Clerk of Courts:				
Personal Services	1,017,088	1,019,169	986,894	32,275
Materials and Supplies	29,816	27,435	26,864	571
Contractual Services	88,701	89,001	80,158	8,843
Other Expenditures	100	100	100	0
Total Clerk of Courts	1,135,705	1,135,705	1,094,016	41,689
Civil Service:				
Contractual Services	56,820	56,820	33,474	23,346
Total Civil Service	56,820	56,820	33,474	23,346
Judiciary:				
Personal Services	671,871	675,012	645,278	29,734
Materials and Supplies	14,353	16,432	15,553	879
Contractual Services	65,509	77,420	62,791	14,629
Total Judiciary	751,733	768,864	723,622	45,242
Personnel:				
Personal Services	285,097	285,096	282,717	2,379
Materials and Supplies	3,154	2,754	2,637	117
Contractual Services	31,172	72,410	70,931	1,479
Capital Outlay	2,000	1,162	0	1,162
Total Personnel	321,423	361,422	356,285	5,137

(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, 2010***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Adult Probation:				
Personal Services	605,425	608,954	600,674	8,280
Materials and Supplies	24,596	18,669	13,430	5,239
Contractual Services	33,490	35,885	30,980	4,905
Total Adult Probation	663,511	663,508	645,084	18,424
Service Department:				
Personal Services	689,626	695,725	694,312	1,413
Materials and Supplies	76,888	115,790	109,400	6,390
Contractual Services	1,587,950	1,516,451	1,495,489	20,962
Other Expenditures	1,001	201	151	50
Capital Outlay	187,849	205,447	205,408	39
Total Service Department	2,543,314	2,533,614	2,504,760	28,854
Engineer Department:				
Personal Services	441,027	441,028	421,868	19,160
Materials and Supplies	9,786	10,236	7,597	2,639
Contractual Services	52,556	65,106	54,458	10,648
Total Engineer Department	503,369	516,370	483,923	32,447
Information Services:				
Materials and Supplies	1,352	1,352	932	420
Contractual Services	6,471	6,471	4,963	1,508
Capital Outlay	15,528	15,528	2,421	13,107
Total Information Services	23,351	23,351	8,316	15,035
Custodial:				
Personal Services	156,170	160,765	160,765	0
Materials and Supplies	8,206	3,572	3,266	306
Contractual Services	63,456	64,719	42,150	22,569
Total Custodial	227,832	229,056	206,181	22,875

(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, 2010***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Economic Development:				
Personal Services	68,339	67,116	61,059	6,057
Materials and Supplies	777	227	225	2
Contractual Services	38,551	37,088	37,088	0
Capital Outlay	0	2,011	2,011	0
Total Economic Development	<u>107,667</u>	<u>106,442</u>	<u>100,383</u>	<u>6,059</u>
Safety Director:				
Personal Services	162,457	162,456	159,849	2,607
Materials and Supplies	2,175	2,175	887	1,288
Contractual Services	91,126	111,126	109,394	1,732
Other Expenditures	6,161	31,484	31,484	0
Total Safety Director	<u>261,919</u>	<u>307,241</u>	<u>301,614</u>	<u>5,627</u>
Total General Government	<u>9,275,026</u>	<u>9,415,193</u>	<u>9,032,845</u>	<u>382,348</u>
Total Expenditures	<u>28,062,833</u>	<u>28,274,267</u>	<u>27,200,704</u>	<u>1,073,563</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,572,662)	(17,529,986)	(16,319,827)	1,210,159
Other Financing Sources (Uses):				
Transfers In	35,968,432	36,756,767	35,976,848	(779,919)
Transfers Out	(20,920,628)	(21,197,014)	(20,365,077)	831,937
Advances In	0	424,915	424,915	0
Advances Out	0	(399,081)	(399,081)	0
Total Other Financing Sources (Uses)	<u>15,047,804</u>	<u>15,585,587</u>	<u>15,637,605</u>	<u>52,018</u>
Net Change in Fund Balance	(2,524,858)	(1,944,399)	(682,222)	1,262,177
Fund Balance at Beginning of Year	1,998,974	1,998,974	1,998,974	0
Prior Year Encumbrances	474,478	474,478	474,478	0
Fund Balance at End of Year	<u>\$ (51,406)</u>	<u>\$ 529,053</u>	<u>\$ 1,791,230</u>	<u>\$ 1,262,177</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, 2010**

	INCOME TAX FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 18,007,200	\$ 18,107,200	\$ 18,780,236	\$ 673,036
Investment Earnings	0	0	23	23
All Other Revenue	0	0	1,048	1,048
Total Revenues	<u>18,007,200</u>	<u>18,107,200</u>	<u>18,781,307</u>	<u>674,107</u>
Expenditures:				
General Government:				
Personal Services	717,657	648,770	633,377	15,393
Materials and Supplies	56,762	37,792	29,945	7,847
Contractual Services	150,704	105,599	77,245	28,354
Other Expenditures	775,000	875,000	827,681	47,319
Capital Outlay	37,500	101,575	59,559	42,016
Total Expenditures	<u>1,737,623</u>	<u>1,768,736</u>	<u>1,627,807</u>	<u>140,929</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,269,577	16,338,464	17,153,500	815,036
Other Financing Sources (Uses):				
Transfers Out	<u>(16,272,806)</u>	<u>(16,386,055)</u>	<u>(16,386,055)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(16,272,806)</u>	<u>(16,386,055)</u>	<u>(16,386,055)</u>	<u>0</u>
Net Change in Fund Balance	(3,229)	(47,591)	767,445	815,036
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	<u>47,591</u>	<u>47,591</u>	<u>47,591</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 44,362</u>	<u>\$ 0</u>	<u>\$ 815,036</u>	<u>\$ 815,036</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, 2010**

	COMMUNITY DEVELOPMENT FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 3,643,465	\$ 3,943,465	\$ 1,343,980	\$ (2,599,485)
Investment Earnings	680	680	283	(397)
All Other Revenue	268,193	268,193	206,624	(61,569)
Total Revenues	<u>3,912,338</u>	<u>4,212,338</u>	<u>1,550,887</u>	<u>(2,661,451)</u>
Expenditures:				
Community Environment:				
Personal Services	655,632	956,003	665,233	290,770
Materials and Supplies	5,077	16,727	13,643	3,084
Contractual Services	3,155,030	3,016,600	1,314,273	1,702,327
Other Expenditures	12,953	66,257	37,020	29,237
Capital Outlay	6,526	110,204	107,413	2,791
Total Expenditures	<u>3,835,218</u>	<u>4,165,791</u>	<u>2,137,582</u>	<u>2,028,209</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	77,120	46,547	(586,695)	(633,242)
Fund Balance at Beginning of Year	(147,090)	(147,090)	(147,090)	0
Prior Year Encumbrances	322,510	322,510	322,510	0
Fund Balance at End of Year	<u>\$ 252,540</u>	<u>\$ 221,967</u>	<u>\$ (411,275)</u>	<u>\$ (633,242)</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, 2010**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 295,531	\$ 295,531	\$ 0
Investment Earnings	5,082	4,637	(445)
All Other Revenue	0	33,751	33,751
Total Revenues	<u>300,613</u>	<u>333,919</u>	<u>33,306</u>
Expenditures:			
Capital Outlay	<u>2,037,837</u>	<u>2,025,555</u>	<u>12,282</u>
Total Expenditures	<u>2,037,837</u>	<u>2,025,555</u>	<u>12,282</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,737,224)	(1,691,636)	45,588
Other Financing Sources (Uses):			
Transfers In	1,706,636	1,706,636	0
Transfers Out	<u>(330,252)</u>	<u>(180,549)</u>	<u>149,703</u>
Total Other Financing Sources (Uses)	<u>1,376,384</u>	<u>1,526,087</u>	<u>149,703</u>
Net Change in Fund Balance	(360,840)	(165,549)	195,291
Fund Balance at Beginning of Year	579,403	579,403	0
Prior Year Encumbrances	<u>371,934</u>	<u>371,934</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 590,497</u>	<u>\$ 785,788</u>	<u>\$ 195,291</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, 2010***

STREET DEPARTMENT FUND			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 2,010,306	\$ 1,816,286	\$ (194,020)
All Other Revenue	33,436	34,196	760
Total Revenues	<u>2,043,742</u>	<u>1,850,482</u>	<u>(193,260)</u>
Expenditures:			
Transportation:			
Personal Services	1,820,436	1,761,116	59,320
Materials and Supplies	585,518	562,368	23,150
Contractual Services	683,853	662,893	20,960
Other Expenditures	1,986	1,986	0
Capital Outlay	2,000	2,000	0
Total Expenditures	<u>3,093,793</u>	<u>2,990,363</u>	<u>103,430</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,050,051)	(1,139,881)	(89,830)
Other Financing Sources (Uses):			
Transfers In	792,592	730,953	(61,639)
Total Other Financing Sources (Uses)	<u>792,592</u>	<u>730,953</u>	<u>(61,639)</u>
Net Change in Fund Balance	(257,459)	(408,928)	(151,469)
Fund Balance at Beginning of Year	14,104	14,104	0
Prior Year Encumbrances	246,168	246,168	0
Fund Balance at End of Year	<u>\$ 2,813</u>	<u>\$ (148,656)</u>	<u>\$ (151,469)</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, 2010**

	CEMETERY FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u></u>
Revenues:			
Investment Earnings	\$ 945	\$ 364	\$ (581)
Total Revenues	<u>945</u>	<u>364</u>	<u>(581)</u>
Expenditures:			
Public Health and Welfare Services:			
Materials and Supplies	12,000	6,865	5,135
Contractual Services	<u>13,701</u>	<u>12,176</u>	<u>1,525</u>
Total Expenditures	<u>25,701</u>	<u>19,041</u>	<u>6,660</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(24,756)	(18,677)	6,079
Fund Balance at Beginning of Year	<u>335,166</u>	<u>335,166</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 310,410</u>	<u>\$ 316,489</u>	<u>\$ 6,079</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, 2010***

SPECIAL IMPROVEMENT DISTRICT FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments	\$ 6,000	\$ 5,035	\$ (965)
Total Revenues	<u>6,000</u>	<u>5,035</u>	<u>(965)</u>
Expenditures:			
Community Environment:			
Contractual Services	220	169	51
Other Expenditures	<u>9,671</u>	<u>9,671</u>	<u>0</u>
Total Expenditures	<u>9,891</u>	<u>9,840</u>	<u>51</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,891)	(4,805)	(914)
Fund Balance at Beginning of Year	<u>4,805</u>	<u>4,805</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 914</u>	<u>\$ 0</u>	<u>\$ (914)</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, 2010***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 975	\$ 975	\$ 0
All Other Revenue	1,800	1,900	100
Total Revenues	<u>2,775</u>	<u>2,875</u>	<u>100</u>
Expenditures:			
General Government:			
Contractual Services	10,695	6,602	4,093
Total Expenditures	<u>10,695</u>	<u>6,602</u>	<u>4,093</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,920)	(3,727)	4,193
Fund Balance at Beginning of Year	94,298	94,298	0
Prior Year Encumbrances	645	645	0
Fund Balance at End of Year	<u>\$ 87,023</u>	<u>\$ 91,216</u>	<u>\$ 4,193</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, 2010***

ARRA/HERA FUND			
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental Revenues	\$ 2,859,586	\$ 768,520	\$ (2,091,066)
Total Revenues	<u>2,859,586</u>	<u>768,520</u>	<u>(2,091,066)</u>
Expenditures:			
Security of Persons and Property:			
Justice Assistance Grant:			
Materials and Supplies	139	139	0
Total Security of Persons and Property	<u>139</u>	<u>139</u>	<u>0</u>
Community Environment:			
Community Development Block Grant:			
Contractual Services	143,719	143,719	0
Total Community Development Block Grant	<u>143,719</u>	<u>143,719</u>	<u>0</u>
Energy Efficiency and Conservation Grant:			
Contractual Services	203,900	203,900	0
Total Energy Efficiency and Conservation Grant	<u>203,900</u>	<u>203,900</u>	<u>0</u>
Neighborhood Stabilization Program:			
Personal Services	96,382	53,785	42,597
Contractual Services	1,839,068	431,739	1,407,329
Capital Outlay	153,378	43,600	109,778
Total Neighborhood Stabilization Program	<u>2,088,828</u>	<u>529,124</u>	<u>1,559,704</u>
Total Community Environment	<u>2,436,447</u>	<u>876,743</u>	<u>1,559,704</u>
Transportation:			
Federal Transit Authority:			
Contractual Services	200,000	0	200,000
Total Transportation	<u>200,000</u>	<u>0</u>	<u>200,000</u>
Total Expenditures	<u>2,636,586</u>	<u>876,882</u>	<u>1,759,704</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, 2010***

	ARRA/HERA FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	223,000	(108,362)	(331,362)
Other Financing Sources (Uses):			
Advances In	305,559	305,559	0
Advances Out	<u>(302,655)</u>	<u>(302,655)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>2,904</u>	<u>2,904</u>	<u>0</u>
Net Change in Fund Balance	225,904	(105,458)	(331,362)
Fund Balance at Beginning of Year	(545,981)	(545,981)	0
Prior Year Encumbrances	<u>545,981</u>	<u>545,981</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 225,904</u>	<u>\$ (105,458)</u>	<u>\$ (331,362)</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, 2010***

SAFETY GRANTS FUND			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 457,562	\$ 307,978	\$ (149,584)
Investment Earnings	20	23	3
Total Revenues	<u>457,582</u>	<u>308,001</u>	<u>(149,581)</u>
Expenditures:			
Security of Persons and Property:			
Personal Services	114,493	110,499	3,994
Materials and Supplies	6,500	6,500	0
Contractual Services	150,430	16,374	134,056
Other Expenditures	72	72	0
Capital Outlay	<u>101,000</u>	<u>76,023</u>	<u>24,977</u>
Total Expenditures	<u>372,495</u>	<u>209,468</u>	<u>163,027</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	85,087	98,533	13,446
Other Financing Sources (Uses):			
Transfers In	41,041	41,041	0
Advances Out	<u>(96,130)</u>	<u>(96,130)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(55,089)</u>	<u>(55,089)</u>	<u>0</u>
Net Change in Fund Balance	29,998	43,444	13,446
Fund Balance at Beginning of Year	(15,090)	(15,090)	0
Prior Year Encumbrances	<u>15,090</u>	<u>15,090</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 29,998</u>	<u>\$ 43,444</u>	<u>\$ 13,446</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, 2010***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 465,210	\$ 416,275	\$ (48,935)
Intergovernmental Revenues	108,686	102,460	(6,226)
Total Revenues	<u>573,896</u>	<u>518,735</u>	<u>(55,161)</u>
Expenditures:			
Security of Persons and Property			
Contractual Services	8,050	6,935	1,115
Total Expenditures	<u>8,050</u>	<u>6,935</u>	<u>1,115</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	565,846	511,800	(54,046)
Other Financing Sources (Uses):			
Transfers Out	(525,000)	(509,947)	15,053
Total Other Financing Sources (Uses)	<u>(525,000)</u>	<u>(509,947)</u>	<u>15,053</u>
Net Change in Fund Balance	40,846	1,853	(38,993)
Fund Balance at Beginning of Year	44,896	44,896	0
Fund Balance at End of Year	<u>\$ 85,742</u>	<u>\$ 46,749</u>	<u>\$ (38,993)</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, 2010**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
CEMETERY RENTAL FUND			
Revenues:			
Charges for Services	\$ 3,600	\$ 3,600	\$ 0
Total Revenues	<u>3,600</u>	<u>3,600</u>	<u>0</u>
Expenditures:			
General Government:			
Contractual Services	<u>3,600</u>	<u>0</u>	<u>3,600</u>
Total Expenditures	<u>3,600</u>	<u>0</u>	<u>3,600</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	3,600	3,600
Fund Balance at Beginning of Year	<u>22,735</u>	<u>22,735</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 22,735</u>	<u>\$ 26,335</u>	<u>\$ 3,600</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, 2010**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 165,000	\$ 147,266	\$ (17,734)
Total Revenues	<u>165,000</u>	<u>147,266</u>	<u>(17,734)</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	165,000	147,266	(17,734)
Other Financing Sources (Uses):			
Transfers Out	<u>(165,000)</u>	<u>(147,266)</u>	<u>17,734</u>
Total Other Financing Sources (Uses)	<u>(165,000)</u>	<u>(147,266)</u>	<u>17,734</u>
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF NEWARK, OHIO

***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, 2010***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 15,000	\$ 28,767	\$ 13,767
Fines and Forfeitures	213,000	74,942	(138,058)
Total Revenues	<u>228,000</u>	<u>103,709</u>	<u>(124,291)</u>
Expenditures:			
Security of Persons and Property:			
Contractual Services	115,977	64,095	51,882
Total Expenditures	<u>115,977</u>	<u>64,095</u>	<u>51,882</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	112,023	39,614	(72,409)
Fund Balance at Beginning of Year	149,082	149,082	0
Prior Year Encumbrances	15,977	15,977	0
Fund Balance at End of Year	<u>\$ 277,082</u>	<u>\$ 204,673</u>	<u>\$ (72,409)</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, 2010***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 9,397	\$ 18,794	\$ 9,397
Total Revenues	<u>9,397</u>	<u>18,794</u>	<u>9,397</u>
Expenditures:			
General Government:			
Contractual Services	<u>9,397</u>	<u>9,397</u>	<u>0</u>
Total Expenditures	<u>9,397</u>	<u>9,397</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	9,397	9,397
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 9,397</u>	<u>\$ 9,397</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, 2010***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 212,000	\$ 219,781	\$ 7,781
Total Revenues	<u>212,000</u>	<u>219,781</u>	<u>7,781</u>
Expenditures:			
General Government:			
Personal Services	86,534	82,059	4,475
Materials and Supplies	9,919	8,784	1,135
Contractual Services	165,620	104,667	60,953
Capital Outlay	<u>145,363</u>	<u>136,620</u>	<u>8,743</u>
Total Expenditures	<u>407,436</u>	<u>332,130</u>	<u>75,306</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(195,436)	(112,349)	83,087
Fund Balance at Beginning of Year	192,457	192,457	0
Prior Year Encumbrances	<u>3,470</u>	<u>3,470</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 491</u>	<u>\$ 83,578</u>	<u>\$ 83,087</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, 2010**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
PERMISSIVE LICENSE TAX FUND			
Revenues:			
Intergovernmental Revenues	\$ 800,000	\$ 658,814	\$ (141,186)
All Other Revenue	0	15,890	15,890
Total Revenues	<u>800,000</u>	<u>674,704</u>	<u>(125,296)</u>
Expenditures:			
Transportation:			
Contractual Services	1,325,500	1,325,500	0
Capital Outlay	9,013	9,013	0
Total Expenditures	<u>1,334,513</u>	<u>1,334,513</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(534,513)	(659,809)	(125,296)
Fund Balance at Beginning of Year	519,339	519,339	0
Prior Year Encumbrances	234,513	234,513	0
Fund Balance at End of Year	<u>\$ 219,339</u>	<u>\$ 94,043</u>	<u>\$ (125,296)</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, 2010***

PROBATION GRANT FUND			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 130,293	\$ 130,317	\$ 24
Total Revenues	<u>130,293</u>	<u>130,317</u>	<u>24</u>
Expenditures:			
Security of Persons and Property:			
Personal Services	64,032	62,544	1,488
Materials and Supplies	20,806	20,794	12
Contractual Services	54,044	52,264	1,780
Other Expenditures	990	0	990
Capital Outlay	<u>12,000</u>	<u>12,000</u>	<u>0</u>
Total Expenditures	<u>151,872</u>	<u>147,602</u>	<u>4,270</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(21,579)	(17,285)	4,294
Other Financing Sources (Uses):			
Transfers In	<u>15,347</u>	<u>15,347</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>15,347</u>	<u>15,347</u>	<u>0</u>
Net Change in Fund Balance	(6,232)	(1,938)	4,294
Fund Balance at Beginning of Year	43,369	43,369	0
Prior Year Encumbrances	<u>11,292</u>	<u>11,292</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 48,429</u>	<u>\$ 52,723</u>	<u>\$ 4,294</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, 2010***

	IMPOUND FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:			
Charges for Services	\$ 50,000	\$ 55,737	\$ 5,737
All Other Revenue	26,000	31,632	5,632
Total Revenues	<u>76,000</u>	<u>87,369</u>	<u>11,369</u>
Expenditures:			
Security of Persons and Property:			
Materials and Supplies	5,300	349	4,951
Contractual Services	77,028	46,629	30,399
Other Expenditures	7,321	6,566	755
Total Expenditures	<u>89,649</u>	<u>53,544</u>	<u>36,105</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,649)	33,825	47,474
Fund Balance at Beginning of Year	112,346	112,346	0
Prior Year Encumbrances	21,449	21,449	0
Fund Balance at End of Year	<u>\$ 120,146</u>	<u>\$ 167,620</u>	<u>\$ 47,474</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, 2010**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 2,935,421	\$ 659,951	\$ (2,275,470)
Charges for Services	150,000	108,632	(41,368)
All Other Revenue	12,000	2,901	(9,099)
Total Revenues	<u>3,097,421</u>	<u>771,484</u>	<u>(2,325,937)</u>
Expenditures:			
Transportation:			
Personal Services	81,366	71,896	9,470
Materials and Supplies	277,213	72,663	204,550
Contractual Services	1,334,468	835,329	499,139
Capital Outlay	121,731	1,388	120,343
Total Expenditures	<u>1,814,778</u>	<u>981,276</u>	<u>833,502</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,282,643	(209,792)	(1,492,435)
Other Financing Sources (Uses):			
Advances In	93,522	93,522	0
Advances Out	(26,130)	(26,130)	0
Total Other Financing Sources (Uses)	<u>67,392</u>	<u>67,392</u>	<u>0</u>
Net Change in Fund Balance	1,350,035	(142,400)	(1,492,435)
Fund Balance at Beginning of Year	(14,192)	(14,192)	0
Prior Year Encumbrances	14,192	14,192	0
Fund Balance at End of Year	<u>\$ 1,350,035</u>	<u>\$ (142,400)</u>	<u>\$ (1,492,435)</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, 2010***

	FEMA FUND		
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
General Government:			
Contractual Services	8,842	8,842	0
Total Expenditures	8,842	8,842	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,842)	(8,842)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances	8,842	8,842	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 118,857	\$ 73,851	\$ (45,006)
Total Revenues	<u>118,857</u>	<u>73,851</u>	<u>(45,006)</u>
Expenditures:			
Public Health and Welfare Services:			
Contractual Services	118,857	118,857	0
Total Expenditures	<u>118,857</u>	<u>118,857</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(45,006)	(45,006)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ (45,006)</u>	<u>\$ (45,006)</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, 2010***

	JUDICIAL FUND		
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 136,500	\$ 173,034	\$ 36,534
Total Revenues	<u>136,500</u>	<u>173,034</u>	<u>36,534</u>
Expenditures:			
General Government:			
Personal Services	234	234	0
Contractual Services	43,979	14,385	29,594
Capital Outlay	5,800	4,839	961
Total Expenditures	<u>50,013</u>	<u>19,458</u>	<u>30,555</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	86,487	153,576	67,089
Fund Balance at Beginning of Year	442,760	442,760	0
Prior Year Encumbrances	13	13	0
Fund Balance at End of Year	<u>\$ 529,260</u>	<u>\$ 596,349</u>	<u>\$ 67,089</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, 2010**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
DEBT SERVICE FUND			
Revenues:			
Special Assessments	\$ 6,725	\$ 6,245	\$ (480)
All Other Revenue	0	21,913	21,913
Total Revenues	6,725	28,158	21,433
Expenditures:			
General Government:			
Debt Service:			
Principal Retirement	2,070,137	2,070,128	9
Interest and Fiscal Charges	517,903	517,864	39
Total Expenditures	2,588,040	2,587,992	48
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,581,315)	(2,559,834)	21,481
Other Financing Sources (Uses):			
General Obligation Bonds Issued	1,645,000	1,645,000	0
Transfers In	1,025,423	919,524	(105,899)
Total Other Financing Sources (Uses)	2,670,423	2,564,524	(105,899)
Net Change in Fund Balance	89,108	4,690	(84,418)
Fund Balance at Beginning of Year	8,048	8,048	0
Prior Year Encumbrances	11	11	0
Fund Balance at End of Year	\$ 97,167	\$ 12,749	\$ (84,418)

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, 2010***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:			
Capital Outlay	<u> 18,850</u>	<u> 18,850</u>	<u> 0</u>
Total Expenditures	<u> 18,850</u>	<u> 18,850</u>	<u> 0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u> (18,850)</u>	<u> (18,850)</u>	<u> 0</u>
Fund Balance at Beginning of Year	<u> 2,200</u>	<u> 2,200</u>	<u> 0</u>
Prior Year Encumbrances	<u> 18,850</u>	<u> 18,850</u>	<u> 0</u>
Fund Balance at End of Year	<u><u> 2,200</u></u>	<u><u> 2,200</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, 2010***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:			
Capital Outlay	<u>1,815,686</u>	<u>1,115,686</u>	<u>700,000</u>
Total Expenditures	<u>1,815,686</u>	<u>1,115,686</u>	<u>700,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,815,686)	(1,115,686)	700,000
Other Financing Sources (Uses):			
Loan Proceeds	1,978,640	162,954	(1,815,686)
Transfers In	0	21,942	21,942
Transfers Out	<u>(162,954)</u>	<u>(162,954)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>1,815,686</u>	<u>21,942</u>	<u>(1,793,744)</u>
Net Change in Fund Balance	0	(1,093,744)	(1,093,744)
Fund Balance at Beginning of Year	(15,686)	(15,686)	0
Prior Year Encumbrances	<u>15,686</u>	<u>15,686</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ (1,093,744)</u>	<u>\$ (1,093,744)</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, 2010***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 25,500	\$ 25,748	\$ 248
Total Revenues	<u>25,500</u>	<u>25,748</u>	<u>248</u>
Expenditures:			
Capital Outlay	<u>50,000</u>	<u>0</u>	<u>50,000</u>
Total Expenditures	<u>50,000</u>	<u>0</u>	<u>50,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(24,500)	25,748	50,248
Fund Balance at Beginning of Year	<u>313,708</u>	<u>313,708</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 289,208</u>	<u>\$ 339,456</u>	<u>\$ 50,248</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, 2010***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 280,506	\$ 265,668	\$ (14,838)
All Other Revenue	50,000	63,080	13,080
Total Revenues	<u>330,506</u>	<u>328,748</u>	<u>(1,758)</u>
Expenditures:			
Capital Outlay	93,800	93,743	57
Debt Service:			
Principal Retirement	130,000	130,000	0
Interest and Fiscal Charges	<u>143,035</u>	<u>143,035</u>	<u>0</u>
Total Expenditures	<u>366,835</u>	<u>366,778</u>	<u>57</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(36,329)	(38,030)	(1,701)
Fund Balance at Beginning of Year	<u>338,782</u>	<u>338,782</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 302,453</u>	<u>\$ 300,752</u>	<u>\$ (1,701)</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, 2010***

CEMETERY ENDOWMENT FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 10,000	\$ 6,355	\$ (3,645)
Total Revenues	<u>10,000</u>	<u>6,355</u>	<u>(3,645)</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,000	6,355	(3,645)
Fund Balance at Beginning of Year	<u>625,057</u>	<u>625,057</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 635,057</u>	<u>\$ 631,412</u>	<u>\$ (3,645)</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, 2010**

	Insurance	Workers' Compensation	Total
ASSETS:			
Current Assets:			
Pooled Cash and Investments	\$ 2,125,799	\$ 655,698	\$ 2,781,497
Investments	240,000	0	240,000
Total Assets	2,365,799	655,698	3,021,497
LIABILITIES:			
Current Liabilities:			
Accounts Payable	3,438	0	3,438
Accrued Wages and Benefits	0	474,053	474,053
Claims Payable	286,384	0	286,384
Total Liabilities	289,822	474,053	763,875
NET ASSETS:			
Unrestricted	2,075,977	181,645	2,257,622
Total Net Assets	\$ 2,075,977	\$ 181,645	\$ 2,257,622

CITY OF NEWARK, OHIO**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2010**

	Insurance	Workers' Compensation	Total
Operating Revenues:			
Charges for Services	\$ 4,682,137	\$ 474,053	\$ 5,156,190
Other Operating Revenue	0	20,774	20,774
Total Operating Revenues	<u>4,682,137</u>	<u>494,827</u>	<u>5,176,964</u>
Operating Expenses:			
Personal Services	5,033,525	571,870	5,605,395
Contractual Services	0	10,122	10,122
Total Operating Expenses	<u>5,033,525</u>	<u>581,992</u>	<u>5,615,517</u>
Operating Loss	(351,388)	(87,165)	(438,553)
Nonoperating Revenue (Expenses):			
Investment Earnings	1,857	0	1,857
Total Nonoperating Revenues (Expenses)	<u>1,857</u>	<u>0</u>	<u>1,857</u>
Loss Before Transfers	(349,531)	(87,165)	(436,696)
Transfers:			
Transfers Out	0	(800,000)	(800,000)
Total Transfers	<u>0</u>	<u>(800,000)</u>	<u>(800,000)</u>
Change in Net Assets	(349,531)	(887,165)	(1,236,696)
Net Assets Beginning of Year	2,425,508	1,068,810	3,494,318
Net Assets End of Year	<u>\$ 2,075,977</u>	<u>\$ 181,645</u>	<u>\$ 2,257,622</u>

CITY OF NEWARK, OHIO

**Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2010**

	Insurance	Workers' Compensation	Totals
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$4,683,828	\$494,827	\$5,178,655
Cash Payments for Goods and Services	0	(10,122)	(10,122)
Cash Payments for Employees	(5,020,402)	(614,089)	(5,634,491)
Net Cash Used by Operating Activities	<u>(336,574)</u>	<u>(129,384)</u>	<u>(465,958)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers Out to Other Funds	0	(800,000)	(800,000)
Net Cash Used by Noncapital Financing Activities	<u>0</u>	<u>(800,000)</u>	<u>(800,000)</u>
<u>Cash Flows from Investing Activities:</u>			
Purchase of Investments	(240,000)	0	(240,000)
Receipts of Interest	2,088	0	2,088
Net Cash Used by Investing Activities	<u>(237,912)</u>	<u>0</u>	<u>(237,912)</u>
Net Decrease in Cash and Cash Equivalents	(574,486)	(929,384)	(1,503,870)
Cash and Cash Equivalents at Beginning of Year	2,700,285	1,585,082	4,285,367
Cash and Cash Equivalents at End of Year	<u>\$2,125,799</u>	<u>\$655,698</u>	<u>\$2,781,497</u>
<u>Reconciliation of Operating Loss to Net Cash</u>			
<u>Used by Operating Activities:</u>			
Operating Loss	(\$351,388)	(\$87,165)	(\$438,553)
Adjustments to Reconcile Operating Loss to			
Net Cash Used by Operating Activities			
Changes in Assets and Liabilities:			
Decrease in Accounts Receivable	1,691	0	1,691
Decrease in Accounts Payable	(2,165)	0	(2,165)
Decrease in Accrued Wages and Benefits	0	(42,219)	(42,219)
Increase in Claims Payable	15,288	0	15,288
Total Adjustments	<u>14,814</u>	<u>(42,219)</u>	<u>(27,405)</u>
Net Cash Used by Operating Activities	<u>(\$336,574)</u>	<u>(\$129,384)</u>	<u>(\$465,958)</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.

Joint Economic Development Zone Fund

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

CITY OF NEWARK, OHIO

**Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2010**

	Balance December 31, 2009	Additions	Deductions	Balance December 31, 2010
<u>Municipal Court Fund</u>				
Restricted Assets:				
Cash and Cash Equivalents	\$555,796	\$5,610,933	(\$5,643,724)	\$523,005
Total Assets	<u>\$555,796</u>	<u>\$5,610,933</u>	<u>(\$5,643,724)</u>	<u>\$523,005</u>
Liabilities:				
Intergovernmental Payable	\$184,826	\$2,974,485	(\$2,965,147)	\$194,164
Due to Others	370,970	2,636,448	(2,678,577)	328,841
Total Liabilities	<u>\$555,796</u>	<u>\$5,610,933</u>	<u>(\$5,643,724)</u>	<u>\$523,005</u>
<u>Fire Code Fund</u>				
Restricted Assets:				
Cash and Cash Equivalents	\$21,511	\$10,000	(\$28,301)	\$3,210
Total Assets	<u>\$21,511</u>	<u>\$10,000</u>	<u>(\$28,301)</u>	<u>\$3,210</u>
Liabilities:				
Due to Others	\$21,511	\$10,000	(\$28,301)	\$3,210
Total Liabilities	<u>\$21,511</u>	<u>\$10,000</u>	<u>(\$28,301)</u>	<u>\$3,210</u>
<u>Law Library Fund</u>				
Restricted Assets:				
Cash and Cash Equivalents	\$5,682	\$62,113	(\$57,524)	\$10,271
Total Assets	<u>\$5,682</u>	<u>\$62,113</u>	<u>(\$57,524)</u>	<u>\$10,271</u>
Liabilities:				
Due to Others	\$5,682	\$62,113	(\$57,524)	\$10,271
Total Liabilities	<u>\$5,682</u>	<u>\$62,113</u>	<u>(\$57,524)</u>	<u>\$10,271</u>
<u>Joint Economic Development Zone Fund</u>				
Receivables:				
Taxes	\$9,567	\$8,023	(\$9,567)	\$8,023
Restricted Assets:				
Cash and Cash Equivalents	165,356	194,699	(171,304)	188,751
Total Assets	<u>\$174,923</u>	<u>\$202,722</u>	<u>(\$180,871)</u>	<u>\$196,774</u>
Liabilities:				
Intergovernmental Payable	\$174,923	\$202,722	(\$180,871)	\$196,774
Total Liabilities	<u>\$174,923</u>	<u>\$202,722</u>	<u>(\$180,871)</u>	<u>\$196,774</u>

CITY OF NEWARK, OHIO

	Balance December 31, 2009	Additions	Deductions	Balance December 31, 2010
<u>Totals - All Agency Funds</u>				
Receivables:	\$9,567	\$8,023	(\$9,567)	\$8,023
Taxes				
Restricted Assets:				
Cash and Cash Equivalents	748,345	5,877,745	(5,900,853)	725,237
Total Assets	<u>\$757,912</u>	<u>\$5,885,768</u>	<u>(\$5,910,420)</u>	<u>\$733,260</u>
Liabilities:				
Intergovernmental Payable	\$359,749	\$3,177,207	(\$3,146,018)	\$390,938
Due to Others	398,163	2,708,561	(2,764,402)	342,322
Total Liabilities	<u>\$757,912</u>	<u>\$5,885,768</u>	<u>(\$5,910,420)</u>	<u>\$733,260</u>



STATISTICAL SECTION



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 Eight Years
(accrual basis of accounting)*

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

Source: City Auditor's Office

City of Newark

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

City of Newark

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

(Continued)

City of Newark

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

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

Source: City Auditor's Office

City of Newark

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

City of Newark

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General Fund					
Reserved	\$501,281	\$634,867	\$1,395,063	\$487,274	\$307,378
Unreserved	<u>1,169,716</u>	<u>2,677,438</u>	<u>792,041</u>	<u>970,399</u>	<u>528,313</u>
<i>Total General Fund</i>	<u>1,670,997</u>	<u>3,312,305</u>	<u>2,187,104</u>	<u>1,457,673</u>	<u>835,691</u>
All Other Governmental Funds					
Reserved	4,004,611	4,606,077	10,474,790	4,689,768	2,546,268
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	(769,124)	(789,461)	(175,460)	4,371,326	4,428,725
Capital Projects Funds	<u>(2,469,407)</u>	<u>(3,183,244)</u>	<u>3,007,832</u>	<u>(2,213,005)</u>	<u>(2,889,968)</u>
Total All Other Governmental Funds	<u>766,080</u>	<u>633,372</u>	<u>13,307,162</u>	<u>6,848,089</u>	<u>4,085,025</u>
<i>Total Governmental Funds</i>	<u>\$2,437,077</u>	<u>\$3,945,677</u>	<u>\$15,494,266</u>	<u>\$8,305,762</u>	<u>\$4,920,716</u>

Source: City Auditor's Office

NOTE: Years 2001-2002 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$739,920	\$848,097	\$470,901	\$580,093	\$570,773
<u>1,114,748</u>	<u>2,717,746</u>	<u>2,608,161</u>	<u>2,403,167</u>	<u>1,774,282</u>
<u>1,854,668</u>	<u>3,565,843</u>	<u>3,079,062</u>	<u>2,983,260</u>	<u>2,345,055</u>
4,515,664	2,531,396	2,867,626	2,542,594	3,989,848
4,891,038	4,329,307	3,774,340	2,850,367	3,858,783
<u>(1,997,460)</u>	<u>(849,552)</u>	<u>(4,972)</u>	<u>(211,166)</u>	<u>331,383</u>
<u>7,409,242</u>	<u>6,011,151</u>	<u>6,636,994</u>	<u>5,181,795</u>	<u>8,180,014</u>
<u>\$9,263,910</u>	<u>\$9,576,994</u>	<u>\$9,716,056</u>	<u>\$8,165,055</u>	<u>\$10,525,069</u>

City of Newark

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

	2001	2002	2003	2004
Revenues:				
Taxes	\$14,473,914	\$19,361,211	\$20,584,344	\$20,867,126
Intergovernmental Revenues	8,665,294	9,722,122	10,505,105	11,438,931
Charges for Services	1,150,907	1,068,884	1,158,161	1,195,072
Licenses, Permits and Fees	1,565,619	1,773,593	1,724,167	1,647,136
Investment Earnings	818,298	460,223	363,604	322,867
Special Assessments	32,609	18,807	43,758	123,112
Fines and Forfeitures	1,627,706	1,611,441	1,758,405	1,520,015
All Other Revenue	556,491	472,350	622,613	732,231
Total Revenue	<u>28,890,838</u>	<u>34,488,631</u>	<u>36,760,157</u>	<u>37,846,490</u>
Expenditures:				
Current:				
Security of Persons and Property	13,314,367	14,331,955	17,017,236	17,238,670
Public Health and Welfare Services	2,326,795	2,400,745	2,591,268	2,895,378
Leisure Time Activities	849,014	857,314	753,238	690,045
Community Environment	2,571,544	2,745,924	2,899,829	2,978,113
Transportation	3,357,894	3,047,974	3,266,226	4,004,744
General Government	6,301,536	6,756,970	7,097,236	7,307,835
Capital Outlay	5,733,268	3,178,884	3,496,371	9,965,693
Debt Service:				
Principal Retirement	128,095	125,000	130,000	300,000
Interest and Fiscal Charges	229,860	276,391	331,057	781,949
Total Expenditures	<u>34,812,373</u>	<u>33,721,157</u>	<u>37,582,461</u>	<u>46,162,427</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,921,535)	767,474	(822,304)	(8,315,937)

City of Newark

2005	2006	2007	2008	2009	2010
\$21,765,717	\$22,853,652	\$23,795,166	\$24,141,533	\$21,995,412	\$22,138,933
10,751,711	9,577,436	10,137,168	8,458,536	9,778,082	10,267,862
1,143,484	1,432,375	1,615,096	2,341,997	2,484,063	2,289,390
1,628,325	1,549,917	1,343,140	672,053	739,218	63,204
433,890	880,326	1,034,943	582,307	362,306	217,555
48,518	25,230	71,218	7,198	39,295	27,635
1,556,778	1,975,088	2,092,652	2,072,203	2,134,239	2,056,603
1,297,389	1,500,256	755,691	431,212	1,134,938	658,189
<u>38,625,812</u>	<u>39,794,280</u>	<u>40,845,074</u>	<u>38,707,039</u>	<u>38,667,553</u>	<u>37,719,371</u>
17,422,539	17,248,660	18,093,642	18,603,640	18,299,201	18,207,565
2,957,320	2,418,915	2,464,530	622,243	7,911	140,923
1,842,136	673,150	468,478	297,683	0	0
2,791,767	3,162,051	2,790,461	2,823,629	3,171,385	2,549,523
3,754,392	3,281,101	4,880,029	4,161,938	4,886,329	3,936,324
7,761,611	7,728,635	8,769,728	10,243,203	10,387,078	10,349,934
7,095,408	2,980,071	4,222,928	2,915,007	4,123,220	2,460,005
425,000	544,000	475,000	530,000	535,000	550,000
733,591	775,132	765,960	748,092	705,764	722,471
<u>44,783,764</u>	<u>38,811,715</u>	<u>42,930,756</u>	<u>40,945,435</u>	<u>42,115,888</u>	<u>38,916,745</u>
(6,157,952)	982,565	(2,085,682)	(2,238,396)	(3,448,335)	(1,197,374)

(Continued)

City of Newark

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

	2001	2002	2003	2004
Other Financing Sources (Uses):				
Sale of Capital Assets	43,292	52,057	58,092	103,027
Other Financing Sources - Capital Lease	181,886	0	0	0
Loans Issued	0	0	0	0
General Obligation Bonds Issued	0	0	10,994,991	0
Refunding General Obligation Bonds Issued	0	0	0	0
Discount on General Obligation Bonds Issued	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Transfers In	14,726,342	19,183,191	18,514,967	21,796,392
Transfers Out	(14,529,965)	(18,536,149)	(18,307,917)	(20,774,982)
Total Other Financing Sources (Uses)	<u>421,555</u>	<u>699,099</u>	<u>11,260,133</u>	<u>1,124,437</u>
Net Change in Fund Balance	<u>(\$5,499,980)</u>	<u>\$1,466,573</u>	<u>\$10,437,829</u>	<u>(\$7,191,500)</u>
 Debt Service as a Percentage of Noncapital Expenditures	 1.23%	 1.31%	 1.29%	 2.93%

Source: City Auditor's Office

NOTE: Years 2001-2002 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

2005	2006	2007	2008	2009	2010
237,727	74,790	81,510	43,321	0	0
1,698,762	1,097,605	1,413,634	402,087	0	718,698
0	0	0	0	1,021,359	162,954
0	1,609,000	0	1,180,000	0	1,710,000
0	2,645,000	0	0	0	0
0	(23,223)	0	0	0	0
0	(2,555,973)	0	0	0	0
21,261,231	21,394,511	24,517,996	23,984,004	21,370,773	19,675,687
(20,420,361)	(20,949,831)	(23,714,241)	(23,059,011)	(20,432,753)	(18,793,050)
2,777,359	3,291,879	2,298,899	2,550,401	1,959,379	3,474,289
(\$3,380,593)	\$4,274,444	\$213,217	\$312,005	(\$1,488,956)	\$2,276,915
3.24%	3.80%	3.19%	3.24%	3.26%	3.40%

City of Newark

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	2001	2002	2003	2004	2005
Income Tax Rate	1.25%	1.75%	1.75%	1.75%	1.75%
Total Tax Collected	\$12,103,631	\$16,420,774	\$17,371,837	\$17,850,043	\$18,657,251
Income Tax Receipts					
Withholding	9,936,227	13,422,267	13,948,507	14,210,186	14,790,929
Percentage	82.09%	81.74%	80.29%	79.61%	79.28%
Corporate	1,469,348	858,596	975,996	1,070,876	1,235,602
Percentage	12.14%	5.23%	5.62%	6.00%	6.62%
Individuals	698,056	2,139,911	2,447,334	2,568,982	2,630,720
Percentage	5.77%	13.03%	14.09%	14.39%	14.10%

Source: City Income Tax Department

City of Newark

2006	2007	2008	2009	2010
1.75%	1.75%	1.75%	1.75%	1.75%
\$20,337,124	\$20,420,533	\$20,708,589	\$18,880,102	\$18,775,403
16,103,101	15,928,540	15,761,577	15,034,690	14,871,975
79.18%	78.00%	76.12%	79.63%	79.21%
1,555,677	1,850,596	2,399,014	1,264,276	1,389,251
7.65%	9.06%	11.58%	6.70%	7.40%
2,678,345	2,641,397	2,547,998	2,581,136	2,514,176
13.17%	12.94%	12.30%	13.67%	13.39%



City of Newark

Income Tax Statistics Current Year and Nine Years Ago

Calendar Year 2010

<u>Income Tax Filers</u>	<u>Number of Filers</u>	<u>Percent of Total</u>	<u>Taxable Income</u>	<u>Percent of Income</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	10	0.06%	\$25,051,856	3.86%	\$438,407	3.86%
All Others	16,166	99.94%	623,306,067	96.14%	10,907,856	96.14%
Total	16,176	100.00%	\$648,357,923	100.00%	\$11,346,264	100.00%

Calendar Year 2001

<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%	\$19,401,643	2.85%	\$242,521	2.85%
All Others	22,211	99.95%	662,440,265	97.15%	8,280,503	97.15%
Total	22,221	100.00%	\$681,841,908	100.00%	\$8,523,024	100.00%

Source: City Income Tax Department

City of Newark

Ratio of Outstanding Debt By Type Last Ten Years

	2001	2002	2003	2004
Governmental Activities ⁽¹⁾				
Special Assessment Bonds	\$120,000	\$105,000	\$85,000	\$65,000
General Obligation Bonds Payable	2,995,000	2,885,000	13,769,991	13,489,991
Capital Leases	443,508	310,923	173,021	133,235
ODOT State Infrastructure Bank Loan	0	0	0	0
Business-type Activities ⁽¹⁾				
General Obligation Bonds Payable	\$14,329,016	\$12,705,888	\$11,537,306	\$10,711,128
Ohio Water Development Authority Loans Payable	8,142,990	7,675,584	7,172,421	6,630,766
Ohio Public Works Commission Loan Payable	0	0	0	0
Special Assessment Bonds	0	0	0	51,284
Capital Leases	0	0	0	0
Total Primary Government	<u>\$26,030,514</u>	<u>\$23,682,395</u>	<u>\$32,737,739</u>	<u>\$31,081,404</u>
Population ⁽²⁾				
City of Newark	46,279	46,279	46,279	46,279
Outstanding Debt Per Capita	\$562	\$512	\$707	\$672
Income ⁽³⁾				
Personal (in thousands)	1,262,028	1,284,474	1,307,243	1,373,792
Percentage of Personal Income	2.06%	1.84%	2.50%	2.26%

Sources:

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

City of Newark

2005	2006	2007	2008	2009	2010
\$45,000	\$25,000	\$0	\$0	\$0	\$0
13,084,991	14,409,991	14,115,868	14,609,991	14,074,991	15,234,991
1,748,827	2,464,526	3,255,703	2,904,221	2,253,763	2,218,696
0	0	0	0	1,021,359	1,184,313
\$9,887,329	\$9,069,717	\$8,252,069	\$6,925,411	\$7,333,753	\$6,506,120
6,912,121	9,006,413	10,754,578	11,845,846	12,687,667	22,899,357
0	568,655	554,439	526,007	1,119,535	1,049,964
46,156	41,028	35,900	30,772	25,644	20,516
0	43,517	418,364	398,080	362,395	319,995
<u>\$31,724,424</u>	<u>\$35,628,847</u>	<u>\$37,386,921</u>	<u>\$37,240,328</u>	<u>\$38,879,107</u>	<u>\$49,433,952</u>
46,279	46,279	46,279	46,279	46,279	47,537
\$686	\$770	\$808	\$805	\$840	\$1,040
1,411,926	1,483,242	1,569,876	1,663,823	1,663,823	1,659,998
2.25%	2.40%	2.38%	2.24%	2.34%	2.98%

City of Newark

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2001	2002	2003	2004
Population (1)	46,279	46,279	46,279	46,279
Personal Income (2)	\$1,262,028,330	\$1,284,473,645	\$1,307,242,913	\$1,373,792,115
General Bonded Debt				
General Obligation Bonds	\$17,324,016	\$15,590,888	\$25,307,297	\$24,201,119
Resources Available to Pay Principal	\$9,889	\$6,765	\$31,546	\$128,603
Net General Bonded Debt	\$17,314,127	\$15,584,123	\$25,275,751	\$24,072,516
Ratio of Net Bonded Debt to Personal Income	1.37%	1.21%	1.93%	1.75%
Net Bonded Debt per Capita	\$374.12	\$336.74	\$546.16	\$520.16

Source:

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

(2) Licking County Auditor

City of Newark

2005	2006	2007	2008	2009	2010
46,279	46,279	46,279	46,279	46,279	47,537
\$1,411,926,011	\$1,483,241,950	\$1,569,876,238	\$1,663,822,608	\$1,663,822,608	\$1,678,008,563
\$22,972,320	\$23,479,708	\$22,367,937	\$21,535,402	\$21,408,744	\$21,741,111
\$145,622	\$137,693	\$6,126	\$154,983	\$8,059	\$18,749
\$22,826,698	\$23,342,015	\$22,361,811	\$21,380,419	\$21,400,685	\$21,722,362
1.62%	1.57%	1.42%	1.29%	1.29%	1.29%
\$493.24	\$504.38	\$483.20	\$461.99	\$462.43	\$456.96



City of Newark

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2010*

<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	\$11,859,991	100.00%	\$11,859,991
Overlapping:			
Licking County	11,430,000	21.64%	<u>2,473,452</u>
		Total	<u><u>\$14,333,443</u></u>

Source: Licking County Auditor

City of Newark

Debt Limitations Last Ten Years

Collection Year	2001	2002	2003	2004
Total Debt				
Net Assessed Valuation	\$654,701,680	\$658,882,190	\$718,973,460	\$736,438,580
Legal Debt Limitation (%) ⁽¹⁾	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) ⁽¹⁾	68,743,676	69,182,630	75,492,213	77,326,051
City Debt Outstanding ⁽²⁾	2,804,000	12,189,000	14,258,991	15,015,991
Less: Applicable Debt Service Fund Amounts	(8,359)	(1,924)	(17,864)	(125,902)
Net Indebtedness Subject to Limitation	<u>2,795,641</u>	<u>12,187,076</u>	<u>14,241,127</u>	<u>14,890,089</u>
Overall Legal Debt Margin	<u>\$65,948,035</u>	<u>\$56,995,554</u>	<u>\$61,251,086</u>	<u>\$62,435,962</u>
Unvoted Debt				
Net Assessed Valuation	\$654,701,680	\$658,882,190	\$718,973,460	\$736,438,580
Legal Debt Limitation (%) ⁽¹⁾	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) ⁽¹⁾	36,008,592	36,238,520	39,543,540	40,504,122
City Debt Outstanding ⁽²⁾	2,804,000	12,189,000	14,258,991	15,015,991
Less: Applicable Debt Service Fund Amounts	(8,359)	(1,924)	(17,864)	(125,902)
Net Indebtedness Subject to Limitation	<u>2,795,641</u>	<u>12,187,076</u>	<u>14,241,127</u>	<u>14,890,089</u>
Overall Legal Debt Margin	<u>\$33,212,951</u>	<u>\$24,051,444</u>	<u>\$25,302,413</u>	<u>\$25,614,033</u>

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

(2) City Debt Outstanding includes Non Self-Supporting General Obligation Bonds and Notes only.
The East Main Street Improvement and Bridge Bonds are TIF Bonds.
Enterprise Debt is not considered in the computation of the Legal Debt Margin.

Source: City Auditor's Office

City of Newark

2005	2006	2007	2008	2009	2010
\$742,972,970	\$828,435,710	\$810,786,940	\$799,331,100	\$789,272,045	\$799,841,220
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
78,012,162	86,985,750	85,132,629	83,929,766	82,873,565	83,983,328
15,377,491	13,465,991	12,744,991	12,619,991	12,214,991	11,859,991
(145,622)	(137,693)	(6,126)	(154,983)	(8,059)	(18,749)
<u>15,231,869</u>	<u>13,328,298</u>	<u>12,738,865</u>	<u>12,465,008</u>	<u>12,206,932</u>	<u>11,841,242</u>
<u>\$62,780,293</u>	<u>\$73,657,452</u>	<u>\$72,393,764</u>	<u>\$71,464,758</u>	<u>\$70,666,633</u>	<u>\$72,142,086</u>
\$742,972,970	\$828,435,710	\$810,786,940	\$799,331,100	\$789,272,045	\$799,841,220
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
40,863,513	45,563,964	44,593,282	43,963,211	43,409,962	43,991,267
15,377,491	13,465,991	12,744,991	12,619,991	12,214,991	11,859,991
(145,622)	(137,693)	(6,126)	(154,983)	(8,059)	(18,749)
<u>15,231,869</u>	<u>13,328,298</u>	<u>12,738,865</u>	<u>12,465,008</u>	<u>12,206,932</u>	<u>11,841,242</u>
<u>\$25,631,644</u>	<u>\$32,235,666</u>	<u>\$31,854,417</u>	<u>\$31,498,203</u>	<u>\$31,203,030</u>	<u>\$32,150,025</u>

City of Newark

Pledged Revenue Coverage Last Ten Years

	2001	2002	2003	2004	2005
Special Assessment Bonds (1)					
Special Assessment Collections	\$32,609	\$18,807	\$43,758	\$123,112	\$48,518
Debt Service					
Principal	23,095	15,000	20,000	20,000	20,000
Interest	7,312	5,963	5,963	4,230	3,942
Coverage	1.07	0.90	1.69	5.08	2.03
Special Assessment Bonds (2)					
Special Assessment Collections	\$0	\$0	\$0	\$15,864	\$25,741
Debt Service					
Principal	0	0	0	0	5,128
Interest	0	0	0	609	2,436
Coverage	0.00	0.00	0.00	26.05	3.40
Tax Increment Financing (TIF) (3)					
Payment in Lieu of Taxes	\$353,135	\$396,527	\$349,731	\$346,398	\$346,814
Debt Service					
Principal	105,000	110,000	110,000	115,000	125,000
Interest	159,838	155,428	150,698	145,858	140,682
Coverage	1.33	1.49	1.34	1.33	1.31
Tax Increment Financing (TIF) (4)					
Payment in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0
Debt Service					
Principal	0	0	0	0	0
Interest	0	0	0	0	0
Coverage	0.00	0.00	0.00	0.00	0.00

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

(2) Morgan Manor Sewer, Business-type Activities

(3) East Main Street Improvement, Governmental Activities

(4) Deo Drive Improvement, Governmental Activities

Source: City Auditor's Office

City of Newark

2006	2007	2008	2009	2010
\$25,230	\$24,264	\$0	\$0	\$0
20,000	25,000	0	0	0
2,250	1,250	0	0	0
1.13	0.92	0.00	0.00	0.00
\$16,479	\$6,725	\$7,198	\$6,725	\$6,245
5,128	5,128	5,128	5,128	5,128
2,192	1,948	1,706	1,462	1,218
2.25	0.95	1.05	1.02	0.98
\$369,806	\$172,892	\$171,761	\$163,200	\$164,491
130,000	60,000	80,000	85,000	85,000
136,325	125,645	106,332	103,132	99,732
1.39	0.93	0.92	0.87	0.89
\$0	\$0	\$111,174	\$88,014	\$97,264
0	0	50,000	45,000	45,000
0	0	41,919	44,992	43,304
0.00	0.00	1.21	0.98	1.10

City of Newark

Demographic and Economic Statistics Last Ten Years

Calendar Year	2001	2002	2003	2004	2005
Population (1)					
City of Newark	46,279	46,279	46,279	46,279	46,279
Licking County	145,491	145,491	145,491	145,491	154,806
Income (2) (a)					
Total Personal (in thousands)	1,262,028	1,284,474	1,307,243	1,373,792	1,411,926
Per Capita	27,270	27,755	28,247	29,685	30,509
Unemployment Rate (3)					
Federal	3.8%	4.8%	5.8%	6.0%	5.5%
State	3.7%	4.3%	5.7%	6.1%	6.0%
Licking County	3.6%	4.7%	5.3%	5.9%	5.8%
Civilian Work Force Estimates (3)					
State	5,857,000	5,828,000	5,915,000	5,875,300	5,900,400
Licking County	75,100	77,800	78,800	80,500	81,100

Sources:

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

(2) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2009, for the presentation of 2010 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

2006	2007	2008	2009	2010
46,279	46,279	46,279	46,279	47,537
154,806	154,806	154,806	154,806	166,492
1,483,242	1,569,876	1,663,823	1,663,823	1,659,998
32,050	33,922	35,952	35,952	35,299
5.0%	4.6%	5.8%	9.7%	8.9%
5.9%	5.6%	6.6%	10.2%	8.5%
5.1%	5.2%	6.1%	11.1%	8.7%
5,934,000	5,976,500	5,986,400	5,979,100	5,989,150
82,700	84,500	85,600	85,700	86,700



City of Newark

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2010		
		Number of Employees	Rank	Percentage of Total Employment
Licking Memorial Hospital	Hospital	1,130	1	5.28%
Licking County	Government	1,125	2	5.26%
State Farm Insurance	Insurance	1,104	3	5.16%
Anomatic	Metal Finishers	963	4	4.50%
Newark City Schools	School District	936	5	4.37%
OSUN/COTC	Education	900	6	4.21%
Wal-Mart	Retail	715	7	3.34%
Meijer	Retail	701	8	3.28%
Owens Corning	Fiberglass Insulation	560	9	2.62%
Longaberger Corporation	Decorative Baskets	475	10	2.22%
Total		<u>8,609</u>		
Total Employment within the City		<u>21,400</u>		

Employer	Nature of Business	2001		
		Number of Employees	Rank	Percentage of Total Employment
State Farm Insurance	Insurance	1,446	1	6.34%
Licking Memorial Hospital	Hospital	1,338	2	5.87%
Owens Corning	Fiberglass Insulation	1,335	3	5.86%
Newark City Schools	School District	1,292	4	5.67%
Licking County	Government	1,166	5	5.11%
Longaberger Corporation	Decorative Baskets	1,146	6	5.03%
OSUN/COTC	Education	1,000	7	4.39%
Anomatic	Metal Finishers	812	8	3.56%
Holophane	Lighting	629	9	2.76%
City of Newark	Government	542	10	2.38%
Total		<u>10,706</u>		
Total Employment within the City		<u>22,800</u>		

Source: City Auditor's Office

City of Newark

Full Time Equivalent Employees by Function Last Ten Years

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

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

Source: City Auditor's Office

City of Newark

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
20.00	20.00	20.00	19.00	19.00
52.00	52.00	52.00	51.00	51.00
31.00	31.00	30.00	29.00	29.00
18.00	18.00	18.00	16.00	16.00
106.00	106.00	106.00	104.00	103.00
85.00	86.00	88.00	88.00	87.00
32.00	32.00	32.00	29.00	28.00
20.00	20.00	18.00	16.00	16.00
42.00	42.00	42.00	40.00	40.00
7.00	7.00	7.00	9.00	9.00
45.00	45.00	45.00	44.00	44.00
26.00	26.00	26.00	25.00	25.00
1.00	1.00	2.00	3.00	3.00
<u>485.00</u>	<u>486.00</u>	<u>486.00</u>	<u>473.00</u>	<u>470.00</u>

City of Newark

Operating Indicators by Function Last Ten Years

	2001	2002	2003	2004	2005
Governmental Activities					
General Government					
Court					
Number of Traffic Cases	3,519	3,601	3,612	3,498	3,544
Licenses and Permits					
Number of Building Permits	500	573	777	568	581
Security of Persons and Property					
Police					
Number of Citations Issued	1,902	1,818	1,845	2,096	2,112
Number of Arrests	1,520	1,667	1,629	1,882	1,723
Fire					
Number of Fire Calls	5,416	5,420	5,583	5,764	5,870
Number of EMS Runs	6,567	6,999	7,095	6,949	7,228
Transportation					
Street					
Number of Streets Resurfaced	20	13	16	20	31
Leisure Time Activities					
Recreation/Seniors					
Number of Programs Offered	9	9	9	N/A	N/A
Number of Pool Passes Issued	277	290	199	N/A	N/A
Community Environment					
Number of Code Violations	N/A	N/A	N/A	N/A	N/A
Business-Type Activities					
Water					
Number of Service Connections	18,970	19,322	19,867	19,993	20,212
Water Main Breaks	20	19	26	24	27
Daily Average Consumption (thousands of gallons)	8.5M	8.7M	8.7M	8.8M	8.9M
Sewer					
Number of Service Connections	16,899	17,477	17,777	17,936	18,243
Daily Average Sewage Treatment (thousands of gallons)	8.3M	8.3M	8.3M	8.3M	8.3M

Source: City Auditor's Office

City of Newark

2006	2007	2008	2009	2010
3,571	3,602	3,777	3,922	3,999
534	521	501	450	437
2,001	2,213	2,322	2,353	2,453
1,750	1,797	1,832	1,702	1,767
6,146	6,204	6,220	6,316	6,288
7,672	7,737	7,839	6,998	7,002
33	33	35	35	36
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
3	7	8	5	N/A
20,342	20,408	20,543	20,543	20,777
18	29	28	38	44
8.9M	8.9M	9.0M	8.9M	9.0M
18,657	18,687	18,703	18,723	18,798
8.4M	8.4M	8.5M	8.4M	8.5M

City of Newark

Capital Asset Statistics by Function Last Ten Years

	2001	2002	2003	2004	2005
Governmental Activities					
General Government					
Public Land and Buildings					
Land (acres)	457	458	458	459	459
Buildings	28	28	28	29	29
Security of Persons and Property					
Police					
Stations	1	1	1	1	1
Vehicles	19	21	21	21	22
Fire					
Stations	4	4	4	4	4
Vehicles	16	17	17	17	18
Transportation					
Street					
Streets (lane miles)	218	218	220	220	221
Traffic Signals	3,326	3,326	3,334	3,334	3,338
Vehicles	35	35	36	36	37
Leisure Time Activities					
Recreation/Seniors					
Land (acres)					
Buildings	16	16	16	16	16
Parks	38	39	39	39	39
Playgrounds	14	14	14	14	14
Swimming Pools	1	1	1	1	1
Baseball/Softball Diamonds	12	12	12	12	12
Business-Type Activities					
Utilities					
Water					
Waterlines (Miles)	196	197	197	197	199
Number of Hydrants	266	268	277	281	281
Sewer					
Sewerlines (Miles)	181	182	185	185	187
Lift Stations	7	7	7	7	7
Storm Water Drainage					
Storm Drains (Miles)	86	86	93	96	100
Number of Catch Basins	3,955	3,999	4,144	4,144	4,167

Source: City Auditor's Office

City of Newark

2006	2007	2008	2009	2010
459	459	459	459	459
29	29	29	29	29
1	1	1	1	1
22	22	22	22	23
4	4	4	4	4
18	19	20	20	22
226	228	228	228	228
3,338	3,342	3,342	3,342	3,344
37	39	39	39	40
16	16	16	16	16
39	39	39	39	39
14	14	14	14	14
1	1	1	1	1
12	12	12	12	12
199	201	203	203	204
281	284	290	288	290
187	189	191	191	192
7	7	7	10	10
102	108	110	110	115
4,485	4,490	4,494	4,494	4,504





Dave Yost • Auditor of State

CITY OF NEWARK

LICKING COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
AUGUST 25, 2011