

City of Newark, Ohio

Licking County



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2014



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Newark, Licking County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2014 through December 31, 2014. 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 cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

October 6, 2015

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2014

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

June 26, 2015

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, 2014. This report has been prepared in accordance with generally accepted accounting principles established by statements of the Governmental Accounting Standards Board (GASB), other authoritative pronouncements and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

INTRODUCTION

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

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

The Reporting Entity:

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

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

***Letter of Transmittal
For the Year Ended December 31, 2014***

Historical Information:

The hub of a metropolitan area with in excess of 170,000 citizens and the county seat of Licking County, Newark, "Land of Legend," has served for nearly two centuries as a center of commerce and industry.

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

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

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

Form of Government:

Statutory

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

***Letter of Transmittal
For the Year Ended December 31, 2014***

City Charter

The Newark City Charter was approved by the voters in November of 1997 and became effective January 1, 1998. The Charter was amended in November 2002, 2007 and again in 2012. 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, 2014***

Municipal Services:

The City of Newark provides a variety of services including police and fire protection, emergency medical service, planning and engineering, zoning, code enforcement, street maintenance, traffic control, parks and recreation, property maintenance, cemetery and community development and general administrative services. The City does not operate hospitals or schools, nor is it responsible for public assistance programs.

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

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

ECONOMIC OUTLOOK

Local Economy:

The Newark-Licking County area continues to benefit from a stable economy. Several industrial parks in close proximity to Newark provide employment opportunities for residents in and around Newark and neighboring communities within the borders of Licking County. 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 lower unemployment rate.

***Letter of Transmittal
For the Year Ended December 31, 2014***

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

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

Newer 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.

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 4.5%.

***Letter of Transmittal
For the Year Ended December 31, 2014***

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 2014 through 2016.

MAJOR INITIATIVES

During 2014, 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 was completed 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. During 2012 land was purchased and architectural plans were completed for a new central fire station to be located downtown on South Fourth Street.

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.

***Letter of Transmittal
For the Year Ended December 31, 2014***

Parks and Recreation

Throughout 2014, 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. The city of Newark recently acquired Don Edwards Field, the Babe Ruth Baseball Complex from Babe Ruth International with funds generated by a "Bed Tax" on occupied hotel rooms with proceeds being dedicated to recreation and tourism. With the purchase of Don Edwards Field, plans are underway to host the Babe Ruth World series in the upcoming years.

City-Wide Initiatives

During 2014 financing was arranged for a two year, twenty million dollar improvement project that will begin during March of 2015. The project will replace combined sanitary and storm sewers as well as replacing aging water lines. The project will also include a streetscape design that will feature environmentally friendly storm water drainage, and make changes to the traffic flow around the downtown Courthouse Square. Also included will be a market district and green spaces along with improved parking in the Canal and Market Street area just south of the Square.

Long-Term Financial Planning

The City has become increasingly aware of a declining cash reserve balance. During fiscal year 2007 the City began charging for EMS transport services. Legislation has been passed and amended mandating that 12.5% of the proceeds be set aside in reserve to provide stability to the City's General Fund with an additional 25% of the proceeds being earmarked and credited to the City's Capital Improvement Fund which is dedicated to infrastructure upgrades and improvements. As a result of these fees, the City has been able to increase the number of firefighters and medics and has been able to increase the replacement of EMS transport vehicles.

***Letter of Transmittal
For the Year Ended December 31, 2014***

FINANCIAL INFORMATION

Internal Control, Budgetary Control and the Accounting System:

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

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

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

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

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2014***

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

OTHER INFORMATION

Independent Audit:

The basic financial statements of the City of Newark were audited by Balestra, Harr and Scherer, Certified Public Accountants Incorporated. The independent auditor's unmodified opinion has been included in this report.

Awards:

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Newark, Ohio for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2013. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards in state and local government financial reporting. To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents satisfy all program standards. The report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements respective to the reporting entity.

A Certificate of Achievement is valid for a period of one year only. The City of Newark has received a Certificate of Achievement for twenty-three consecutive years (1991 - 2013). We believe this current report continues to conform to the Certificate of Achievement for Excellence in Financial Reporting program requirements and are submitting it to the GFOA.

Public Disclosure:

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

***Letter of Transmittal
For the Year Ended December 31, 2014***

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.

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.

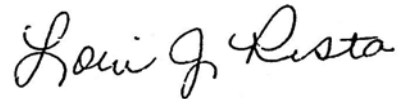
Respectfully,



Stephen E. Johnson
City Auditor



Jacqueline S. Prince
Accounting Manager



Lori J. Resta
Deputy City Auditor

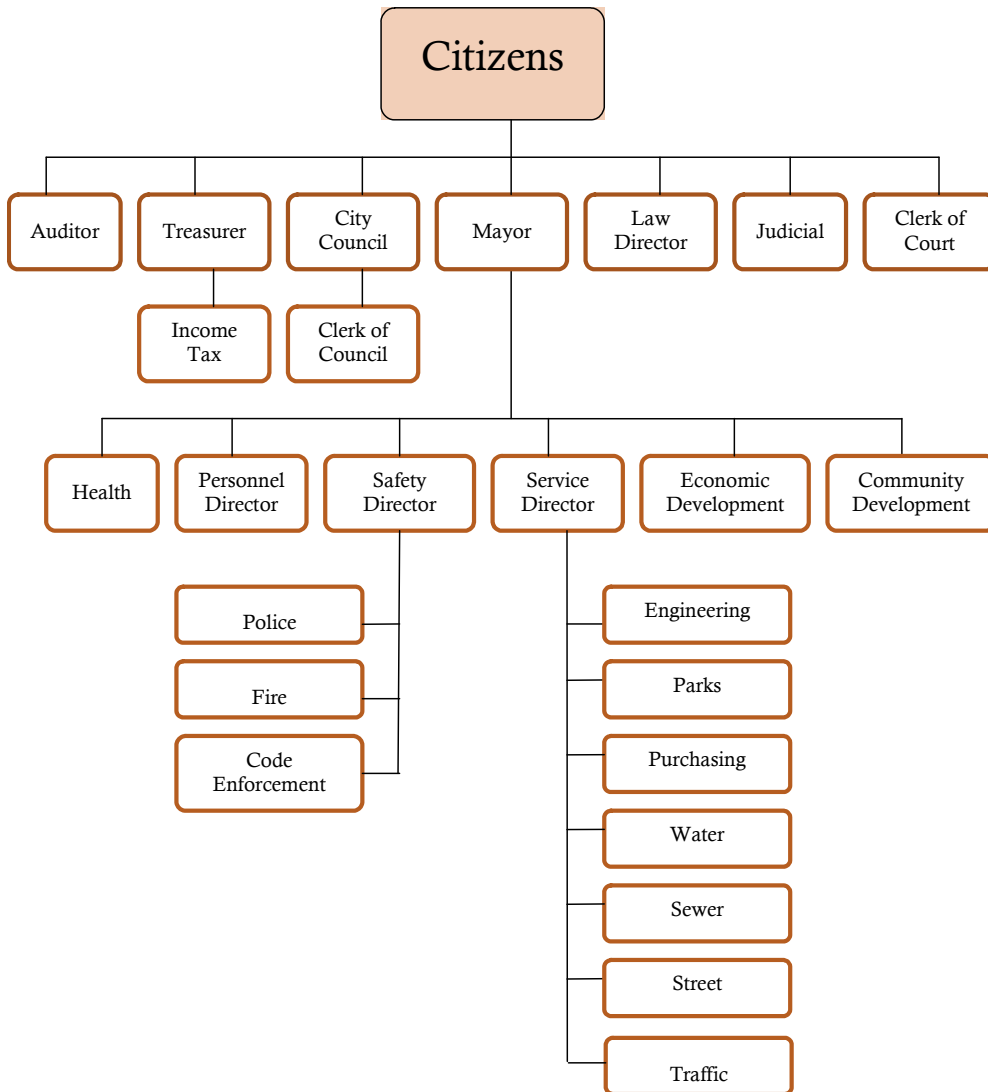
CITY OF NEWARK, OHIO

***List of Principal Officials
For the Year Ended December 31, 2014***

<u>NAME</u>	<u>TITLE</u>	<u>TERM OF OFFICE</u>	<u>SURETY DATA *</u>
Jeff Hall	Mayor	01/01/12 to 12/31/15	
Stephen E. Johnson	Auditor	01/01/12 to 12/31/15	\$5,000 01/01/08 to 12/31/15
Michael F. Higgins	Judge	01/01/14 to 12/31/19	
David Stansberry	Judge	01/01/12 to 12/31/17	
Douglas Sassen	Law Director	01/01/12 to 12/31/15	
Tim Mercer	Treasurer	01/01/14 to 12/31/17	\$30,000 01/01/14 to 12/31/17
Don Ellington	President of Council	01/01/12 to 12/31/15	
Ryan T. Bubb	Council-at-Large	01/01/12 to 12/31/15	
Bill Cost Jr.	Council-at-Large	01/01/12 to 12/31/15	
Marc Guthrie	Council-at-Large	01/01/12 to 12/31/15	
Dee Hall	Council 1st Ward	01/01/14 to 12/31/17	
Jeremy Blake	Council 2nd Ward	01/01/14 to 12/31/17	
Jeff Rath	Council 3rd Ward	01/01/14 to 12/31/17	
Alex Roletta	Council 4th Ward	09/01/14 to 12/31/17	
Curtis Johnson	Council 5th Ward	01/11/14 to 12/31/17	
Douglas Marmie	Council 6th Ward	01/01/14 to 12/31/17	
Carol Floyd	Council 7th Ward	01/01/14 to 12/31/17	
Marcia Phelps	Clerk of Court	01/01/14 to 12/31/19	\$10,000 01/01/14 to 12/31/19

* - Wells Fargo Insurance Services

***City Organizational Chart
For the Year Ended December 31, 2014***



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



Government Finance Officers Association

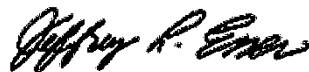
**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Newark
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013



Executive Director/CEO



FINANCIAL SECTION





Balestra, Harr & Scherer, CPAs, Inc.

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

www.bhscpas.com

Independent Auditor's Report

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

To the Members of Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Newark, Licking County, Ohio (the City), as of and for the year ended December 31, 2014 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Newark, Licking County, Ohio, as of December 31, 2014, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and Community Development Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling these statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2015, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Balestra, Harr & Scherer, CPAs
Balestra, Harr & Scherer, CPAs, Inc.
Worthington, Ohio
June 26, 2015



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, 2014. 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 2014 are as follows:

- ❑ In total, net position decreased \$96,870. Net position of governmental activities decreased \$1,271,219, which represents a 2% change from 2013. Net position of business-type activities increased \$1,174,349 or 4% from 2013.
- ❑ General revenues accounted for \$26,020,431 in revenue or 51% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$25,060,427, or 49% of total revenues of \$51,080,858.
- ❑ The City had \$35,943,078 in expenses related to governmental activities; only \$8,657,705 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$26,019,530 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$28,574,783 in revenues and other financing sources and \$29,370,265 in expenditures and other financing uses. The general fund's fund balance decreased from \$3,516,323 to \$2,718,198.

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 position includes all of the government's assets, liabilities, and deferred outflows/inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

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

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

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

Fund Financial Statements

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

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

***Management's Discussion and Analysis
For the Year Ended December 31, 2014***

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 Assets and Liabilities.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a summary of the City's net position for 2014 compared to 2013.

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and Other Assets	\$30,943,391	\$28,398,025	\$15,411,470	\$11,697,409	\$46,354,861	\$40,095,434
Capital Assets, Net	63,491,679	64,153,679	67,596,532	67,144,022	131,088,211	131,297,701
Total Assets	<u>94,435,070</u>	<u>92,551,704</u>	<u>83,008,002</u>	<u>78,841,431</u>	<u>177,443,072</u>	<u>171,393,135</u>
Deferred Outflows of Resources	155,340	0	173,362	216,704	328,702	216,704
Long-term Debt Outstanding	22,767,286	23,634,705	48,478,516	49,016,523	71,245,802	72,651,228
Other Liabilities	10,340,790	6,020,878	4,832,214	1,345,327	15,173,004	7,366,205
Total Liabilities	<u>33,108,076</u>	<u>29,655,583</u>	<u>53,310,730</u>	<u>50,361,850</u>	<u>86,418,806</u>	<u>80,017,433</u>
Deferred Inflows of Resources	3,067,053	3,209,621	0	0	3,067,053	3,209,621
Net Position						
Net Investment in Capital Assets	44,958,995	46,111,207	23,473,836	23,693,170	68,432,831	69,804,377
Restricted	12,518,066	11,903,557	0	0	12,518,066	11,903,557
Unrestricted	938,220	1,671,736	6,396,798	5,003,115	7,335,018	6,674,851
Total Net Position	<u>\$58,415,281</u>	<u>\$59,686,500</u>	<u>\$29,870,634</u>	<u>\$28,696,285</u>	<u>\$88,285,915</u>	<u>\$88,382,785</u>

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**Management's Discussion and Analysis
For the Year Ended December 31, 2014**

Unaudited

Changes in Net Position – The following table shows the changes in net position for fiscal year 2014 compared with 2013:

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program Revenues:						
Charges for Services and Sales	\$4,132,252	\$3,905,761	\$16,402,722	\$16,248,714	\$20,534,974	\$20,154,475
Operating Grants and Contributions	4,471,047	6,169,429	0	0	4,471,047	6,169,429
Capital Grants and Contributions	54,406	1,081,549	0	350,000	54,406	1,431,549
Total Program Revenues	8,657,705	11,156,739	16,402,722	16,598,714	25,060,427	27,755,453
General Revenues:						
Property Taxes	2,946,185	3,153,487	0	0	2,946,185	3,153,487
Income Taxes	20,092,754	19,435,197	0	0	20,092,754	19,435,197
Other Local Taxes	420,782	503,408	0	0	420,782	503,408
Intergovernmental, Unrestricted	1,542,244	2,075,599	0	0	1,542,244	2,075,599
Investment Earnings	149,711	132,177	901	1,423	150,612	133,600
Miscellaneous	867,854	715,301	0	0	867,854	715,301
Total General Revenues	26,019,530	26,015,169	901	1,423	26,020,431	26,016,592
Total Revenues	34,677,235	37,171,908	16,403,623	16,600,137	51,080,858	53,772,045
Program Expenses						
Security of Persons and Property	18,014,306	17,844,738	0	0	18,014,306	17,844,738
Leisure Time Activities	864,731	629,675	0	0	864,731	629,675
Community Environment	1,614,911	2,050,028	0	0	1,614,911	2,050,028
Public Health and Welfare Services	186,078	119,440	0	0	186,078	119,440
Transportation	3,852,334	4,761,118	0	0	3,852,334	4,761,118
General Government	10,588,687	10,207,273	0	0	10,588,687	10,207,273
Interest and Fiscal Charges	822,031	812,373	0	0	822,031	812,373
Water	0	0	6,019,772	5,729,159	6,019,772	5,729,159
Sewer	0	0	7,370,520	6,000,714	7,370,520	6,000,714
Storm Water	0	0	1,844,358	3,002,057	1,844,358	3,002,057
Total Expenses	35,943,078	36,424,645	15,234,650	14,731,930	51,177,728	51,156,575
Change in Net Position Before Transfers	(1,265,843)	747,263	1,168,973	1,868,207	(96,870)	2,615,470
Transfers	(5,376)	491,751	5,376	(491,751)	0	0
Total Change in Net Position	(1,271,219)	1,239,014	1,174,349	1,376,456	(96,870)	2,615,470
Beginning Net Position	59,686,500	58,447,486	28,696,285	27,319,829	88,382,785	85,767,315
Ending Net Position	\$58,415,281	\$59,686,500	\$29,870,634	\$28,696,285	\$88,285,915	\$88,382,785

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***Management's Discussion and Analysis
For the Year Ended December 31, 2014***

Unaudited

Governmental Activities

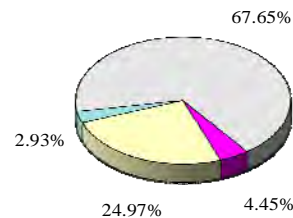
Net position of the City's governmental activities decreased \$1,271,219. This represents a 2% change from 2013. A decrease in operating grants and contributions was the result of decreases in Community Housing Improvement Program grants, Lead Hazard Control Program grants, Clean Ohio Revitalization Grants, and Neighborhood Stabilization grants. Decreases in these grants also resulted in a decrease in community environment expenses. Capital grants and contributions received from the Ohio Department of Transportation for improvements to West Main and Granville Streets in 2013 resulted in the subsequent decrease in capital grants in the current year. The decrease in unrestricted intergovernmental revenues can be attributed to a decrease in estate taxes.

Operation of the City's Taxi Token Program was moved to the County in 2013, resulting in a decrease in transportation expenses as well as operating grants received from the Federal Transit Administration.

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 58% and 8% respectively of revenues for governmental activities for the City in fiscal year 2014. The City's reliance upon tax revenues is demonstrated by the following graph indicating 68% of total revenues from general tax revenues:

Revenue Sources	2014	Percent of Total
General Tax Revenues	\$23,459,721	67.65%
Intergovernmental, Unrestricted	1,542,244	4.45%
Program Revenues	8,657,705	24.97%
General Other	1,017,565	2.93%
Total Revenue	<u>\$34,677,235</u>	<u>100.00%</u>



Business-Type Activities

Net position of the business-type activities increased \$1,174,349. This represents a 4% change from the previous year. Charges for services remained consistent with the previous year. The Sewer department received a \$350,000 capital grant from the Ohio Public Works Commission for improvements to Channel and Postal Roads in the prior year. Increases in Sewer department expenses can be attributed to contractual repair costs as well as interest expense related to Ohio Water Development Authority Loans. Increases in Storm Water department expenses in the prior year for contractual repair costs resulted in the subsequent decrease in expenses in the current year.

**Management's Discussion and Analysis
For the Year Ended December 31, 2014**

Unaudited

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$12,276,548, which is a decrease from last year's balance of \$13,625,655. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2014 and 2013:

	Fund Balance (Deficit) <u>December 31, 2014</u>	Fund Balance (Deficit) <u>December 31, 2013</u>	Increase (Decrease)
General	\$2,718,198	\$3,516,323	(\$798,125)
Community Development	4,554,055	5,154,122	(600,067)
Capital Improvement	(2,006,615)	(1,038,889)	(967,726)
Other Governmental	7,010,910	5,994,099	1,016,811
Total	<u>\$12,276,548</u>	<u>\$13,625,655</u>	<u>(\$1,349,107)</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:

	2014 <u>Revenues</u>	2013 <u>Revenues</u>	Increase (Decrease)
Taxes	\$22,473,842	\$22,133,243	\$340,599
Intergovernmental Revenues	1,721,445	2,462,115	(740,670)
Charges for Services	2,136,312	1,974,832	161,480
Licenses, Permits and Fees	83,409	75,781	7,628
Investment Earnings	96,048	37,919	58,129
Fines and Forfeitures	1,395,451	1,356,391	39,060
All Other Revenue	619,901	463,341	156,560
Total	<u>\$28,526,408</u>	<u>\$28,503,622</u>	<u>\$22,786</u>

Total General Fund revenues remained stable in 2014, increasing \$22,786 or less than 1% when compared with the previous year. A decrease in intergovernmental revenues was the result of a decrease in estate tax receipts. The increase in charges for services was the result of an increase in EMS service revenues, vehicle impound fees, and cemetery lot sales. The increase in EMS service revenue was the result of an increase in the number of service calls, the increase in vehicle impound fees was caused by an increase in the amount charged per vehicle, while the increase in cemetery lot sales can be attributed to the purchase of 40 lots by the Veterans Commission.

	2014 <u>Expenditures</u>	2013 <u>Expenditures</u>	Increase (Decrease)
Security of Persons and Property	\$16,007,174	\$15,692,172	\$315,002
Leisure Time Activities	746,428	687,552	58,876
Community Environment	253,299	192,283	61,016
General Government	9,770,339	9,525,564	244,775
Total	<u>\$26,777,240</u>	<u>\$26,097,571</u>	<u>\$679,669</u>

***Management's Discussion and Analysis
For the Year Ended December 31, 2014***

Unaudited

General Fund expenditures increased \$679,669, or approximately 3% when compared with the prior year. An increase in security of persons and property can be attributed to outlays for computer hardware and software, vehicle maintenance costs, and purchases of safety gear. General government expenditures increased in part due to costs to demolish an aged building behind City Hall as well as contractual costs related to union negotiations.

Community Development Fund – The Community Development Fund balance decreased approximately 12% in 2014. This decrease in fund balance can be attributed to several loans either being forgiven or released due to foreclosure during the year.

Capital Improvement Fund – The City's Capital Improvement Fund reported a decrease in fund balance of \$967,726. General Obligation notes have been issued in the Capital Improvement Fund for various projects including rehabilitation of the City administration parking garage, improvements to the South Second Street Bridge, and to acquire land, site preparation and architectural drawings for a new downtown fire station.

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 2014 the City amended its General Fund budget several times, none significant.

For the General Fund, the difference between actual receipts and original and final budgeted receipts was insignificant. The difference between original and final budgeted expenditures was insignificant. Actual expenditures were 2% less than final budget estimates.

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***Management's Discussion and Analysis
For the Year Ended December 31, 2014***

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2014 the City had \$131,088,211 net of accumulated depreciation invested in land, construction in progress, buildings, improvements, infrastructure, equipment and vehicles. Of this total, \$63,491,679 was related to governmental activities and \$67,596,532 to the business-type activities. The following tables show fiscal year 2014 and 2013 balances:

	Governmental Activities		Increase (Decrease)
	2014	2013	
Land	\$20,059,826	\$20,059,826	\$0
Construction In Progress	1,545,966	1,112,555	433,411
Buildings	17,894,688	17,894,688	0
Improvements Other than Buildings	4,331,622	4,331,622	0
Infrastructure	66,253,554	64,787,726	1,465,828
Machinery and Equipment	9,810,518	9,799,884	10,634
Less: Accumulated Depreciation	(56,404,495)	(53,832,622)	(2,571,873)
Totals	<u>\$63,491,679</u>	<u>\$64,153,679</u>	<u>(\$662,000)</u>

An increase in infrastructure was the result of routine street maintenance as well as the replacement of the West Church Street bridge deck.

	Business-Type Activities		Increase (Decrease)
	2014	2013	
Land	\$161,800	\$161,800	\$0
Construction in Progress	9,477,266	10,469,316	(992,050)
Buildings and Improvements	58,091,134	58,091,134	0
Infrastructure	20,312,683	16,997,182	3,315,501
Machinery and Equipment	30,119,555	29,951,126	168,429
Less: Accumulated Depreciation	(50,565,906)	(48,526,536)	(2,039,370)
Totals	<u>\$67,596,532</u>	<u>\$67,144,022</u>	<u>\$452,510</u>

Significant additions to business-type activities capital assets consisted of upgrades to the aeration system at the waste water treatment plant, storm water improvements, 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, 2014****Unaudited****Debt**

At December 31, 2014, the City had \$27.2 million in General Obligation bonds outstanding, \$1.4 million due within one year. The following table summarizes the City's debt outstanding as of December 31, 2014 and 2013:

	2014	2013
Governmental Activities:		
General Obligation Bonds	\$14,873,212	\$14,854,203
ODOT State Infrastructure Bank Loan	1,371,388	1,651,980
OPWC Loan	600,000	600,000
Capital Leases	905,528	1,397,398
Workers Compensation Retrospective Liability	133,549	115,831
Accrued Pension Liability	1,696,846	1,748,090
Compensated Absences	3,186,763	3,267,203
Total Governmental Activities	<u>22,767,286</u>	<u>23,634,705</u>
Business-Type Activities:		
General Obligation Bonds	\$12,332,636	\$13,798,821
Special Assessment Bond	0	5,132
OWDA Loans	33,729,939	32,630,272
OPWC Loans	1,562,166	1,673,341
Capital Leases	202,691	285,659
Compensated Absences	651,084	623,298
Total Business-Type Activities	<u>48,478,516</u>	<u>49,016,523</u>
Totals	<u>\$71,245,802</u>	<u>\$72,651,228</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, 2014, 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.

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.

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. 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. A new central fire station was begun in 2014 and will be completed in 2015. The 2015 budget was projected to increase slightly over the previous year.

***Management's Discussion and Analysis
For the Year Ended December 31, 2014***

Unaudited

The City's ending cash balance had been declining over the past ten years but year-end 2007 saw a 60% increase. Due to declining tax revenues and building permit collections, the cash carry over at year end 2008 saw a decrease of 20% and the need for increased cash reserves has been addressed in recent operating budgets with the creation of cash reserves funded with a dedicated portion of Emergency Medical Transport revenue. The cash carry over at year end 2010 was nearly equal to 2009 but 2011 showed an increase over 2010 due to increased cash reserves. The 2012 cash carry over showed a slight increase over 2011. The 2013 cash carryover again showed an increase; however, the 2014 cash carryover showed a 20% decrease.

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 Position
December 31, 2014**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Pooled Cash and Investments	\$ 16,177,919	\$ 12,212,903	\$ 28,390,822
Cash and Cash Equivalents with Fiscal Agent	11,783	20,563	32,346
Investments	442,747	0	442,747
Receivables:			
Taxes	6,274,486	0	6,274,486
Accounts	569,120	1,703,651	2,272,771
Intergovernmental	2,474,860	0	2,474,860
Interest	5,020	0	5,020
Loans	3,986,476	0	3,986,476
Internal Balance	(743,677)	743,677	0
Inventory of Supplies at Cost	328,999	694,135	1,023,134
Prepaid Items	50,745	22,633	73,378
Restricted Assets:			
Cash and Cash Equivalents	251,003	0	251,003
Cash and Cash Equivalents with Fiscal Agent	18,194	13,908	32,102
Investments	627,500	0	627,500
Investments with Fiscal Agent	468,216	0	468,216
Non-Depreciable Capital Assets	21,605,792	9,639,066	31,244,858
Depreciable Capital Assets, Net	41,885,887	57,957,466	99,843,353
Total Assets	94,435,070	83,008,002	177,443,072
Deferred Outflows of Resources:			
Deferred Charge on Debt Refunding	155,340	173,362	328,702
Liabilities:			
Accounts Payable	192,064	47,901	239,965
Accrued Wages and Benefits	1,590,922	319,567	1,910,489
Intergovernmental Payable	4,023	0	4,023
Claims Payable	380,429	0	380,429
Retainage Payable	0	20,563	20,563
Matured Bonds and Interest Payable	0	13,908	13,908
Accrued Interest Payable	103,352	430,275	533,627
General Obligation Notes Payable	8,070,000	4,000,000	12,070,000
Noncurrent liabilities:			
Due within one year	2,373,459	2,501,884	4,875,343
Due in more than one year	20,393,827	45,976,632	66,370,459
Total Liabilities	33,108,076	53,310,730	86,418,806
Deferred Inflows of Resources:			
Property Tax Levy for Next Fiscal Year	3,067,053	0	3,067,053

CITY OF NEWARK, OHIO

	Governmental Activities	Business-Type Activities	Total
Net Position:			
Net Investment in Capital Assets	44,958,995	23,473,836	68,432,831
Restricted For:			
Debt Service	1,673,526	0	1,673,526
Security of Persons	754,760	0	754,760
Street Improvement	2,696,816	0	2,696,816
Community Environment	4,489,099	0	4,489,099
Judiciary	1,637,812	0	1,637,812
Cemetery Maintenance	1,142,853	0	1,142,853
Other Purposes	123,200	0	123,200
Unrestricted	938,220	6,396,798	7,335,018
Total Net Position	\$ 58,415,281	\$ 29,870,634	\$ 88,285,915

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

**Statement of Activities
For the Year Ended December 31, 2014**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 18,014,306	\$ 3,153,173	\$ 870,277	\$ 0
Leisure Time Activities	864,731	0	0	0
Community Environment	1,614,911	101,985	629,450	0
Public Health and Welfare Services	186,078	157,337	145,060	0
Transportation	3,852,334	1,709	2,773,405	54,406
General Government	10,588,687	718,048	52,855	0
Interest and Fiscal Charges	822,031	0	0	0
Total Governmental Activities	35,943,078	4,132,252	4,471,047	54,406
Business-Type Activities:				
Water	6,019,772	6,212,924	0	0
Sewer	7,370,520	7,419,978	0	0
Storm Water	1,844,358	2,769,820	0	0
Total Business-Type Activities	15,234,650	16,402,722	0	0
Totals	\$ 51,177,728	\$ 20,534,974	\$ 4,471,047	\$ 54,406

General Revenues and Transfers

Property Taxes Levied for:

General Purposes

Special Purposes

Capital Purposes

Income Tax

Other Local Taxes

Intergovernmental, Unrestricted

Investment Earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (13,990,856)	\$ 0	\$ (13,990,856)
(864,731)	0	(864,731)
(883,476)	0	(883,476)
116,319	0	116,319
(1,022,814)	0	(1,022,814)
(9,817,784)	0	(9,817,784)
(822,031)	0	(822,031)
<u>(27,285,373)</u>	<u>0</u>	<u>(27,285,373)</u>
0	193,152	193,152
0	49,458	49,458
0	925,462	925,462
<u>0</u>	<u>1,168,072</u>	<u>1,168,072</u>
\$ (27,285,373)	\$ 1,168,072	\$ (26,117,301)
2,100,858	0	2,100,858
416,520	0	416,520
428,807	0	428,807
20,092,754	0	20,092,754
420,782	0	420,782
1,542,244	0	1,542,244
149,711	901	150,612
867,854	0	867,854
(5,376)	5,376	0
<u>26,014,154</u>	<u>6,277</u>	<u>26,020,431</u>
(1,271,219)	1,174,349	(96,870)
<u>59,686,500</u>	<u>28,696,285</u>	<u>88,382,785</u>
\$ 58,415,281	\$ 29,870,634	\$ 88,285,915

CITY OF NEWARK, OHIO

**Balance Sheet
Governmental Funds
December 31, 2014**

	General	Community Development	Capital Improvement
Assets:			
Pooled Cash and Investments	\$ 2,270,055	\$ 453,325	\$ 5,619,762
Cash and Cash Equivalents with Fiscal Agent	0	0	0
Investments	0	0	121,466
Receivables:			
Taxes	5,341,617	0	0
Accounts	501,918	20,994	0
Intergovernmental	792,023	122,211	0
Interest	3,628	0	0
Loans	0	3,986,476	0
Interfund Loans Receivable	98,002	0	0
Inventory of Supplies, at Cost	71,113	0	0
Prepaid Items	50,745	0	0
Restricted Assets:			
Cash and Cash Equivalents	0	0	0
Cash and Cash Equivalents with Fiscal Agent	0	0	0
Investments	0	0	0
Investments with Fiscal Agent	0	0	0
Total Assets	\$ 9,129,101	\$ 4,583,006	\$ 5,741,228
Liabilities:			
Accounts Payable	\$ 132,391	\$ 3,263	\$ 15,861
Accrued Wages and Benefits Payable	1,441,617	25,624	0
Intergovernmental Payable	3,959	64	0
Interfund Loans Payable	0	0	0
Accrued Interest Payable	0	0	31,982
General Obligation Notes Payable	0	0	7,700,000
Total Liabilities	1,577,967	28,951	7,747,843
Deferred Inflows of Resources:			
Unavailable Amounts	2,660,770	0	0
Property Tax Levy for Next Fiscal Year	2,172,166	0	0
Total Deferred Inflows of Resources	4,832,936	0	0
Fund Balance:			
Nonspendable	121,858	0	0
Restricted	0	4,554,055	0
Assigned	1,365,840	0	0
Unassigned	1,230,500	0	(2,006,615)
Total Fund Balance	2,718,198	4,554,055	(2,006,615)
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 9,129,101	\$ 4,583,006	\$ 5,741,228

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 5,580,930	\$ 13,924,072
5,853	5,853
75,000	196,466
932,869	6,274,486
46,208	569,120
1,560,626	2,474,860
0	3,628
0	3,986,476
0	98,002
257,886	328,999
0	50,745
251,003	251,003
18,194	18,194
627,500	627,500
468,216	468,216
<u>\$ 9,824,285</u>	<u>\$ 29,277,620</u>
\$ 40,549	\$ 192,064
123,681	1,590,922
0	4,023
98,002	98,002
3,750	35,732
370,000	8,070,000
<u>635,982</u>	<u>9,990,743</u>
1,282,506	3,943,276
894,887	3,067,053
<u>2,177,393</u>	<u>7,010,329</u>
257,886	379,744
7,168,764	11,722,819
0	1,365,840
(415,740)	(1,191,855)
<u>7,010,910</u>	<u>12,276,548</u>
<u>\$ 9,824,285</u>	<u>\$ 29,277,620</u>

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2014***

Total Governmental Fund Balances		\$ 12,276,548
 <i>Amounts reported for governmental activities in the statement of net position are different because</i>		
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.		63,491,679
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		3,943,276
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		1,383,344
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds Payable	(14,873,212)	
Deferred Charge on Debt Refunding	155,340	
ODOT State Infrastructure Bank Loan	(1,371,388)	
Ohio Public Works Commission Loan	(600,000)	
Capital Leases Payable	(905,528)	
Accrued Pension Liability	(1,696,846)	
Compensated Absences Payable	(3,186,763)	
Worker's Compensation Retrospective Liability	(133,549)	
Accrued Interest Payable	(67,620)	
		<u>(22,679,566)</u>
<i>Net Position of Governmental Activities</i>		<u>\$ 58,415,281</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, 2014**

	General	Community Development	Capital Improvement
Revenues:			
Taxes	\$ 22,473,842	\$ 0	\$ 0
Intergovernmental Revenues	1,721,445	564,991	54,406
Charges for Services	2,136,312	0	0
Licenses, Permits and Fees	83,409	0	0
Investment Earnings	96,048	406	33
Special Assessments	0	0	0
Fines and Forfeitures	1,395,451	0	0
All Other Revenue	619,901	20,994	132,300
Total Revenues	28,526,408	586,391	186,739
Expenditures:			
Current:			
Security of Persons and Property	16,007,174	0	0
Public Health and Welfare Services	0	0	0
Leisure Time Activities	746,428	0	0
Community Environment	253,299	1,186,458	0
Transportation	0	0	0
General Government	9,770,339	0	0
Capital Outlay	0	0	2,169,536
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	49,613
Total Expenditures	26,777,240	1,186,458	2,219,149
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,749,168	(600,067)	(2,032,410)
Other Financing Sources (Uses):			
Sale of Capital Assets	48,375	0	0
Refunding Bonds Issued	0	0	0
Premium on Bond Issuance	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0
Transfers In	0	0	1,064,684
Transfers Out	(2,593,025)	0	0
Total Other Financing Sources (Uses)	(2,544,650)	0	1,064,684
Net Change in Fund Balance	(795,482)	(600,067)	(967,726)
Fund Balance at Beginning of Year	3,516,323	5,154,122	(1,038,889)
Increase (Decrease) in Inventory	(2,643)	0	0
Fund Balance End of Year	\$ 2,718,198	\$ 4,554,055	\$ (2,006,615)

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 847,571	\$ 23,321,413
3,847,820	6,188,662
4,818	2,141,130
0	83,409
50,463	146,950
6,828	6,828
489,462	1,884,913
94,659	867,854
<u>5,341,621</u>	<u>34,641,159</u>
1,434,039	17,441,213
186,078	186,078
0	746,428
130,120	1,569,877
2,059,898	2,059,898
870,811	10,641,150
36,337	2,205,873
685,592	685,592
682,956	732,569
<u>6,085,831</u>	<u>36,268,678</u>
(744,210)	(1,627,519)
0	48,375
7,930,000	7,930,000
182,694	182,694
(7,945,049)	(7,945,049)
1,563,913	2,628,597
(40,948)	(2,633,973)
<u>1,690,610</u>	<u>210,644</u>
946,400	(1,416,875)
5,994,099	13,625,655
70,411	67,768
<u>\$ 7,010,910</u>	<u>\$ 12,276,548</u>

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For the Year Ended December 31, 2014***

Net Change in Fund Balances - Total Governmental Funds \$ (1,416,875)

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	2,170,565	
Depreciation Expense	<u>(2,758,447)</u>	(587,882)

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

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.		(74,118)
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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. 33,315

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

Refunding Bonds Issued	(7,930,000)	
Premium on Refunding Bonds	<u>(182,694)</u>	(8,112,694)

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

Interest Accretion on General Obligation Bonds	(102,062)	
Bond Premium Amortization	10,747	
General Obligation Bond Principal Payment	405,000	
General Obligation Bond Refunding	7,780,000	
Deferred Charge on Debt Refunding	155,340	
ODOT State Infrastructure Bank Loan Retirement	280,592	
Capital Lease Principal Payment	491,870	
Pension Liability Principal Payment	<u>51,244</u>	9,072,731

(Continued)

CITY OF NEWARK, OHIO

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 11,562

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	80,440	
Worker's Compensation Retrospective Liability	(17,718)	
Change in Inventory	<u>67,768</u>	130,490

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.

(327,748)

Change in Net Position of Governmental Activities

\$ (1,271,219)

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, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 22,628,193	\$ 22,372,809	\$ 22,489,699	\$ 116,890
Intergovernmental Revenue	1,766,458	1,844,841	1,744,634	(100,207)
Charges for Services	2,017,908	2,043,637	2,099,341	55,704
Licenses, Permits and Fees	64,505	80,255	83,414	3,159
Investment Earnings	88,092	88,092	67,126	(20,966)
Fines and Forfeitures	1,443,800	1,490,069	1,397,790	(92,279)
All Other Revenue	200,170	602,942	551,131	(51,811)
Total Revenues	<u>28,209,126</u>	<u>28,522,645</u>	<u>28,433,135</u>	<u>(89,510)</u>
Expenditures:				
Current:				
Security of Persons and Property	16,568,106	16,358,604	16,116,434	242,170
Leisure Time Activities	696,857	757,419	742,454	14,965
Community Environment	271,995	281,093	250,577	30,516
General Government	10,323,535	10,658,491	10,408,407	250,084
Total Expenditures	<u>27,860,493</u>	<u>28,055,607</u>	<u>27,517,872</u>	<u>537,735</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	348,633	467,038	915,263	448,225
Other Financing Sources (Uses):				
Sale of Capital Assets	10,000	48,375	48,375	0
Transfers In	19,355,480	19,655,238	19,788,553	133,315
Transfers Out	(21,519,138)	(21,935,274)	(21,933,945)	1,329
Advances In	0	15,743	15,743	0
Advances Out	0	(98,002)	(98,002)	0
Total Other Financing Sources (Uses):	<u>(2,153,658)</u>	<u>(2,313,920)</u>	<u>(2,179,276)</u>	<u>134,644</u>
Net Change in Fund Balance	(1,805,025)	(1,846,882)	(1,264,013)	582,869
Fund Balance at Beginning of Year	2,730,192	2,730,192	2,730,192	0
Prior Year Encumbrances	465,830	465,830	465,830	0
Fund Balance at End of Year	<u>\$ 1,390,997</u>	<u>\$ 1,349,140</u>	<u>\$ 1,932,009</u>	<u>\$ 582,869</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, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 1,618,414	\$ 873,240	\$ 633,591	\$ (239,649)
Investment Earnings	367	367	440	73
All Other Revenue	181,134	85,837	121,636	35,799
Total Revenues	<u>1,799,915</u>	<u>959,444</u>	<u>755,667</u>	<u>(203,777)</u>
Expenditures:				
Current:				
Community Environment	<u>1,946,153</u>	<u>1,180,450</u>	<u>860,100</u>	<u>320,350</u>
Total Expenditures	<u>1,946,153</u>	<u>1,180,450</u>	<u>860,100</u>	<u>320,350</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(146,238)	(221,006)	(104,433)	116,573
Fund Balance at Beginning of Year	320,860	320,860	320,860	0
Prior Year Encumbrances	<u>73,079</u>	<u>73,079</u>	<u>73,079</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 247,701</u>	<u>\$ 172,933</u>	<u>\$ 289,506</u>	<u>\$ 116,573</u>

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2014**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
Assets:			
Current Assets:			
Pooled Cash and Investments	\$ 6,358,629	\$ 3,482,758	\$ 2,371,516
Cash and Cash Equivalents with Fiscal Agent	0	20,563	0
Investments	0	0	0
Receivables:			
Accounts	732,570	732,570	238,511
Interest	0	0	0
Inventory of Supplies at Cost	442,672	200,020	51,443
Prepaid Items	11,986	10,474	173
Total Current Assets	<u>7,545,857</u>	<u>4,446,385</u>	<u>2,661,643</u>
Noncurrent Assets:			
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agent	203	13,705	0
Non Depreciable Capital Assets	161,800	9,078,342	398,924
Depreciable Capital Assets, Net	18,514,797	33,452,958	5,989,711
Total Noncurrent Assets	<u>18,676,800</u>	<u>42,545,005</u>	<u>6,388,635</u>
Total Assets	<u>26,222,657</u>	<u>46,991,390</u>	<u>9,050,278</u>
Deferred Outflows of Resources:			
Deferred Charge on Debt Refunding	173,362	0	0
Liabilities:			
Current Liabilities:			
Accounts Payable	37,026	10,187	688
Accrued Wages and Benefits	197,062	109,984	12,521
Claims Payable	0	0	0
Retainage Payable	0	20,563	0
Compensated Absences Payable - Current	129,143	112,149	8,301
Accrued Interest Payable	61,116	339,958	29,201
General Obligation Notes Payable	4,000,000	0	0
Capital Leases Payable - Current	51,560	0	34,420
General Obligation Bonds Payable - Current	709,304	52,500	173,000
OWDA Loans Payable - Current	119,763	946,593	53,976
OPWC Loans Payable - Current	0	111,175	0
Total Current Liabilities	<u>5,304,974</u>	<u>1,703,109</u>	<u>312,107</u>

CITY OF NEWARK, OHIO

Total	Governmental Activities - Internal Service Funds
\$ 12,212,903	\$ 2,253,847
20,563	0
0	246,281
1,703,651	0
0	1,392
694,135	0
22,633	0
<u>14,653,885</u>	<u>2,501,520</u>
13,908	5,930
9,639,066	0
57,957,466	0
<u>67,610,440</u>	<u>5,930</u>
<u>82,264,325</u>	<u>2,507,450</u>
<u>173,362</u>	<u>0</u>
47,901	0
319,567	0
0	380,429
20,563	0
249,593	0
430,275	0
4,000,000	0
85,980	0
934,804	0
1,120,332	0
111,175	0
<u>7,320,190</u>	<u>380,429</u>

(Continued)

CITY OF NEWARK, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2014**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
Noncurrent Liabilities:			
Matured Bonds and Interest Payable	203	13,705	0
Capital Leases Payable	81,225	0	35,486
General Obligation Bonds Payable	6,470,582	1,048,750	3,878,500
OWDA Loans Payable	2,793,696	29,339,619	476,292
OPWC Loans Payable	0	1,450,991	0
Compensated Absences Payable	207,737	180,401	13,353
Total Noncurrent Liabilities	9,553,443	32,033,466	4,403,631
Total Liabilities	14,858,417	33,736,575	4,715,738
Net Position:			
Net Investment in Capital Assets	11,624,935	9,581,672	2,267,229
Unrestricted	(87,333)	3,673,143	2,067,311
Total Net Position	\$ 11,537,602	\$ 13,254,815	\$ 4,334,540

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

Net Position 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>
13,908	0
116,711	0
11,397,832	0
32,609,607	0
1,450,991	0
401,491	0
<u>45,990,540</u>	<u>0</u>
<u>53,310,730</u>	<u>380,429</u>
23,473,836	0
<u>5,653,121</u>	<u>2,127,021</u>
<u>\$ 29,126,957</u>	<u>\$ 2,127,021</u>

743,677
\$ 29,870,634

CITY OF NEWARK, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2014**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
Operating Revenues:			
Charges for Services	\$ 6,058,060	\$ 6,870,387	\$ 2,768,122
Other Operating Revenues	154,864	549,591	1,698
Total Operating Revenues	6,212,924	7,419,978	2,769,820
Operating Expenses:			
Personal Services	1,881,638	1,262,835	203,659
Contractual Services	1,668,713	3,898,515	1,321,967
Materials and Supplies	1,003,854	326,915	46,049
Depreciation	802,006	1,159,188	78,176
Total Operating Expenses	5,356,211	6,647,453	1,649,851
Operating Income (Loss)	856,713	772,525	1,119,969
Non-Operating Revenue (Expenses):			
Interest Income	530	371	0
Interest and Fiscal Charges	(553,099)	(723,067)	(194,307)
Other Nonoperating Expense	(32,434)	0	(200)
Total Non-Operating Revenues (Expenses)	(585,003)	(722,696)	(194,507)
Income (Loss) Before Transfers	271,710	49,829	925,462
Transfers:			
Transfers In	953	114,203	0
Transfers Out	0	0	(109,780)
Total Transfers	953	114,203	(109,780)
Change in Net Position	272,663	164,032	815,682
Net Position Beginning of Year	11,264,939	13,090,783	3,518,858
Net Position End of Year	\$ 11,537,602	\$ 13,254,815	\$ 4,334,540

Change in Net Position - Total Enterprise Funds

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

Change in Net Position - 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>
\$ 15,696,569	\$ 5,071,629
706,153	0
<u>16,402,722</u>	<u>5,071,629</u>
3,348,132	5,480,166
6,889,195	0
1,376,818	0
2,039,370	0
<u>13,653,515</u>	<u>5,480,166</u>
2,749,207	(408,537)
901	2,761
(1,470,473)	0
(32,634)	0
<u>(1,502,206)</u>	<u>2,761</u>
1,247,001	(405,776)
115,156	0
(109,780)	0
<u>5,376</u>	<u>0</u>
1,252,377	(405,776)
27,874,580	2,532,797
\$ 29,126,957	\$ 2,127,021
\$ 1,252,377	
<u>(78,028)</u>	
<u>\$ 1,174,349</u>	

CITY OF NEWARK, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2014**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$6,334,555	\$7,541,609	\$2,809,421
Cash Payments for Goods and Services	(2,734,961)	(4,360,892)	(1,408,679)
Cash Payments to Employees	(1,869,152)	(1,242,518)	(200,293)
Net Cash Provided (Used) by Operating Activities	1,730,442	1,938,199	1,200,449
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	953	114,203	0
Transfers Out to Other Funds	0	0	(109,780)
Net Cash Provided (Used) by Noncapital Financing Activities	953	114,203	(109,780)
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(158,569)	(2,546,836)	(341,960)
General Obligation Notes Issued	4,000,000	0	0
Principal Paid on Capital Leases	(49,583)	0	(33,385)
Principal Paid on General Obligation Bonds	(742,426)	(51,250)	(166,500)
Principal Paid on Special Assessment Bonds	0	(5,132)	0
Ohio Water Development Authority Loans Issued	0	2,531,649	0
Principal Paid on Ohio Water Development Authority Loans	(113,685)	(1,266,089)	(52,208)
Principal Paid on Ohio Public Works Commission Loans	0	(111,175)	0
Interest Paid on All Debt	(997,500)	(428,303)	(195,411)
Net Cash Provided (Used) by Capital and Related Financing Activities	1,938,237	(1,877,136)	(789,464)
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	530	371	0
Net Cash Provided by Investing Activities	530	371	0
Net Increase (Decrease) in Cash and Cash Equivalents	3,670,162	175,637	301,205
Cash and Cash Equivalents at Beginning of Year	2,688,670	3,341,389	2,070,311
Cash and Cash Equivalents at End of Year	\$6,358,832	\$3,517,026	\$2,371,516
<u>Reconciliation of Cash and</u>			
<u>Cash Equivalents per the Statement of Net Position:</u>			
Cash and Cash Equivalents	\$6,358,629	\$3,482,758	\$2,371,516
Cash with Fiscal Agent	0	20,563	0
Restricted Cash with Fiscal Agent	203	13,705	0
Cash and Cash Equivalents at End of Year	\$6,358,832	\$3,517,026	\$2,371,516

CITY OF NEWARK, OHIO

<u>Total</u>	<u>Governmental- Activities Internal Service</u>
\$16,685,585	\$5,071,629
(8,504,532)	0
<u>(3,311,963)</u>	<u>(5,502,348)</u>
<u>4,869,090</u>	<u>(430,719)</u>
115,156	0
<u>(109,780)</u>	<u>0</u>
<u>5,376</u>	<u>0</u>
(3,047,365)	0
4,000,000	0
(82,968)	0
(960,176)	0
(5,132)	0
2,531,649	0
(1,431,982)	0
(111,175)	0
<u>(1,621,214)</u>	<u>0</u>
<u>(728,363)</u>	<u>0</u>
<u>901</u>	<u>3,842</u>
<u>901</u>	<u>3,842</u>
4,147,004	(426,877)
<u>8,100,370</u>	<u>2,686,654</u>
<u>\$12,247,374</u>	<u>\$2,259,777</u>
\$12,212,903	\$2,253,847
20,563	0
<u>13,908</u>	<u>5,930</u>
<u>\$12,247,374</u>	<u>\$2,259,777</u>

(Continued)

CITY OF NEWARK, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2014**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	\$856,713	\$772,525	\$1,119,969
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	802,006	1,159,188	78,176
Nonoperating Expense	(32,434)	0	(200)
Changes in Assets and Liabilities:			
Decrease in Accounts Receivable	121,631	121,631	39,601
(Increase) Decrease in Inventory	5,088	2,120	(14,851)
(Increase) Decrease in Prepaid Items	218	(106)	(4)
Decrease in Accounts Payable	(35,205)	(137,476)	(15,608)
Decrease in Intergovernmental Payable	(61)	0	(10,000)
Increase (Decrease) in Accrued Wages and Benefits	8,313	(256)	326
Decrease in Claims Payable	0	0	0
Increase in Compensated Absences	4,173	20,573	3,040
Total Adjustments	<u>873,729</u>	<u>1,165,674</u>	<u>80,480</u>
Net Cash Provided (Used) by Operating Activities	<u>\$1,730,442</u>	<u>\$1,938,199</u>	<u>\$1,200,449</u>

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

<u>Total</u>	<u>Governmental- Activities Internal Service</u>
\$2,749,207	(\$408,537)
2,039,370	0
(32,634)	0
282,863	0
(7,643)	0
108	0
(188,289)	0
(10,061)	0
8,383	0
0	(22,182)
<u>27,786</u>	<u>0</u>
<u>2,119,883</u>	<u>(22,182)</u>
<u>\$4,869,090</u>	<u>(\$430,719)</u>

CITY OF NEWARK, OHIO

***Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2014***

	<u>Agency Funds</u>
Assets:	
Receivables:	
Taxes	\$ 7,102
Restricted Assets:	
Cash and Cash Equivalents	<u>920,688</u>
Total Assets	<u>927,790</u>
Liabilities:	
Intergovernmental Payable	762,405
Due to Others	<u>165,385</u>
Total Liabilities	<u>\$ 927,790</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

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, 2014 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, deferred outflows/inflows of resources, fund equity, revenues and expenditures (expenses). The following fund types are used by the City:

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Governmental Funds

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

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

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

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

Proprietary Funds

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

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 Fund - To account for the accumulation and allocation of costs associated with the City’s health and dental self-insurance program.

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

Interfund receivables and payables between governmental and business-type activities have been eliminated in the government-wide statement of net position.

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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

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

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

D. Basis of Accounting

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

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

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

Special assessment installments including related accrued interest, which are measurable but not available at December 31, are recorded as deferred inflows of resources. Property taxes, which are measurable at December 31, 2014 but are not intended to finance 2014 operations, and delinquent property taxes whose availability is indeterminate, are recorded as deferred inflows of resources. Property taxes are further described in Note 5.

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

E. Budgetary Process

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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

1. Tax Budget

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

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2014.

3. Appropriations

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

3. Appropriations (Continued)

The allocation of appropriations among departments and objects within a fund may be modified during the year only by an ordinance of City Council. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual for the General Fund and Major Special Revenue 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, 2014***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

5. Budgetary Basis of Accounting

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

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

	Net Change in Fund Balance	
	General Fund	Community Development Fund
GAAP Basis (as reported)	(\$795,482)	(\$600,067)
Increase (Decrease):		
Accrued Revenues at December 31, 2014 received during 2015	(1,913,763)	(4,129,681)
Accrued Revenues at December 31, 2013 received during 2014	1,738,231	4,818,382
Accrued Expenditures at December 31, 2014 paid during 2015	1,577,967	28,951
Accrued Expenditures at December 31, 2013 paid during 2014	(1,540,834)	(58,199)
2013 Prepays for 2014	49,148	0
2014 Prepays for 2015	(50,745)	0
Outstanding Encumbrances	(328,535)	(163,819)
Budget Basis	<u>(\$1,264,013)</u>	<u>(\$104,433)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

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 invested funds in the STAR Ohio during 2014. 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, 2014.

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. The cost of inventory items is recorded as an expenditure in the governmental funds when purchased.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2014, 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, 2014***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation

Capital assets are defined by the City as assets with an initial, individual cost of more than \$15,000.

1. Property, Plant and Equipment - Governmental Activities

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

Contributed capital assets are recorded at 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 Position and in the respective funds.

3. Depreciation

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

<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, 2014**

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 Bond	Sewer Fund
OWDA Loans	Water Fund, Sewer Fund, Storm Water Fund
OPWC Loans	Sewer Fund
Capital Leases	Capital Improvement Fund, Water Fund, Storm Water Fund
Compensated Absences	General Fund Street Department Fund Community Development Fund Court Computerization Fund Probation Grant Fund Water Fund Sewer Fund Storm Water Fund
Accrued Pension Liability	General Fund
Worker's Compensation Retrospective Liability	General Fund
ODOT SIB Loan	Tax Increment Financing Fund

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, 2014***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Compensated Absences (Continued)

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

M. Net Position

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

N. Interfund Activity

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Pensions

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

P. Fund Balances

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

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

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

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

Assigned – Assigned fund balance consists of amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. The City has no formal policy authorizing a body or official to assign amounts for specific purposes.

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Restricted Assets

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

R. Operating Revenues and Expenses

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City and that are either unusual in nature or infrequent in occurrence. The City had no special or extraordinary items to report during 2014.

T. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position and proprietary funds statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, *unavailable amounts*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes, income taxes, special assessments, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 2 - COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Equities – The fund deficits at December 31, 2014 of \$8,847 in the EPA Grants Fund, \$45,764 in the ODNR Grants Fund, and \$58,602 in the Brownfield Cleanup Fund (special revenue funds) arises 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. The fund deficits of \$302,527 in the Landfill Reclamation Fund (special revenue fund) and \$2,006,615 in the Capital Improvement Fund (capital projects fund) is due to the recording of general obligation notes payable in the individual fund balance sheet.

NOTE 3 – FUND BALANCE CLASSIFICATION

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

Fund Balances	General Fund	Community Development Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Supplies Inventory	\$71,113	\$0	\$0	\$257,886	\$328,999
Prepaid Items	50,745	0	0	0	50,745
Total Nonspendable	<u>121,858</u>	<u>0</u>	<u>0</u>	<u>257,886</u>	<u>379,744</u>
Restricted:					
Community Development	0	4,554,055	0	0	4,554,055
Capital Acquisition and Improvement	0	0	0	350,158	350,158
Cemetery Maintenance	0	0	0	1,142,853	1,142,853
Memorial Sidewalk Program	0	0	0	79,968	79,968
Street Maintenance	0	0	0	1,612,019	1,612,019
Adult Probation Program	0	0	0	170,713	170,713
FTA Taxi Token Program	0	0	0	43,232	43,232
Court Improvements	0	0	0	1,637,812	1,637,812
Police and Fire Pension	0	0	0	5,125	5,125
Law Enforcement	0	0	0	269,126	269,126
Safety Grants Program	0	0	0	184,232	184,232
Debt Retirement	0	0	0	1,673,526	1,673,526
Total Restricted	<u>0</u>	<u>4,554,055</u>	<u>0</u>	<u>7,168,764</u>	<u>11,722,819</u>
Assigned:					
Encumbrances:					
Security of Persons and Property	68,174	0	0	0	68,174
Leisure Time Activities	451	0	0	0	451
Community Environment	24,983	0	0	0	24,983
General Government	98,579	0	0	0	98,579
Fiscal 2015 Budget Deficit	1,173,653	0	0	0	1,173,653
Total Assigned	<u>1,365,840</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,365,840</u>
Unassigned (Deficits):	<u>1,230,500</u>	<u>0</u>	<u>(2,006,615)</u>	<u>(415,740)</u>	<u>(1,191,855)</u>
Total Fund Balances	<u>\$2,718,198</u>	<u>\$4,554,055</u>	<u>(\$2,006,615)</u>	<u>\$7,010,910</u>	<u>\$12,276,548</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 4 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

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

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

Custodial credit risk is the risk that in the event of bank failure, the 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 \$17,018,862 and the bank balance was \$18,180,682. Federal depository insurance covered \$6,179,893 of the bank balance and \$12,000,789 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the City's name	<u>\$12,000,789</u>
Total Balance	<u><u>\$12,000,789</u></u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

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

B. Investments

The City's investments at December 31, 2014 are summarized below:

	Fair Value	Credit Rating	Investment Maturities (in Years)		
			less than 1	1-3	3-5
Repurchase Agreement	\$6,163,316	N/A	\$6,163,316	\$0	\$0
STAR Ohio	3,264,185	AAAm ¹	3,264,185	0	0
Corporate Equities	400,632	N/A	400,632	0	0
Corporate Notes/Bonds	57,675	Ba1 ²	47,683	9,992	0
Negotiable CD's	2,252,342	AAA ³	753,193	1,253,681	245,468
FHLB	501,175	AA+ ¹	0	0	501,175
FFCB	9,912	AA+ ¹	0	0	9,912
FNMA	1,497,325	AA+ ¹	0	1,497,325	0
Total Investments	<u>\$14,146,562</u>		<u>\$10,629,009</u>	<u>\$2,760,998</u>	<u>\$756,555</u>

¹ Standard & Poor's

² Moody's Investor Service

³ All are fully FDIC insured and therefore have an implied AAA credit rating

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

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

Concentration of Credit Risk – The City places no limit on the amount the City may invest in one issuer. Of the City's total investments, 44% was in a Repurchase Agreement, 23% was in STAR Ohio, 16% were Negotiable Certificates of Deposit, 11% were FNMA, and the remaining 6% were in other investments.

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, 2014***

NOTE 5 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property located in the City. Real property taxes (other than public utility) collected during 2014 were levied after October 1, 2013 on assessed values as of January 1, 2013, the lien date. Assessed values are established by the county auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments are made in the third year following reappraisal. The last reappraisal was completed in 2011. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

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

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

The full tax rate for the City's operations for the year ended December 31, 2014 was \$3.70 per \$1,000 of assessed value. The assessed value upon which the 2014 levy was based was \$799,885,660. This amount constitutes \$771,681,720 in real property assessed value and \$28,203,940 in public utility assessed value.

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

B. Income Tax

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 6 - RECEIVABLES

Receivables at December 31, 2014 consisted of taxes, interest, accounts, loans, and intergovernmental receivables arising from shared revenues.

NOTE 7 – INTERFUND ACTIVITY

A. Transfers

Following is a summary of transfers in and out for all funds for 2014:

Fund	Transfer In	Transfer Out
General Fund	\$0	\$2,593,025
Capital Improvement Fund	1,064,684	0
Other Governmental Funds	1,563,913	40,948
Total Governmental Funds	2,628,597	2,633,973
Water Fund	953	0
Sewer Fund	114,203	0
Storm Water Fund	0	109,780
Total Proprietary Funds	115,156	109,780
Total Transfers	\$2,743,753	\$2,743,753

Transfers for the year ended December 31, 2014 included a \$1,032,862 transfer from the General Fund to Capital Improvement Fund which were EMS receipts dedicated to capital improvements. \$1,497,269 was transferred from the General Fund to the Debt Service Fund for debt payments. Transfers from Other Governmental funds of \$40,948 were the result of the reclass of debt retirement. Transfers out of the Storm Water Fund in the amount of \$109,780 was the result of a reclass of debt retirement. All transfers were made in accordance with Ohio Revised Code.

B. Interfund Receivables/Payables

The following is a summary of interfund loans receivable and payable for all funds for 2014:

Fund	Interfund Loans Receivable	Interfund Loans Payable
General Fund	\$98,002	\$0
Other Governmental Funds	0	98,002
Totals	\$98,002	\$98,002

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, 2014**

NOTE 8 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2014:

Historical Cost:

Class	December 31, 2013	Additions	Deletions	December 31, 2014
Capital assets not being depreciated:				
Land	\$20,059,826	\$0	\$0	\$20,059,826
Construction in Progress	1,112,555	1,626,323	(1,192,912)	1,545,966
Sub-Total	21,172,381	1,626,323	(1,192,912)	21,605,792
Capital assets being depreciated:				
Buildings	17,894,688	0	0	17,894,688
Improvements Other than Buildings	4,331,622	0	0	4,331,622
Infrastructure	64,787,726	1,697,306	(231,478)	66,253,554
Machinery and Equipment	9,799,884	39,848	(29,214)	9,810,518
Total Cost	<u>\$117,986,301</u>	<u>\$3,363,477</u>	<u>(\$1,453,604)</u>	<u>\$119,896,174</u>
Accumulated Depreciation:				
Class	December 31, 2013	Additions	Deletions	December 31, 2014
Buildings	(\$6,658,626)	(\$363,768)	\$0	(\$7,022,394)
Improvements Other than Buildings	(3,361,825)	(91,326)	0	(3,453,151)
Infrastructure	(36,368,259)	(1,817,418)	158,299	(38,027,378)
Machinery and Equipment	(7,443,912)	(485,935)	28,275	(7,901,572)
Total Depreciation	<u>(\$53,832,622)</u>	<u>(\$2,758,447) *</u>	<u>\$186,574</u>	<u>(\$56,404,495)</u>
Net Value:	<u>\$64,153,679</u>			<u>\$63,491,679</u>

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$485,894
Leisure Time Activities	49,644
Community Environment	36,959
Transportation	1,939,540
General Government	246,410
Total Depreciation Expense	<u>\$2,758,447</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 8 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2014:

Historical Cost:

Class	December 31, 2013	Additions	Deletions	December 31, 2014
<i>Capital assets not being depreciated:</i>				
Land	\$161,800	\$0	\$0	\$161,800
Construction in Progress	10,469,316	2,323,451	(3,315,501)	9,477,266
Sub-Total	10,631,116	2,323,451	(3,315,501)	9,639,066
<i>Capital assets being depreciated:</i>				
Buildings and Improvements	58,091,134	0	0	58,091,134
Infrastructure	16,997,182	3,315,501	0	20,312,683
Machinery and Equipment	29,951,126	168,429	0	30,119,555
Total Cost	\$115,670,558	\$5,807,381	(\$3,315,501)	\$118,162,438
<i>Accumulated Depreciation:</i>				
Class	December 31, 2013	Additions	Deletions	December 31, 2014
Buildings and Improvements	(\$15,333,266)	(\$1,593,557)	\$0	(\$16,926,823)
Infrastructure	(4,218,798)	(258,869)	0	(4,477,667)
Machinery and Equipment	(28,974,472)	(186,944)	0	(29,161,416)
Total Depreciation	(\$48,526,536)	(\$2,039,370)	\$0	(\$50,565,906)
<i>Net Value:</i>	\$67,144,022			\$67,596,532

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, 2014***

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 visiting <https://www.opers.org/investments/cafr.shtml>, by making a written request to OPERS, 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 2014, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 10.0%. The 2014 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 and Combined Plans was 12.0% for calendar year 2014. The contribution requirements of plan members and the City are established and may be amended by the OPERS Board. The City’s contributions for pension obligations to OPERS for the years ending December 31, 2014, 2013, and 2012 were \$1,145,375, \$1,318,637 and \$992,777, respectively, which were equal to the required contributions for each year. Contributions to the member-directed plan for 2014 were \$64,867 made by the City and \$46,334 made by the plan members.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

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, by calling (614) 228-2975, or by visiting www.op-f.org.

From January 1, 2014 through July 1, 2014, plan members were required to contribute 10.75% of their annual covered salary. From July 2, 2014 through December 31, 2014, plan members were required to contribute 11.5% of their annual covered salary. Throughout 2014, employers were 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 2014, 19.0% of annual covered salary for police and 23.5% 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, 2014, 2013, and 2012 were \$862,761, \$722,301 and \$589,870 for police officers and \$1,146,851, \$1,014,554 and \$862,588 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. OPERS’ eligibility requirements for post-employment health care coverage changed for those retiring on and after January 1, 2015. Please see the Plan Statement in the OPERS 2013 CAFR for details.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

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 visiting <https://www.opers.org/investments/cafr.shtml>, by making a written request to OPERS, 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 2014, 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 and Combined Plans was 2.0% for calendar year 2014. Effective January 1, 2015, the portion of employer contributions allocated to healthcare remains at 2% for both plans, as recommended by the OPERS actuary. 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, 2014, 2013, and 2012 were \$190,896, \$101,434 and \$402,063, respectively, which were equal to the required contributions for each year.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 10 - POSTEMPLOYMENT BENEFITS (Continued)

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

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. That report is also available on OP&F’s website at www.op-f.org.

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.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

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 2014, the portion of employer contributions allocated to health care was 0.5% of covered payroll for both police officers and firefighters. 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, 2014, 2013, and 2012 were \$22,704, \$164,469 and \$312,284 for police and \$24,401, \$180,015 and \$337,534 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, 2014**

NOTE 11 - NOTES PAYABLE

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

	Balance January 1, 2014	Issued	(Retired)	Balance December 31, 2014
Special Revenue Fund Notes Payable:				
1.500% Landfill Reclamation	\$250,000	\$0	(\$250,000)	\$0
1.500% Landfill Reclamation	0	370,000	0	370,000
Total Special Revenue Fund Notes Payable	<u>250,000</u>	<u>370,000</u>	<u>(250,000)</u>	<u>370,000</u>
Capital Projects Fund Notes Payable:				
1.000% Downtown Fire Station	2,100,000	0	(2,100,000)	0
1.000% Downtown Fire Station	0	3,400,000	0	3,400,000
1.000% Downtown Fire Station	0	2,100,000	0	2,100,000
1.000% City Hall Parking Deck	300,000	0	(300,000)	0
1.000% City Hall Parking Deck	0	300,000	0	300,000
1.000% Service Complex Roof	200,000	0	(200,000)	0
1.000% Service Complex Roof	0	200,000	0	200,000
1.000% South Second Street Bridge	600,000	0	(600,000)	0
1.000% South Second Street Bridge	0	600,000	0	600,000
0.550% Various Street Improvements	0	1,100,000	0	1,100,000
Total Capital Projects Fund Notes Payable	<u>3,200,000</u>	<u>7,700,000</u>	<u>(3,200,000)</u>	<u>7,700,000</u>
Enterprise Fund Notes Payable:				
1.250% Downtown Waterline	0	4,000,000	0	4,000,000
Total Enterprise Fund Notes Payable	<u>0</u>	<u>4,000,000</u>	<u>0</u>	<u>4,000,000</u>
Total Notes Payable	<u>\$3,450,000</u>	<u>\$12,070,000</u>	<u>(\$3,450,000)</u>	<u>\$12,070,000</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

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

Long-term debt and other long-term obligations of the City at December 31, 2014 were as follows:

			Balance December 31, 2013	Additions	Deductions	Balance December 31, 2014	Amount Due Within One Year
Governmental Activities:							
General Obligation Bonds:							
East Main Street							
Improvement Refunding (TIF)	4.0%-4.25%	2028	\$2,050,000	\$0	(\$100,000)	\$1,950,000	\$105,000
East Main Street Bridge	4.50%	2021	800,000	0	(100,000)	700,000	100,000
Police and Fire Facilities	2.0%-4.75%	2031	8,024,991	0	(7,780,000)	244,991	91,476
Police and Fire Facilities Refunding	2.0%-4.00%	2031	0	7,930,000	0	7,930,000	0
Police and Fire Facilities	1.0%-4.00%	2030	800,000	0	(40,000)	760,000	40,000
Ice Arena Renovations	1.0%-4.00%	2030	205,000	0	(10,000)	195,000	10,000
Evans Boulevard Construction	1.0%-2.70%	2020	405,000	0	(55,000)	350,000	55,000
Deo Drive Improvement (TIF)	3.75%-4.38%	2027	875,000	0	(55,000)	820,000	55,000
Landfill Reclamation	1.90%-5.00%	2031	1,125,000	0	(45,000)	1,080,000	45,000
			<u>14,284,991</u>	<u>7,930,000</u>	<u>(8,185,000)</u>	<u>14,029,991</u>	<u>501,476</u>
Bond Premium			0	182,694	(10,747)	171,947	0
Interest Accretion			<u>569,212</u>	<u>102,062</u>	<u>0</u>	<u>671,274</u>	<u>0</u>
Total General Obligation Bonds			<u>14,854,203</u>	<u>8,214,756</u>	<u>(8,195,747)</u>	<u>14,873,212</u>	<u>501,476</u>
ODOT State Infrastructure Bank Loan:							
Waterworks Road Improvements	3.00%	2019	1,651,980	0	(280,592)	1,371,388	289,074
Ohio Public Works							
Commission Loan (OPWC):							
West Church Street Bridge	0.00%	2034	600,000	0	0	600,000	0
Capital Leases			1,397,398	0	(491,870)	905,528	382,670
Worker's Compensation Retrospective Liability			115,831	133,549	(115,831)	133,549	72,861
Accrued Pension Liability			1,748,090	0	(51,244)	1,696,846	53,446
Compensated Absences Payable			<u>3,267,203</u>	<u>1,087,379</u>	<u>(1,167,819)</u>	<u>3,186,763</u>	<u>1,073,932</u>
Total Governmental Activities			<u>\$23,634,705</u>	<u>\$9,435,684</u>	<u>(\$10,303,103)</u>	<u>\$22,767,286</u>	<u>\$2,373,459</u>

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CITY OF NEWARK, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

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

			Balance December 31, 2013	Additions	Deductions	Balance December 31, 2014	Amount Due Within One Year
Business-Type Activities:							
General Obligation Bonds:							
Water System Improvement Refunding	3.75%-4.50%	2018	\$2,906,706	\$0	(\$650,176)	\$2,256,530	\$614,804
Interest Accretion			3,507,115	338,815	(844,824)	3,001,106	0
			6,413,821	338,815	(1,495,000)	5,257,636	614,804
Storm Water Improvement	2.50%-5.50%	2034	1,620,000	0	(50,000)	1,570,000	50,000
Storm Water Improvement	1.70%-5.25%	2030	1,305,000	0	(55,000)	1,250,000	60,000
Various Purpose	1.00%-3.00%	2032	4,460,000	0	(205,000)	4,255,000	210,000
Total General Obligation Bonds			13,798,821	338,815	(1,805,000)	12,332,636	934,804
Special Assessment Bond:							
(with governmental commitment)							
Morgan Manor	4.75%	2015	5,132	0	(5,132)	0	0
Ohio Water Development							
Authority Loans (OWDA):							
Licking River Interceptor Construction	3.25%	2026	1,893,273	0	(119,154)	1,774,119	123,058
Stormwater Utility Planning	3.36%	2028	582,476	0	(52,208)	530,268	53,976
Wastewater Electrical Improvements	0.61%	2027	2,029,685	0	(139,308)	1,890,377	140,160
Wastewater High Rate Treatment System	4.67%	2031	13,489,433	0	(495,475)	12,993,958	562,504
CSO Sewer Separation	3.36%	2028	786,170	0	(19,310)	766,860	19,964
Water Plant Generator	3.53%	2030	950,211	0	(39,926)	910,285	43,196
CSO Sewer Separation	3.25%	2031	1,852,239	0	(58,121)	1,794,118	0
Automated Meter Reading	3.53%	2031	2,076,934	0	(73,759)	2,003,175	76,567
CSO Sewer Separation 1030	2.45%	2033	2,423,158	0	(93,535)	2,329,623	100,907
Raccoon Creek Interceptor	2.64%	2033	5,026,583	1,970,207	(297,853)	6,698,937	0
Aeration System Modifications	2.48%	2034	1,520,110	561,442	(43,333)	2,038,219	0
Total OWDA Loans			32,630,272	2,531,649	(1,431,982)	33,729,939	1,120,332
Ohio Public Works							
Commission Loans (OPWC):							
Licking River Interceptor Construction	0.00%	2026	383,842	0	(28,433)	355,409	28,433
Sewer Improvements	0.00%	2022	38,859	0	(4,318)	34,541	4,318
Idlewilde Park Sewer Phase I	0.00%	2022	32,592	0	(3,259)	29,333	3,259
Idlewilde Park Sewer Phase II	0.00%	2024	385,958	0	(33,561)	352,397	33,561
Channel Street/Postal Avenue Sewer	0.00%	2033	832,090	0	(41,604)	790,486	41,604
Total OPWC Loans			1,673,341	0	(111,175)	1,562,166	111,175
Capital Leases			285,659	0	(82,968)	202,691	85,980
Compensated Absences			623,298	183,608	(155,822)	651,084	249,593
Total Business-Type Activities			<u>\$49,016,523</u>	<u>\$3,054,072</u>	<u>(\$3,592,079)</u>	<u>\$48,478,516</u>	<u>\$2,501,884</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

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

The City's liability for past service costs relating to the Police and Firemen's Pension Fund at December 31, 2014 was \$2,556,874 in principal and interest payments through the year 2035. Only the principal amount of \$1,696,846 is included in the Government-wide Statement of Net Position.

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

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

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

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

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

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

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

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

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

Storm Water Improvement bonds were issued in 2009 in the amount of \$1.8 million and in 2011 in the amount of \$1.5 million to provide for storm water improvements in the McKinley and Garfield Road area.

In 2012, \$4,650,000 of general obligation various purpose bonds were issued for multiple projects consisting of the installation of water lines, sewer lines, and storm drains as well as the continuation of the City's combined sewer overflow separation project.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

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.

In 2013 the City obtained financing through the Ohio Public Works Commission for sanitary sewer improvements on Channel Street and Postal Avenue in the amount of \$832,090 at an interest rate of 0%.

In 2013 the City obtained financing through the Ohio Public Works Commission for improvements to the West Church Street Bridge in the amount of \$600,000 at an interest rate of 0%. As of December 31, 2014 the loan has not been finalized and there is no amortization schedule for the loan.

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.

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, 2014***

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 interest rate on the loan is 4.67%, per annum. This loan is payable from wastewater collection and treatment charges.

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.

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, 2014, the City had received \$2,039,335 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2014 the loan has not been finalized and there is no amortization schedule for the loan.

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 interest rate on the loan is 3.53%, per annum. This loan is payable from water charges.

Combined Sewer Overflow (CSO) Separation - In 2012 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for a combined sewer overflow separation project. The total amount is subject to change and has not been finalized. The interest rate on the loan is 2.45%, per annum. This loan is payable from wastewater collection and treatment charges.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

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

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

Raccoon Creek Interceptor - In 2012 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 Raccoon Creek. The total amount is subject to change and has not been finalized. The interest rate on the loan is 2.64%, 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, 2014, the City had received \$6,996,790 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2014 the loan has not been finalized and there is no amortization schedule for the loan.

Aeration System Modifications - In 2013 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 upgrades to the aeration system at the wastewater treatment plant. The total amount is subject to change and has not been finalized. The interest rate on the loan is 2.48%, 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, 2014, the City had received \$2,081,552 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2014 the loan has not been finalized and there is no amortization schedule for the loan.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

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

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, 2014 follows:

Years	Governmental Activities					
	General Obligation Bonds		Accrued Pension Liability		ODOT SIB Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$501,476	\$1,135,073	\$53,446	\$71,554	\$289,074	\$38,990
2016	506,285	1,131,810	55,742	69,258	297,809	30,253
2017	512,230	1,126,553	58,136	66,864	306,812	21,252
2018	695,000	446,034	60,632	64,368	316,085	11,977
2019	950,000	425,054	63,238	61,762	161,608	2,424
2020-2024	4,575,000	1,613,196	359,338	265,662	0	0
2025-2029	4,640,000	775,282	443,428	181,572	0	0
2030-2034	1,650,000	84,988	547,196	77,804	0	0
2035	0	0	55,690	1,184	0	0
Totals	\$14,029,991	\$6,737,990	\$1,696,846	\$860,028	\$1,371,388	\$104,896

Years	Business-Type Activities					
	General Obligation Bonds		OWDA Loans		OPWC Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$934,804	\$1,110,304	\$1,120,332	\$806,164	\$111,175	\$0
2016	853,959	1,180,130	1,158,193	768,300	111,175	0
2017	820,780	1,219,598	1,197,489	729,005	111,175	0
2018	846,987	1,194,496	1,238,273	688,221	111,175	0
2019	335,000	208,234	1,280,606	645,889	111,175	0
2020-2024	1,835,000	893,634	7,096,560	2,773,993	543,984	0
2025-2029	2,180,000	563,559	7,441,099	1,502,642	295,886	0
2030-2034	1,525,000	152,704	2,666,113	269,955	166,421	0
Totals	\$9,331,530	\$6,522,659	\$23,198,665	\$8,184,169	\$1,562,166	\$0

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

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

C. Defeasance of General Obligation Debt

In December 1998, the City defeased \$12,045,000 of Water System Improvement Bonds for Water Improvements dated June 1, 1993 through the issuance of \$13,093,825 of Water System Improvement Refunding 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 \$5,290,000 at December 31, 2014 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 through the issuance of \$2,645,000 of East Main Street Improvement Refunding 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 \$1,120,000 at December 31, 2014 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In October 2014, the City defeased \$7,780,000 of General Obligation Bonds for Police and Fire Facilities dated September 1, 2003 through the issuance of \$7,930,000 of Police and Fire Facilities Refunding Bonds. The net proceeds of the 2014 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$7,410,000 at December 31, 2014 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding. This refunding decreased total debt service payments over the life of the bonds by \$1,079,409, resulting in an economic gain of \$1,025,959.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 13 - CAPITALIZED LEASES

The City leases several assets under capital leases. The original cost of equipment of \$2,680,563, and the related liability reported as Governmental Activities capital leases are reported on the Government – wide Statement of Net Position. The original cost of equipment of \$625,475 and the related liability reported as Business Type Activities capital leases are reported on the Government – wide Statement of Net Position 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, 2014:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2015	\$415,214	\$92,889
2016	389,731	92,889
2017	<u>153,851</u>	<u>28,151</u>
Minimum Lease Payments	958,796	213,929
Less amount representing interest at the City's incremental borrowing rate of interest	<u>(53,268)</u>	<u>(11,238)</u>
Present value of minimum lease payments	<u><u>\$905,528</u></u>	<u><u>\$202,691</u></u>

NOTE 14 - INSURANCE AND RISK MANAGEMENT

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

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 Consultants, Inc. (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, 2014***

NOTE 14 - 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.

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.

The City participates in the Ohio Bureau of Workers' Compensation (BWC) Retrospective Rating Plan. The plan involves the payment of a minimum premium for administrative services and stop loss coverage plus the actual claim costs for employees injured. The plan is administered by Comp Management Inc. Payments are made directly to the BWC for actual claims processed. The City's General Fund pays for all claims, claim reserves and administrative costs of the program.

B. Self Insurance

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 14 - INSURANCE AND RISK MANAGEMENT (Continued)

B. Self Insurance (Continued)

A liability for unpaid claims cost of \$380,429 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 2013 and 2014 were as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
2013	\$462,591	\$4,538,244	(\$4,598,224)	\$402,611
2014	402,611	5,480,166	(5,502,348)	380,429

NOTE 15 - SIGNIFICANT COMMITMENTS

A. Contractual Commitments

The City had the following significant contractual commitments at December 31, 2014:

Project	Remaining Contractual Commitment	Expected Date of Completion
Raccoon Creek Interceptor	\$340,679	2015
Downtown Renovations	19,500,000	2017
Various Street Improvements	2,299,938	2016

B. Encumbrance Commitments

At December 31, 2014 the City had encumbrance commitments in the Governmental Funds as follows:

Fund	Encumbrances
General Fund	\$328,537
Community Development Fund	163,821
Capital Improvement Fund	1,573,012
Other Governmental Funds	1,105,903
Total Governmental Funds	<u>\$3,171,273</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

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.

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*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Street Department Fund

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

Cemetery Fund

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

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.

EPA Grants Fund

To account for recycling and litter prevention grants received from the Ohio Environmental Protection Agency.

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

State Highway Fund

To account for the portion of the state gasoline tax designated for construction, maintenance and repair of State highways located within the City.

Law Enforcement Fund

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

Landfill Reclamation Fund

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

Court Computerization Fund

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

Permissive License Tax Fund

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

Probation Grant Fund

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

Federal Transit Administration (FTA) Fund

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

Ohio Department of Natural Resources (ODNR) Grants Fund

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

(Continued)

Special Revenue Funds

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 Funds

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

Debt Service Fund

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

Tax Increment Financing Fund

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

(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.

Court Capital Improvement Fund

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

CITY OF NEWARK, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:				
Pooled Cash and Investments	\$ 3,558,857	\$ 1,673,526	\$ 348,547	\$ 5,580,930
Cash and Cash Equivalents with Fiscal Agent	5,853	0	0	5,853
Investments	75,000	0	0	75,000
Receivables:				
Taxes	468,369	464,500	0	932,869
Accounts	44,597	0	1,611	46,208
Intergovernmental	1,560,626	0	0	1,560,626
Inventory of Supplies, at Cost	257,886	0	0	257,886
Restricted Assets:				
Cash and Cash Equivalents	251,003	0	0	251,003
Cash and Cash Equivalents with Fiscal Agent	18,194	0	0	18,194
Investments	627,500	0	0	627,500
Investments with Fiscal Agent	468,216	0	0	468,216
Total Assets	\$ 7,336,101	\$ 2,138,026	\$ 350,158	\$ 9,824,285
Liabilities:				
Accounts Payable	\$ 40,549	\$ 0	\$ 0	\$ 40,549
Accrued Wages and Benefits Payable	123,681	0	0	123,681
Interfund Loans Payable	98,002	0	0	98,002
Accrued Interest Payable	3,750	0	0	3,750
General Obligation Notes Payable	370,000	0	0	370,000
Total Liabilities	635,982	0	0	635,982
Deferred Inflows of Resources:				
Unavailable Amounts	1,282,506	0	0	1,282,506
Property Tax Levy for Next Fiscal Year	430,387	464,500	0	894,887
Total Deferred Inflows of Resources	1,712,893	464,500	0	2,177,393
Fund Balance:				
Nonspendable	257,886	0	0	257,886
Restricted	5,145,080	1,673,526	350,158	7,168,764
Unassigned	(415,740)	0	0	(415,740)
Total Fund Balance	4,987,226	1,673,526	350,158	7,010,910
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 7,336,101	\$ 2,138,026	\$ 350,158	\$ 9,824,285

CITY OF NEWARK, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2014**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 418,764	\$ 428,807	\$ 0	\$ 847,571
Intergovernmental Revenues	3,847,820	0	0	3,847,820
Charges for Services	4,818	0	0	4,818
Investment Earnings	50,463	0	0	50,463
Special Assessments	103	6,725	0	6,828
Fines and Forfeitures	464,884	0	24,578	489,462
All Other Revenue	79,159	15,500	0	94,659
Total Revenues	4,866,011	451,032	24,578	5,341,621
Expenditures:				
Current:				
Security of Persons and Property	1,434,039	0	0	1,434,039
Public Health and Welfare Services	186,078	0	0	186,078
Community Environment	130,120	0	0	130,120
Transportation	2,059,898	0	0	2,059,898
General Government	697,334	173,477	0	870,811
Capital Outlay	0	0	36,337	36,337
Debt Service:				
Principal Retirement	0	685,592	0	685,592
Interest and Fiscal Charges	4,989	677,967	0	682,956
Total Expenditures	4,512,458	1,537,036	36,337	6,085,831
Excess (Deficiency) of Revenues Over (Under) Expenditures	353,553	(1,086,004)	(11,759)	(744,210)
Other Financing Sources (Uses):				
Refunding Bonds Issued	0	7,930,000	0	7,930,000
Premium on Bond Issuance	0	182,694	0	182,694
Payment to Refunded Bond Escrow Agent	0	(7,945,049)	0	(7,945,049)
Transfers In	66,644	1,497,269	0	1,563,913
Transfers Out	0	(40,948)	0	(40,948)
Total Other Financing Sources (Uses)	66,644	1,623,966	0	1,690,610
Net Change in Fund Balance	420,197	537,962	(11,759)	946,400
Fund Balance at Beginning of Year	4,496,618	1,135,564	361,917	5,994,099
Increase in Inventory	70,411	0	0	70,411
Fund Balance End of Year	\$ 4,987,226	\$ 1,673,526	\$ 350,158	\$ 7,010,910

CITY OF NEWARK, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2014**

	Street Department	Cemetery	Veterans Memorial Sidewalk	EPA Grants
Assets:				
Pooled Cash and Investments	\$ 324,076	\$ 157,354	\$ 4,968	\$ 0
Cash and Cash Equivalents with Fiscal Agent	0	5,853	0	0
Investments	0	0	75,000	0
Receivables:				
Taxes	0	0	0	0
Accounts	5,402	0	0	0
Intergovernmental	862,396	0	0	8,847
Inventory of Supplies, at Cost	257,886	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	7,884	0	0
Cash and Cash Equivalents with Fiscal Agent	0	12,161	0	0
Investments	0	627,500	0	0
Investments with Fiscal Agent	0	332,101	0	0
Total Assets	\$ 1,449,760	\$ 1,142,853	\$ 79,968	\$ 8,847
Liabilities:				
Accounts Payable	\$ 16,379	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	105,301	0	0	0
Interfund Loans Payable	0	0	0	8,847
Accrued Interest Payable	0	0	0	0
General Obligation Notes Payable	0	0	0	0
Total Liabilities	121,680	0	0	8,847
Deferred Inflows of Resources:				
Unavailable Amounts	574,931	0	0	8,847
Property Tax Levy for Next Fiscal Year	0	0	0	0
Total Deferred Inflows of Resources	574,931	0	0	8,847
Fund Balance:				
Nonspendable	257,886	0	0	0
Restricted	495,263	1,142,853	79,968	0
Unassigned	0	0	0	(8,847)
Total Fund Balance	753,149	1,142,853	79,968	(8,847)
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 1,449,760	\$ 1,142,853	\$ 79,968	\$ 8,847

CITY OF NEWARK, OHIO

Safety Grants	Police/Fire Pension	State Highway	Law Enforcement	Landfill Reclamation	Court Computerization
\$ 108,746	\$ 5,125	\$ 1,334	\$ 125,654	\$ 71,223	\$ 366,001
0	0	0	0	0	0
0	0	0	0	0	0
0	468,369	0	0	0	0
0	0	0	3,956	0	13,724
76,614	28,289	69,924	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>\$ 185,360</u>	<u>\$ 501,783</u>	<u>\$ 71,258</u>	<u>\$ 129,610</u>	<u>\$ 71,223</u>	<u>\$ 379,725</u>
\$ 594	\$ 0	\$ 0	\$ 2,632	\$ 0	\$ 0
0	0	0	0	0	4,556
0	0	0	0	0	0
0	0	0	0	3,750	0
0	0	0	0	370,000	0
<u>594</u>	<u>0</u>	<u>0</u>	<u>2,632</u>	<u>373,750</u>	<u>4,556</u>
534	66,271	46,616	0	0	0
0	430,387	0	0	0	0
<u>534</u>	<u>496,658</u>	<u>46,616</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0
184,232	5,125	24,642	126,978	0	375,169
0	0	0	0	(302,527)	0
<u>184,232</u>	<u>5,125</u>	<u>24,642</u>	<u>126,978</u>	<u>(302,527)</u>	<u>375,169</u>
<u>\$ 185,360</u>	<u>\$ 501,783</u>	<u>\$ 71,258</u>	<u>\$ 129,610</u>	<u>\$ 71,223</u>	<u>\$ 379,725</u>

(Continued)

CITY OF NEWARK, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2014**

	Permissive License Tax	Probation Grant	Federal Transit Administration	ODNR Grants
Assets:				
Pooled Cash and Investments	\$ 987,659	\$ 111,208	\$ 43,232	\$ 0
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
Investments	0	0	0	0
Receivables:				
Taxes	0	0	0	0
Accounts	10,463	0	0	0
Intergovernmental	286,715	138,686	0	45,764
Inventory of Supplies, at Cost	0	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	243,119	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	\$ 1,527,956	\$ 249,894	\$ 43,232	\$ 45,764
Liabilities:				
Accounts Payable	\$ 1,580	\$ 3,467	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	13,824	0	0
Interfund Loans Payable	0	0	0	45,764
Accrued Interest Payable	0	0	0	0
General Obligation Notes Payable	0	0	0	0
Total Liabilities	1,580	17,291	0	45,764
Deferred Inflows of Resources:				
Unavailable Amounts	434,262	61,890	0	45,764
Property Tax Levy for Next Fiscal Year	0	0	0	0
Total Deferred Inflows of Resources	434,262	61,890	0	45,764
Fund Balance:				
Nonspendable	0	0	0	0
Restricted	1,092,114	170,713	43,232	0
Unassigned	0	0	0	(45,764)
Total Fund Balance	1,092,114	170,713	43,232	(45,764)
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 1,527,956	\$ 249,894	\$ 43,232	\$ 45,764

CITY OF NEWARK, OHIO

Mary E. Barnes Trust	Brownfield Cleanup	Judicial	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 1,252,277	\$ 3,558,857
0	0	0	5,853
0	0	0	75,000
0	0	0	468,369
0	0	11,052	44,597
0	43,391	0	1,560,626
0	0	0	257,886
0	0	0	251,003
6,033	0	0	18,194
0	0	0	627,500
136,115	0	0	468,216
<u>\$ 142,148</u>	<u>\$ 43,391</u>	<u>\$ 1,263,329</u>	<u>\$ 7,336,101</u>
\$ 0	\$ 15,211	\$ 686	\$ 40,549
0	0	0	123,681
0	43,391	0	98,002
0	0	0	3,750
0	0	0	370,000
<u>0</u>	<u>58,602</u>	<u>686</u>	<u>635,982</u>
0	43,391	0	1,282,506
0	0	0	430,387
<u>0</u>	<u>43,391</u>	<u>0</u>	<u>1,712,893</u>
0	0	0	257,886
142,148	0	1,262,643	5,145,080
0	(58,602)	0	(415,740)
<u>142,148</u>	<u>(58,602)</u>	<u>1,262,643</u>	<u>4,987,226</u>
<u>\$ 142,148</u>	<u>\$ 43,391</u>	<u>\$ 1,263,329</u>	<u>\$ 7,336,101</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, 2014**

	Street Department	Cemetery	Special Improvement District	Veterans Memorial Sidewalk
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	1,772,942	0	0	0
Charges for Services	0	3,109	0	0
Investment Earnings	0	37,982	0	195
Special Assessments	0	0	103	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	62,931	0	0	2,600
Total Revenues	<u>1,835,873</u>	<u>41,091</u>	<u>103</u>	<u>2,795</u>
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Public Health and Welfare Services	0	31,732	0	0
Community Environment	0	0	103	0
Transportation	1,757,289	0	0	0
General Government	0	0	0	5,822
Debt Service:				
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	<u>1,757,289</u>	<u>31,732</u>	<u>103</u>	<u>5,822</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	78,584	9,359	0	(3,027)
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	78,584	9,359	0	(3,027)
Fund Balance at Beginning of Year	604,154	1,133,494	0	82,995
Increase in Inventory	70,411	0	0	0
Fund Balance End of Year	<u>\$ 753,149</u>	<u>\$ 1,142,853</u>	<u>\$ 0</u>	<u>\$ 79,968</u>

CITY OF NEWARK, OHIO

<u>EPA Grants</u>	<u>Safety Grants</u>	<u>Police/Fire Pension</u>	<u>State Highway</u>	<u>Law Enforcement</u>	<u>Landfill Reclamation</u>
\$ 0	\$ 0	\$ 418,764	\$ 0	\$ 0	\$ 0
8,848	441,635	68,740	143,753	38,986	0
0	0	0	0	0	0
0	0	0	0	0	40
0	0	0	0	0	0
0	0	0	0	83,072	0
0	0	0	0	0	0
<u>8,848</u>	<u>441,635</u>	<u>487,504</u>	<u>143,753</u>	<u>122,058</u>	<u>40</u>
0	399,791	491,159	0	76,198	0
0	0	0	0	0	0
17,695	0	0	0	0	0
0	0	0	143,000	0	0
0	0	0	0	0	468,995
0	0	0	0	0	4,989
<u>17,695</u>	<u>399,791</u>	<u>491,159</u>	<u>143,000</u>	<u>76,198</u>	<u>473,984</u>
(8,847)	41,844	(3,655)	753	45,860	(473,944)
0	17,463	0	0	0	3,750
0	17,463	0	0	0	3,750
(8,847)	59,307	(3,655)	753	45,860	(470,194)
0	124,925	8,780	23,889	81,118	167,667
0	0	0	0	0	0
<u>\$ (8,847)</u>	<u>\$ 184,232</u>	<u>\$ 5,125</u>	<u>\$ 24,642</u>	<u>\$ 126,978</u>	<u>\$ (302,527)</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, 2014**

	Court Computerization	Permissive License Tax	Probation Grant	Federal Transit Administration
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	832,053	438,194	0
Charges for Services	0	0	0	1,709
Investment Earnings	0	0	0	0
Special Assessments	0	0	0	0
Fines and Forfeitures	211,678	0	0	0
All Other Revenue	0	10,463	3,165	0
Total Revenues	<u>211,678</u>	<u>842,516</u>	<u>441,359</u>	<u>1,709</u>
Expenditures:				
Current:				
Security of Persons and Property	0	0	424,197	0
Public Health and Welfare Services	0	0	0	0
Community Environment	0	0	0	0
Transportation	0	140,846	0	18,763
General Government	191,698	0	0	0
Debt Service:				
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	<u>191,698</u>	<u>140,846</u>	<u>424,197</u>	<u>18,763</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,980	701,670	17,162	(17,054)
Other Financing Sources (Uses):				
Transfers In	0	0	17,901	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>17,901</u>	<u>0</u>
Net Change in Fund Balance	19,980	701,670	35,063	(17,054)
Fund Balance at Beginning of Year	355,189	390,444	135,650	60,286
Increase in Inventory	0	0	0	0
Fund Balance End of Year	<u>\$ 375,169</u>	<u>\$ 1,092,114</u>	<u>\$ 170,713</u>	<u>\$ 43,232</u>

CITY OF NEWARK, OHIO

ODNR Grants	Mary E. Barnes Trust	Brownfield Cleanup	Judicial	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 418,764
1,000	0	101,669	0	3,847,820
0	0	0	0	4,818
0	12,246	0	0	50,463
0	0	0	0	103
0	0	0	170,134	464,884
0	0	0	0	79,159
<u>1,000</u>	<u>12,246</u>	<u>101,669</u>	<u>170,134</u>	<u>4,866,011</u>
0	42,694	0	0	1,434,039
0	0	154,346	0	186,078
112,322	0	0	0	130,120
0	0	0	0	2,059,898
0	0	0	30,819	697,334
0	0	0	0	4,989
<u>112,322</u>	<u>42,694</u>	<u>154,346</u>	<u>30,819</u>	<u>4,512,458</u>
(111,322)	(30,448)	(52,677)	139,315	353,553
<u>27,530</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>66,644</u>
<u>27,530</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>66,644</u>
(83,792)	(30,448)	(52,677)	139,315	420,197
38,028	172,596	(5,925)	1,123,328	4,496,618
0	0	0	0	70,411
<u>\$ (45,764)</u>	<u>\$ 142,148</u>	<u>\$ (58,602)</u>	<u>\$ 1,262,643</u>	<u>\$ 4,987,226</u>

CITY OF NEWARK, OHIO

**Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2014**

	<u>Debt Service</u>	<u>Tax Increment Financing</u>	<u>Total Nonmajor Debt Service Funds</u>
Assets:			
Pooled Cash and Investments	\$ 1,585,501	\$ 88,025	\$ 1,673,526
Receivables:			
Taxes	0	464,500	464,500
Total Assets	<u>\$ 1,585,501</u>	<u>\$ 552,525</u>	<u>\$ 2,138,026</u>
Liabilities:			
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Deferred Inflows of Resources:			
Property Tax Levy for Next Fiscal Year	0	464,500	464,500
Total Deferred Inflows of Resources	<u>0</u>	<u>464,500</u>	<u>464,500</u>
Fund Balance:			
Restricted	1,585,501	88,025	1,673,526
Total Fund Balance	<u>1,585,501</u>	<u>88,025</u>	<u>1,673,526</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 1,585,501</u>	<u>\$ 552,525</u>	<u>\$ 2,138,026</u>

CITY OF NEWARK, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended December 31, 2014**

	Debt Service	Tax Increment Financing	Total Nonmajor Debt Service Funds
Revenues:			
Taxes	\$ 0	\$ 428,807	\$ 428,807
Special Assessments	6,725	0	6,725
All Other Revenue	15,500	0	15,500
Total Revenues	<u>22,225</u>	<u>428,807</u>	<u>451,032</u>
Expenditures:			
Current:			
General Government	0	173,477	173,477
Debt Service:			
Principal Retirement	250,000	435,592	685,592
Interest and Fiscal Charges	510,136	167,831	677,967
Total Expenditures	<u>760,136</u>	<u>776,900</u>	<u>1,537,036</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(737,911)	(348,093)	(1,086,004)
Other Financing Sources (Uses):			
Refunding Bonds Issued	7,930,000	0	7,930,000
Premium on Bond Issuance	182,694	0	182,694
Payment to Refunded Bond Escrow Agent	(7,945,049)	0	(7,945,049)
Transfers In	1,497,269	0	1,497,269
Transfers Out	(40,948)	0	(40,948)
Total Other Financing Sources (Uses)	<u>1,623,966</u>	<u>0</u>	<u>1,623,966</u>
Net Change in Fund Balance	886,055	(348,093)	537,962
Fund Balance at Beginning of Year	<u>699,446</u>	<u>436,118</u>	<u>1,135,564</u>
Fund Balance End of Year	<u>\$ 1,585,501</u>	<u>\$ 88,025</u>	<u>\$ 1,673,526</u>

CITY OF NEWARK, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 22,628,193	\$ 22,372,809	\$ 22,489,699	\$ 116,890
Intergovernmental Revenues	1,766,458	1,844,841	1,744,634	(100,207)
Charges for Services	2,017,908	2,043,637	2,099,341	55,704
Licenses, Permits and Fees	64,505	80,255	83,414	3,159
Investment Earnings	88,092	88,092	67,126	(20,966)
Fines and Forfeitures	1,443,800	1,490,069	1,397,790	(92,279)
All Other Revenue	200,170	602,942	551,131	(51,811)
Total Revenues	<u>28,209,126</u>	<u>28,522,645</u>	<u>28,433,135</u>	<u>(89,510)</u>
Expenditures:				
Security of Persons and Property:				
Impound Lot:				
Materials and Supplies	300	250	248	2
Contractual Services	<u>39,350</u>	<u>51,408</u>	<u>51,408</u>	<u>0</u>
Total Impound Lot	39,650	51,658	51,656	2
Police:				
Personal Services	7,590,475	7,275,936	7,260,580	15,356
Materials and Supplies	238,075	283,180	256,832	26,348
Contractual Services	481,051	480,173	423,281	56,892
Other Expenditures	500	17,000	16,500	500
Capital Outlay	<u>17,500</u>	<u>189,046</u>	<u>187,046</u>	<u>2,000</u>
Total Police	8,327,601	8,245,335	8,144,239	101,096
Fire:				
Personal Services	7,415,923	7,236,144	7,188,250	47,894
Materials and Supplies	305,898	321,151	304,987	16,164
Contractual Services	463,034	473,090	407,368	65,722
Other Expenditures	1,000	1,000	500	500
Capital Outlay	<u>15,000</u>	<u>30,226</u>	<u>19,434</u>	<u>10,792</u>
Total Fire	<u>8,200,855</u>	<u>8,061,611</u>	<u>7,920,539</u>	<u>141,072</u>
Total Security of Persons and Property	<u>16,568,106</u>	<u>16,358,604</u>	<u>16,116,434</u>	<u>242,170</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, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Leisure Time Activities:				
Parks and Cemetery:				
Personal Services	424,592	418,215	406,481	11,734
Materials and Supplies	67,300	77,282	76,590	692
Contractual Services	118,600	167,131	166,369	762
Other Expenditures	300	225	200	25
Total Parks and Cemetery	<u>610,792</u>	<u>662,853</u>	<u>649,640</u>	<u>13,213</u>
Hollander Pool:				
Materials and Supplies	2,000	659	659	0
Contractual Services	45,275	47,288	45,825	1,463
Total Hollander Pool	<u>47,275</u>	<u>47,947</u>	<u>46,484</u>	<u>1,463</u>
Babe Ruth Baseball:				
Materials and Supplies	7,000	7,753	7,555	198
Contractual Services	31,700	38,776	38,685	91
Capital Outlay	90	90	90	0
Total Babe Ruth Baseball	<u>38,790</u>	<u>46,619</u>	<u>46,330</u>	<u>289</u>
Total Leisure Time Activities	<u>696,857</u>	<u>757,419</u>	<u>742,454</u>	<u>14,965</u>
Community Environment:				
Code Administration:				
Personal Services	214,474	220,471	218,713	1,758
Materials and Supplies	2,000	3,939	3,464	475
Contractual Services	54,125	55,287	27,104	28,183
Other Expenditures	200	200	100	100
Capital Outlay	1,196	1,196	1,196	0
Total Code Administration	<u>271,995</u>	<u>281,093</u>	<u>250,577</u>	<u>30,516</u>
Total Community Environment	<u>271,995</u>	<u>281,093</u>	<u>250,577</u>	<u>30,516</u>
General Government:				
City Council:				
Personal Services	99,330	99,330	99,087	243
Total City Council	<u>99,330</u>	<u>99,330</u>	<u>99,087</u>	<u>243</u>
Clerk of Council:				
Personal Services	61,206	61,533	61,521	12
Materials and Supplies	500	500	484	16
Contractual Services	12,800	12,977	11,433	1,544
Total Clerk of Council	<u>74,506</u>	<u>75,010</u>	<u>73,438</u>	<u>1,572</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, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Mayor:				
Personal Services	169,333	169,276	168,944	332
Materials and Supplies	750	750	250	500
Contractual Services	12,425	12,425	10,793	1,632
Capital Outlay	2,000	2,000	0	2,000
Total Mayor	<u>184,508</u>	<u>184,451</u>	<u>179,987</u>	<u>4,464</u>
Auditor:				
Personal Services	389,505	389,435	389,269	166
Materials and Supplies	3,500	2,519	2,519	0
Contractual Services	140,090	150,261	150,252	9
Capital Outlay	500	15,000	15,000	0
Total Auditor	<u>533,595</u>	<u>557,215</u>	<u>557,040</u>	<u>175</u>
Law Director:				
Personal Services	885,594	893,549	893,540	9
Materials and Supplies	7,500	5,989	5,700	289
Contractual Services	23,350	19,751	19,393	358
Other Expenditures	0	20,000	20,000	0
Capital Outlay	0	399	399	0
Total Law Director	<u>916,444</u>	<u>939,688</u>	<u>939,032</u>	<u>656</u>
Clerk of Courts:				
Personal Services	1,111,366	1,098,217	1,097,510	707
Materials and Supplies	23,000	29,640	25,356	4,284
Contractual Services	75,600	73,442	69,887	3,555
Other Expenditures	0	86	86	0
Total Clerk of Courts	<u>1,209,966</u>	<u>1,201,385</u>	<u>1,192,839</u>	<u>8,546</u>
Civil Service:				
Personal Services	250	113	113	0
Materials and Supplies	75	85	85	0
Contractual Services	36,750	37,356	27,853	9,503
Capital Outlay	0	969	969	0
Total Civil Service	<u>37,075</u>	<u>38,523</u>	<u>29,020</u>	<u>9,503</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, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Workers Compensation:				
Personal Services	61,500	61,500	51,620	9,880
Total Workers Compensation	61,500	61,500	51,620	9,880
Judiciary:				
Personal Services	667,355	681,865	680,829	1,036
Materials and Supplies	9,600	12,690	12,690	0
Contractual Services	62,284	89,206	83,106	6,100
Total Judiciary	739,239	783,761	776,625	7,136
Personnel:				
Personal Services	165,853	148,817	148,380	437
Materials and Supplies	600	600	525	75
Contractual Services	25,700	127,397	100,234	27,163
Total Personnel	192,153	276,814	249,139	27,675
Adult Probation:				
Personal Services	604,592	601,618	536,310	65,308
Materials and Supplies	11,500	11,130	10,207	923
Contractual Services	33,250	46,105	41,087	5,018
Total Adult Probation	649,342	658,853	587,604	71,249
Service Department:				
Personal Services	267,734	268,132	265,207	2,925
Materials and Supplies	6,400	3,969	3,969	0
Contractual Services	2,325,300	2,489,802	2,462,399	27,403
Other Expenditures	130,000	130,000	101,500	28,500
Capital Outlay	242,851	247,831	246,932	899
Total Service Department	2,972,285	3,139,734	3,080,007	59,727
Engineer:				
Personal Services	466,380	465,659	460,412	5,247
Materials and Supplies	7,700	11,002	5,364	5,638
Contractual Services	63,830	62,655	59,572	3,083
Capital Outlay	5,200	5,200	4,414	786
Total Engineer	543,110	544,516	529,762	14,754

(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, 2014***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Custodial:				
Personal Services	160,443	161,039	160,862	177
Materials and Supplies	3,975	6,926	6,587	339
Contractual Services	65,600	78,037	76,036	2,001
Total Custodial	230,018	246,002	243,485	2,517
CDBG:				
Materials and Supplies	0	22,864	22,864	0
Capital Outlay	0	5,568	5,568	0
Total CDBG	0	28,432	28,432	0
Income Tax:				
Personal Services	765,411	746,086	745,927	159
Materials and Supplies	14,000	10,138	10,138	0
Contractual Services	122,835	91,636	91,601	35
Other Expenditures	450,000	450,106	450,106	0
Capital Outlay	10,000	7,146	7,146	0
Total Income Tax	1,362,246	1,305,112	1,304,918	194
Safety Director:				
Personal Services	185,910	180,048	178,665	1,383
Materials and Supplies	1,000	1,000	561	439
Contractual Services	327,108	331,667	301,730	29,937
Other Expenditures	4,200	4,700	4,666	34
Capital Outlay	0	750	750	0
Total Safety Director	518,218	518,165	486,372	31,793
Total General Government	10,323,535	10,658,491	10,408,407	250,084
Total Expenditures	27,860,493	28,055,607	27,517,872	537,735
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	348,633	467,038	915,263	448,225

(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, 2014***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Sale of Capital Assets	10,000	48,375	48,375	0
Transfers In	19,355,480	19,655,238	19,788,553	133,315
Transfers Out	(21,519,138)	(21,935,274)	(21,933,945)	1,329
Advances In	0	15,743	15,743	0
Advances Out	0	(98,002)	(98,002)	0
Total Other Financing Sources (Uses)	<u>(2,153,658)</u>	<u>(2,313,920)</u>	<u>(2,179,276)</u>	<u>134,644</u>
Net Change in Fund Balance	(1,805,025)	(1,846,882)	(1,264,013)	582,869
Fund Balance at Beginning of Year	2,730,192	2,730,192	2,730,192	0
Prior Year Encumbrances	465,830	465,830	465,830	0
Fund Balance at End of Year	<u>\$ 1,390,997</u>	<u>\$ 1,349,140</u>	<u>\$ 1,932,009</u>	<u>\$ 582,869</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, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
COMMUNITY DEVELOPMENT FUND				
Revenues:				
Intergovernmental Revenues	\$ 1,618,414	\$ 873,240	\$ 633,591	\$ (239,649)
Investment Earnings	367	367	440	73
All Other Revenue	181,134	85,837	121,636	35,799
Total Revenues	<u>1,799,915</u>	<u>959,444</u>	<u>755,667</u>	<u>(203,777)</u>
Expenditures:				
Community Environment:				
Personal Services	516,270	434,589	386,055	48,534
Materials and Supplies	2,500	2,600	1,055	1,545
Contractual Services	1,427,383	743,210	472,939	270,271
Other Expenditures	0	51	51	0
Total Expenditures	<u>1,946,153</u>	<u>1,180,450</u>	<u>860,100</u>	<u>320,350</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(146,238)	(221,006)	(104,433)	116,573
Fund Balance at Beginning of Year	320,860	320,860	320,860	0
Prior Year Encumbrances	73,079	73,079	73,079	0
Fund Balance at End of Year	<u>\$ 247,701</u>	<u>\$ 172,933</u>	<u>\$ 289,506</u>	<u>\$ 116,573</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Projects Funds
For the Year Ended December 31, 2014***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 600,000	\$ 54,406	\$ (545,594)
Investment Earnings	973	490	(483)
All Other Revenue	129,500	129,500	0
Total Revenues	730,473	184,396	(546,077)
Expenditures:			
Capital Outlay	3,811,444	3,811,438	6
Total Expenditures	3,811,444	3,811,438	6
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,080,971)	(3,627,042)	(546,071)
Other Financing Sources (Uses):			
Note Issuance	4,502,800	4,502,800	0
Transfers In	1,051,652	1,032,862	(18,790)
Total Other Financing Sources (Uses)	5,554,452	5,535,662	(18,790)
Net Change in Fund Balance	2,473,481	1,908,620	(564,861)
Fund Balance at Beginning of Year	2,021,751	2,021,751	0
Prior Year Encumbrances	237,845	237,845	0
Fund Balance at End of Year	\$ 4,733,077	\$ 4,168,216	\$ (564,861)

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, 2014***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
STREET DEPARTMENT FUND			
Revenues:			
Intergovernmental Revenues	\$ 1,800,000	\$ 1,765,531	\$ (34,469)
All Other Revenue	26,000	57,529	31,529
Total Revenues	<u>1,826,000</u>	<u>1,823,060</u>	<u>(2,940)</u>
Expenditures:			
Transportation:			
Personal Services	1,616,486	1,612,238	4,248
Materials and Supplies	688,065	655,419	32,646
Contractual Services	258,719	237,291	21,428
Other Expenditures	1,000	500	500
Capital Outlay	8,599	8,599	0
Total Expenditures	<u>2,572,869</u>	<u>2,514,047</u>	<u>58,822</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(746,869)	(690,987)	55,882
Other Financing Sources (Uses):			
Transfers In	543,000	570,843	27,843
Total Other Financing Sources (Uses)	<u>543,000</u>	<u>570,843</u>	<u>27,843</u>
Net Change in Fund Balance	(203,869)	(120,144)	83,725
Fund Balance at Beginning of Year	207,537	207,537	0
Prior Year Encumbrances	90,568	90,568	0
Fund Balance at End of Year	<u>\$ 94,236</u>	<u>\$ 177,961</u>	<u>\$ 83,725</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, 2014***

	CEMETERY FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Charges for Services	\$ 3,500	\$ 3,109	\$ (391)
Investment Earnings	85	21	(64)
Total Revenues	<u>3,585</u>	<u>3,130</u>	<u>(455)</u>
Expenditures:			
Public Health and Welfare Services:			
Materials and Supplies	12,000	7,604	4,396
Contractual Services	<u>14,000</u>	<u>10,000</u>	<u>4,000</u>
Total Expenditures	<u>26,000</u>	<u>17,604</u>	<u>8,396</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,415)	(14,474)	7,941
Fund Balance at Beginning of Year	802,067	802,067	0
Prior Year Encumbrances	<u>5,144</u>	<u>5,144</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 784,796</u>	<u>\$ 792,737</u>	<u>\$ 7,941</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, 2014***

SPECIAL IMPROVEMENT DISTRICT FUND

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Special Assessments	<u>\$ 103</u>	<u>\$ 103</u>	<u>\$ 0</u>
Total Revenues	<u>103</u>	<u>103</u>	<u>0</u>
Expenditures:			
Community Environment:			
Contractual Services	<u>8</u>	<u>8</u>	<u>0</u>
Other Expenditures	<u>95</u>	<u>95</u>	<u>0</u>
Total Expenditures	<u>103</u>	<u>103</u>	<u>0</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

CITY OF NEWARK, OHIO

***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, 2014***

VETERANS MEMORIAL SIDEWALK FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 500	\$ 195	\$ (305)
All Other Revenue	1,500	2,600	1,100
Total Revenues	<u>2,000</u>	<u>2,795</u>	<u>795</u>
Expenditures:			
General Government:			
Contractual Services	9,000	5,822	3,178
Total Expenditures	<u>9,000</u>	<u>5,822</u>	<u>3,178</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,000)	(3,027)	3,973
Fund Balance at Beginning of Year	82,830	82,830	0
Prior Year Encumbrances	165	165	0
Fund Balance at End of Year	<u>\$ 75,995</u>	<u>\$ 79,968</u>	<u>\$ 3,973</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, 2014***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EPA GRANTS FUND			
Revenues:			
Intergovernmental Revenues	\$ 17,695	\$ 8,848	\$ (8,847)
Total Revenues	<u>17,695</u>	<u>8,848</u>	<u>(8,847)</u>
Expenditures:			
Community Environment:			
Materials and Supplies	<u>17,695</u>	<u>17,695</u>	<u>0</u>
Total Expenditures	<u>17,695</u>	<u>17,695</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(8,847)	(8,847)
Other Financing Sources (Uses):			
Advances In	<u>8,847</u>	<u>8,847</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>8,847</u>	<u>8,847</u>	<u>0</u>
Net Change in Fund Balance	8,847	0	(8,847)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 8,847</u>	<u>\$ 0</u>	<u>\$ (8,847)</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, 2014**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
SAFETY GRANTS FUND			
Revenues:			
Intergovernmental Revenues	\$ 769,118	\$ 646,990	\$ (122,128)
Total Revenues	<u>769,118</u>	<u>646,990</u>	<u>(122,128)</u>
Expenditures:			
Security of Persons and Property:			
Personal Services	192,931	136,646	56,285
Materials and Supplies	30,396	30,396	0
Contractual Services	458,454	449,365	9,089
Capital Outlay	9,832	9,832	0
Total Expenditures	<u>691,613</u>	<u>626,239</u>	<u>65,374</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	77,505	20,751	(56,754)
Other Financing Sources (Uses):			
Transfers In	17,463	17,463	0
Total Other Financing Sources (Uses)	<u>17,463</u>	<u>17,463</u>	<u>0</u>
Net Change in Fund Balance	94,968	38,214	(56,754)
Fund Balance at Beginning of Year	(219,541)	(219,541)	0
Prior Year Encumbrances	227,093	227,093	0
Fund Balance at End of Year	<u>\$ 102,520</u>	<u>\$ 45,766</u>	<u>\$ (56,754)</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, 2014***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 430,662	\$ 418,764	\$ (11,898)
Intergovernmental Revenues	67,580	68,740	1,160
Total Revenues	<u>498,242</u>	<u>487,504</u>	<u>(10,738)</u>
Expenditures:			
Security of Persons and Property:			
Personal Services	484,068	484,068	0
Contractual Services	7,091	7,091	0
Total Expenditures	<u>491,159</u>	<u>491,159</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,083	(3,655)	(10,738)
Fund Balance at Beginning of Year	<u>8,780</u>	<u>8,780</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 15,863</u>	<u>\$ 5,125</u>	<u>\$ (10,738)</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, 2014**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 143,000	\$ 143,152	\$ 152
Total Revenues	<u>143,000</u>	<u>143,152</u>	<u>152</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	143,000	143,152	152
Other Financing Sources (Uses):			
Transfers Out	<u>(143,000)</u>	<u>(143,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(143,000)</u>	<u>(143,000)</u>	<u>0</u>
Net Change in Fund Balance	0	152	152
Fund Balance at Beginning of Year	<u>1,182</u>	<u>1,182</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,182</u>	<u>\$ 1,334</u>	<u>\$ 152</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2014***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 35,000	\$ 39,331	\$ 4,331
Fines and Forfeitures	79,300	83,348	4,048
Total Revenues	114,300	122,679	8,379
Expenditures:			
Security of Persons and Property:			
Contractual Services	98,640	85,142	13,498
Total Expenditures	98,640	85,142	13,498
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,660	37,537	21,877
Fund Balance at Beginning of Year	68,375	68,375	0
Prior Year Encumbrances	11,526	11,526	0
Fund Balance at End of Year	\$ 95,561	\$ 117,438	\$ 21,877

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, 2014***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 12	\$ 40	\$ 28
Total Revenues	12	40	28
Expenditures:			
General Government:			
Capital Outlay	540,142	535,442	4,700
Debt Service:			
Principal Retirement	250,000	250,000	0
Total Expenditures	790,142	785,442	4,700
Excess (Deficiency) of Revenues Over (Under) Expenditures	(790,130)	(785,402)	4,728
Other Financing Sources (Uses):			
Note Issuance	370,000	370,000	0
Total Other Financing Sources (Uses)	370,000	370,000	0
Net Change in Fund Balance	(420,130)	(415,402)	4,728
Fund Balance at Beginning of Year	204,273	204,273	0
Prior Year Encumbrances	215,905	215,905	0
Fund Balance at End of Year	\$ 48	\$ 4,776	\$ 4,728

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, 2014***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 204,000	\$ 212,089	\$ 8,089
Total Revenues	<u>204,000</u>	<u>212,089</u>	<u>8,089</u>
Expenditures:			
General Government:			
Personal Services	82,334	76,732	5,602
Materials and Supplies	12,020	4,048	7,972
Contractual Services	113,000	46,199	66,801
Capital Outlay	<u>110,136</u>	<u>78,255</u>	<u>31,881</u>
Total Expenditures	<u>317,490</u>	<u>205,234</u>	<u>112,256</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(113,490)	6,855	120,345
Fund Balance at Beginning of Year	341,154	341,154	0
Prior Year Encumbrances	<u>14,109</u>	<u>14,109</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 241,773</u>	<u>\$ 362,118</u>	<u>\$ 120,345</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, 2014***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 800,000	\$ 832,796	\$ 32,796
Total Revenues	<u>800,000</u>	<u>832,796</u>	<u>32,796</u>
Expenditures:			
Transportation:			
Contractual Services	<u>904,114</u>	<u>904,114</u>	<u>0</u>
Total Expenditures	<u>904,114</u>	<u>904,114</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(104,114)	(71,318)	32,796
Fund Balance at Beginning of Year	180,818	180,818	0
Prior Year Encumbrances	<u>134,114</u>	<u>134,114</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 210,818</u>	<u>\$ 243,614</u>	<u>\$ 32,796</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, 2014***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
PROBATION GRANT FUND			
Revenues:			
Intergovernmental Revenues	\$ 510,257	\$ 484,181	\$ (26,076)
All Other Revenue	1,400	3,165	1,765
Total Revenues	<u>511,657</u>	<u>487,346</u>	<u>(24,311)</u>
Expenditures:			
Security of Persons and Property:			
Personal Services	302,169	267,860	34,309
Materials and Supplies	43,662	43,662	0
Contractual Services	155,782	152,390	3,392
Other Expenditures	12,889	12,889	0
Capital Outlay	2,422	2,422	0
Total Expenditures	<u>516,924</u>	<u>479,223</u>	<u>37,701</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,267)	8,123	13,390
Other Financing Sources (Uses):			
Transfers In	15,500	17,901	2,401
Total Other Financing Sources (Uses)	<u>15,500</u>	<u>17,901</u>	<u>2,401</u>
Net Change in Fund Balance	10,233	26,024	15,791
Fund Balance at Beginning of Year	21,668	21,668	0
Prior Year Encumbrances	10,583	10,583	0
Fund Balance at End of Year	<u>\$ 42,484</u>	<u>\$ 58,275</u>	<u>\$ 15,791</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, 2014***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 2,500	\$ 1,994	\$ (506)
Total Revenues	<u>2,500</u>	<u>1,994</u>	<u>(506)</u>
Expenditures:			
Transportation:			
Personal Services	20,138	9,889	10,249
Contractual Services	<u>19,503</u>	<u>9,262</u>	<u>10,241</u>
Total Expenditures	<u>39,641</u>	<u>19,151</u>	<u>20,490</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(37,141)	(17,157)	19,984
Fund Balance at Beginning of Year	56,717	56,717	0
Prior Year Encumbrances	<u>3,552</u>	<u>3,552</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 23,128</u>	<u>\$ 43,112</u>	<u>\$ 19,984</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, 2014***

	ODNR GRANTS FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Intergovernmental Revenues	\$ 48,537	\$ 1,000	\$ (47,537)
Total Revenues	<u>48,537</u>	<u>1,000</u>	<u>(47,537)</u>
Expenditures:			
Community Environment:			
Materials and Supplies	1,000	1,000	0
Contractual Services	85,566	85,566	0
Capital Outlay	<u>27,530</u>	<u>27,530</u>	<u>0</u>
Total Expenditures	<u>114,096</u>	<u>114,096</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(65,559)	(113,096)	(47,537)
Other Financing Sources (Uses):			
Transfers In	27,530	27,530	0
Advances In	<u>45,764</u>	<u>45,764</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>73,294</u>	<u>73,294</u>	<u>0</u>
Net Change in Fund Balance	7,735	(39,802)	(47,537)
Fund Balance at Beginning of Year	(47,538)	(47,538)	0
Prior Year Encumbrances	<u>85,566</u>	<u>85,566</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 45,763</u>	<u>\$ (1,774)</u>	<u>\$ (47,537)</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, 2014***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 450,000	\$ 115,916	\$ (334,084)
Total Revenues	<u>450,000</u>	<u>115,916</u>	<u>(334,084)</u>
Expenditures:			
Public Health and Welfare Services:			
Personal Services	1,500	1,496	4
Contractual Services	<u>403,963</u>	<u>155,463</u>	<u>248,500</u>
Total Expenditures	<u>405,463</u>	<u>156,959</u>	<u>248,504</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	44,537	(41,043)	(85,580)
Other Financing Sources (Uses):			
Advances In	43,391	43,391	0
Advances Out	<u>(15,743)</u>	<u>(15,743)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>27,648</u>	<u>27,648</u>	<u>0</u>
Net Change in Fund Balance	72,185	(13,395)	(85,580)
Fund Balance at Beginning of Year	(5,463)	(5,463)	0
Prior Year Encumbrances	<u>5,463</u>	<u>5,463</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 72,185</u>	<u>\$ (13,395)</u>	<u>\$ (85,580)</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, 2014***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
JUDICIAL FUND			
Revenues:			
Fines and Forfeitures	\$ 184,000	\$ 170,464	\$ (13,536)
Total Revenues	<u>184,000</u>	<u>170,464</u>	<u>(13,536)</u>
Expenditures:			
General Government:			
Materials and Supplies	3,068	2,591	477
Contractual Services	27,104	11,015	16,089
Capital Outlay	<u>23,500</u>	<u>23,121</u>	<u>379</u>
Total Expenditures	<u>53,672</u>	<u>36,727</u>	<u>16,945</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	130,328	133,737	3,409
Fund Balance at Beginning of Year	1,109,636	1,109,636	0
Prior Year Encumbrances	<u>2,914</u>	<u>2,914</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,242,878</u>	<u>\$ 1,246,287</u>	<u>\$ 3,409</u>



CITY OF NEWARK, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2014**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
DEBT SERVICE FUND			
Revenues:			
Special Assessments	\$ 5,372	\$ 6,725	\$ 1,353
All Other Revenue	0	15,500	15,500
Total Revenues	<u>5,372</u>	<u>22,225</u>	<u>16,853</u>
Expenditures:			
Debt Service:			
Principal Retirement	3,825,129	3,455,128	370,001
Interest and Fiscal Charges	<u>535,618</u>	<u>378,311</u>	<u>157,307</u>
Total Expenditures	<u>4,360,747</u>	<u>3,833,439</u>	<u>527,308</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,355,375)	(3,811,214)	544,161
Other Financing Sources (Uses):			
Note Issuance	3,200,000	3,200,000	0
Transfers In	<u>1,480,326</u>	<u>1,497,269</u>	<u>16,943</u>
Total Other Financing Sources (Uses)	<u>4,680,326</u>	<u>4,697,269</u>	<u>16,943</u>
Net Change in Fund Balance	324,951	886,055	561,104
Fund Balance at Beginning of Year	<u>699,446</u>	<u>699,446</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,024,397</u>	<u>\$ 1,585,501</u>	<u>\$ 561,104</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2014***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
TAX INCREMENT FINANCING FUND			
Revenues:			
Taxes	\$ 600,500	\$ 428,807	\$ (171,693)
All Other Revenue	70,000	0	(70,000)
Total Revenues	<u>670,500</u>	<u>428,807</u>	<u>(241,693)</u>
Expenditures:			
General Government:			
Contractual Services	12,325	8,054	4,271
Other Expenditures	180,000	165,423	14,577
Debt Service:			
Principal Retirement	435,592	435,592	0
Interest and Fiscal Charges	<u>167,832</u>	<u>167,831</u>	<u>1</u>
Total Expenditures	<u>795,749</u>	<u>776,900</u>	<u>18,849</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(125,249)	(348,093)	(222,844)
Fund Balance at Beginning of Year	<u>436,118</u>	<u>436,118</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 310,869</u>	<u>\$ 88,025</u>	<u>\$ (222,844)</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, 2014***

COURT CAPITAL IMPROVEMENT FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 24,800	\$ 24,607	\$ (193)
Total Revenues	<u>24,800</u>	<u>24,607</u>	<u>(193)</u>
Expenditures:			
Capital Outlay	<u>71,575</u>	<u>36,337</u>	<u>35,238</u>
Total Expenditures	<u>71,575</u>	<u>36,337</u>	<u>35,238</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(46,775)	(11,730)	35,045
Fund Balance at Beginning of Year	331,558	331,558	0
Prior Year Encumbrances	<u>28,719</u>	<u>28,719</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 313,502</u>	<u>\$ 348,547</u>	<u>\$ 35,045</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, 2014**

	Balance December 31, 2013	Additions	Deductions	Balance December 31, 2014
<u>Municipal Court Fund</u>				
Restricted Assets:				
Cash and Cash Equivalents	\$441,084	\$4,894,543	(\$4,939,877)	\$395,750
Total Assets	\$441,084	\$4,894,543	(\$4,939,877)	\$395,750
Liabilities:				
Intergovernmental Payable	\$235,252	\$2,942,540	(\$2,938,087)	\$239,705
Due to Others	205,832	1,952,003	(2,001,790)	156,045
Total Liabilities	\$441,084	\$4,894,543	(\$4,939,877)	\$395,750
<u>Fire Code Fund</u>				
Restricted Assets:				
Cash and Cash Equivalents	\$7,502	\$13,124	(\$11,286)	\$9,340
Total Assets	\$7,502	\$13,124	(\$11,286)	\$9,340
Liabilities:				
Due to Others	\$7,502	\$13,124	(\$11,286)	\$9,340
Total Liabilities	\$7,502	\$13,124	(\$11,286)	\$9,340
<u>Law Library Fund</u>				
Restricted Assets:				
Cash and Cash Equivalents	\$0	\$68,997	(\$68,997)	\$0
Total Assets	\$0	\$68,997	(\$68,997)	\$0
Liabilities:				
Due to Others	\$0	\$68,997	(\$68,997)	\$0
Total Liabilities	\$0	\$68,997	(\$68,997)	\$0
<u>Joint Economic Development Zone Fund</u>				
Receivables:				
Taxes	\$7,102	\$7,102	(\$7,102)	\$7,102
Restricted Assets:				
Cash and Cash Equivalents	446,294	449,952	(380,648)	515,598
Total Assets	\$453,396	\$457,054	(\$387,750)	\$522,700
Liabilities:				
Intergovernmental Payable	\$453,396	\$457,054	(\$387,750)	\$522,700
Total Liabilities	\$453,396	\$457,054	(\$387,750)	\$522,700

(Continued)

CITY OF NEWARK, OHIO

	Balance December 31, 2013	Additions	Deductions	Balance December 31, 2014
<u>Totals - All Agency Funds</u>				
Receivables:				
Taxes	\$7,102	\$7,102	(\$7,102)	\$7,102
Restricted Assets:				
Cash and Cash Equivalents	894,880	5,426,616	(5,400,808)	920,688
Total Assets	<u>\$901,982</u>	<u>\$5,433,718</u>	<u>(\$5,407,910)</u>	<u>\$927,790</u>
Liabilities:				
Intergovernmental Payable	\$688,648	\$3,399,594	(\$3,325,837)	\$762,405
Due to Others	213,334	2,034,124	(2,082,073)	165,385
Total Liabilities	<u>\$901,982</u>	<u>\$5,433,718</u>	<u>(\$5,407,910)</u>	<u>\$927,790</u>



STATISTICAL SECTION



***S* STATISTICAL *T*ABLES**

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

Contents

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

City of Newark

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental Activities:				
Net Investment in Capital Assets	\$41,575,185	\$41,597,859	\$42,336,454	\$40,441,667
Restricted	8,985,105	10,001,298	10,651,987	11,110,542
Unrestricted	3,917,313	7,065,973	8,161,990	6,404,496
Total Governmental Activities Net Position	<u>\$54,477,603</u>	<u>\$58,665,130</u>	<u>\$61,150,431</u>	<u>\$57,956,705</u>
Business-type Activities:				
Net Investment in Capital Assets	\$16,658,851	\$16,901,941	\$17,699,290	\$16,956,742
Unrestricted	7,622,732	7,692,238	7,143,040	3,965,856
Total Business-type Activities Net Position	<u>\$24,281,583</u>	<u>\$24,594,179</u>	<u>\$24,842,330</u>	<u>\$20,922,598</u>
Primary Government:				
Net Investment in Capital Assets	\$58,234,036	\$58,499,800	\$60,035,744	\$57,398,409
Restricted	8,985,105	10,001,298	10,651,987	11,110,542
Unrestricted	11,540,045	14,758,211	15,305,030	10,370,352
Total Primary Government Net Position	<u>\$78,759,186</u>	<u>\$83,259,309</u>	<u>\$85,992,761</u>	<u>\$78,879,303</u>

Source: City Auditor's Office

City of Newark

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$41,316,426	\$40,274,220	\$42,258,279	\$42,970,107	\$46,111,207	\$44,958,995
10,280,743	11,967,071	14,149,111	13,070,091	11,903,557	12,518,066
5,535,025	1,469,212	2,265,579	2,407,288	1,671,736	938,220
<u>\$57,132,194</u>	<u>\$53,710,503</u>	<u>\$58,672,969</u>	<u>\$58,447,486</u>	<u>\$59,686,500</u>	<u>\$58,415,281</u>
\$22,335,180	\$21,621,744	\$20,600,700	\$22,105,075	\$23,693,170	\$23,473,836
1,819,773	4,271,539	6,514,026	5,214,754	5,003,115	6,396,798
<u>\$24,154,953</u>	<u>\$25,893,283</u>	<u>\$27,114,726</u>	<u>\$27,319,829</u>	<u>\$28,696,285</u>	<u>\$29,870,634</u>
\$63,651,606	\$61,895,964	\$62,858,979	\$65,075,182	\$69,804,377	\$68,432,831
10,280,743	11,967,071	14,149,111	13,070,091	11,903,557	12,518,066
7,354,798	5,740,751	8,779,605	7,622,042	6,674,851	7,335,018
<u>\$81,287,147</u>	<u>\$79,603,786</u>	<u>\$85,787,695</u>	<u>\$85,767,315</u>	<u>\$88,382,785</u>	<u>\$88,285,915</u>

City of Newark

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

	2005	2006	2007
Expenses			
Governmental Activities:			
Security of Persons and Property	\$18,253,664	\$17,480,448	\$18,150,460
Leisure Time Activities	1,967,952	765,014	524,374
Community Environment	2,852,477	3,167,222	2,921,535
Public Health and Welfare Services	2,889,892	2,395,607	2,375,792
Transportation	5,212,238	4,323,012	5,927,546
General Government	7,628,709	7,467,121	9,020,333
Interest and Fiscal Charges	745,884	973,340	900,691
<i>Total Governmental Activities Expenses</i>	<u>39,550,816</u>	<u>36,571,764</u>	<u>39,820,731</u>
Business-type Activities:			
Water	6,052,567	6,269,588	7,006,340
Sewer	5,064,620	5,226,934	5,161,535
Storm Water	548,172	574,598	323,709
<i>Total Business-type Activities Expenses</i>	<u>11,665,359</u>	<u>12,071,120</u>	<u>12,491,584</u>
<i>Total Primary Government Expenses</i>	<u>\$51,216,175</u>	<u>\$48,642,884</u>	<u>\$52,312,315</u>
Program Revenues			
Governmental Activities:			
Charges for Services			
Security of Persons and Property	\$1,488,751	\$1,799,406	\$2,412,289
Leisure Time Activities	134,677	14,944	17,489
Community Environment	13,881	8,338	59,808
Public Health and Welfare Services	760,013	785,037	749,119
Transportation	346,262	737,628	408,675
General Government	1,598,486	1,605,988	1,450,658
Operating Grants and Contributions	7,002,350	5,054,184	6,773,027
Capital Grants and Contributions	1,584,213	470,643	490,142
<i>Total Governmental Activities Program Revenues</i>	<u>12,928,633</u>	<u>10,476,168</u>	<u>12,361,207</u>

City of Newark

2008	2009	2010	2011	2012	2013	2014
\$19,619,726	\$18,993,822	\$18,825,824	\$17,438,065	\$19,288,483	\$17,844,738	\$18,014,306
560,532	669,024	575,431	560,236	658,305	629,675	864,731
3,059,820	2,984,886	2,666,668	1,958,987	2,221,036	2,050,028	1,614,911
599,601	10,329	157,745	217,140	1,770,199	119,440	186,078
6,060,496	6,762,557	5,686,444	5,364,963	6,457,578	4,761,118	3,852,334
10,396,217	10,430,285	11,671,609	10,283,567	10,860,659	10,207,273	10,588,687
800,191	760,156	787,437	757,878	799,142	812,373	822,031
<u>41,096,583</u>	<u>40,611,059</u>	<u>40,371,158</u>	<u>36,580,836</u>	<u>42,055,402</u>	<u>36,424,645</u>	<u>35,943,078</u>
6,650,976	6,604,911	6,120,509	6,444,744	6,670,964	5,729,159	6,019,772
5,291,774	5,941,006	5,238,347	5,568,346	6,660,500	6,000,714	7,370,520
614,380	989,162	2,122,819	1,920,374	1,721,062	3,002,057	1,844,358
<u>12,557,130</u>	<u>13,535,079</u>	<u>13,481,675</u>	<u>13,933,464</u>	<u>15,052,526</u>	<u>14,731,930</u>	<u>15,234,650</u>
<u>\$53,653,713</u>	<u>\$54,146,138</u>	<u>\$53,852,833</u>	<u>\$50,514,300</u>	<u>\$57,107,928</u>	<u>\$51,156,575</u>	<u>\$51,177,728</u>
\$3,411,136	\$3,886,667	\$3,650,730	\$3,346,407	\$3,415,217	\$3,063,296	\$3,153,173
16,428	16,031	0	0	0	0	0
55,384	45,885	44,318	62,801	68,149	72,154	101,985
190,593	202,895	73,932	138,358	245,040	108,539	157,337
411,174	142,495	108,475	89,514	109,699	11,657	1,709
1,011,575	1,131,397	459,996	585,758	574,438	650,115	718,048
4,730,482	5,488,390	5,745,895	7,222,698	9,926,907	6,169,429	4,471,047
10,000	184,019	295,531	2,892,903	290,794	1,081,549	54,406
<u>9,836,772</u>	<u>11,097,779</u>	<u>10,378,877</u>	<u>14,338,439</u>	<u>14,630,244</u>	<u>11,156,739</u>	<u>8,657,705</u>

(Continued)

City of Newark

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

	2005	2006	2007
Business-type Activities:			
Charges for Services			
Water	5,553,973	6,001,796	6,034,022
Sewer	5,594,568	5,965,994	5,836,149
Storm Water	0	512,738	1,843,164
Operating Grants and Contributions	0	0	0
Capital Grants and Contributions	617,135	258,709	0
<i>Total Business-type Activities Program Revenues</i>	<u>11,765,676</u>	<u>12,739,237</u>	<u>13,713,335</u>
<i>Total Primary Government Program Revenues</i>	<u>24,694,309</u>	<u>23,215,405</u>	<u>26,074,542</u>
Net (Expense)/Revenue			
Governmental Activities	(26,622,183)	(26,095,596)	(27,459,524)
Business-type Activities	100,317	668,117	1,221,751
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$26,521,866)</u>	<u>(\$25,427,479)</u>	<u>(\$26,237,773)</u>
General Revenues and Other Changes in Net Position			
Governmental Activities:			
Property Taxes Levied for:			
General Purposes	\$2,085,941	\$2,458,710	\$2,306,500
Special Purposes	409,649	457,463	457,534
Capital Purposes	437,843	479,445	284,487
Income Taxes	19,033,478	19,802,040	20,312,181
Other Local Taxes	366,456	360,964	433,007
Intergovernmental, Unrestricted	3,406,457	3,634,841	3,794,607
Investment Earnings	433,890	880,326	1,077,750
Miscellaneous	1,297,389	1,500,256	751,758
Transfers	223,686	264,680	834,314
<i>Total Governmental Activities</i>	<u>27,694,789</u>	<u>29,838,725</u>	<u>30,252,138</u>
Business-type Activities:			
Investment Earnings	49,066	97,179	93,819
Transfers	(223,686)	(264,680)	(834,314)
<i>Total Business-type Activities</i>	<u>(174,620)</u>	<u>(167,501)</u>	<u>(740,495)</u>
<i>Total Primary Government</i>	<u>\$27,520,169</u>	<u>\$29,671,224</u>	<u>\$29,511,643</u>
Change in Net Position			
Governmental Activities	\$1,072,606	\$3,743,129	\$2,792,614
Business-type Activities	(74,303)	500,616	481,256
<i>Total Primary Government Change in Net Position</i>	<u>\$998,303</u>	<u>\$4,243,745</u>	<u>\$3,273,870</u>

Source: City Auditor's Office

City of Newark

2008	2009	2010	2011	2012	2013	2014
5,998,709	5,850,171	6,094,605	6,027,520	6,217,554	6,570,928	6,212,924
5,880,392	5,918,464	6,563,274	6,600,685	6,742,077	6,871,755	7,419,978
2,168,753	2,229,720	2,513,032	2,655,588	2,728,525	2,806,031	2,769,820
0	0	0	0	0	0	0
0	3,691,191	750,445	0	0	350,000	0
<u>14,047,854</u>	<u>17,689,546</u>	<u>15,921,356</u>	<u>15,283,793</u>	<u>15,688,156</u>	<u>16,598,714</u>	<u>16,402,722</u>
<u>23,884,626</u>	<u>28,787,325</u>	<u>26,300,233</u>	<u>29,622,232</u>	<u>30,318,400</u>	<u>27,755,453</u>	<u>25,060,427</u>
(31,259,811)	(29,513,280)	(29,992,281)	(22,242,397)	(27,425,158)	(25,267,906)	(27,285,373)
1,490,724	4,154,467	2,439,681	1,350,329	635,630	1,866,784	1,168,072
<u>(\$29,769,087)</u>	<u>(\$25,358,813)</u>	<u>(\$27,552,600)</u>	<u>(\$20,892,068)</u>	<u>(\$26,789,528)</u>	<u>(\$23,401,122)</u>	<u>(\$26,117,301)</u>
\$2,189,609	\$2,150,345	\$2,126,951	\$2,003,214	\$2,037,865	\$2,079,535	\$2,100,858
436,568	427,084	421,153	398,173	403,724	411,562	416,520
282,935	251,214	265,668	919,482	740,590	662,390	428,807
20,899,162	18,845,278	18,880,522	19,440,371	20,287,028	19,435,197	20,092,754
366,551	358,197	361,444	496,040	476,211	503,408	420,782
3,264,236	4,214,287	3,554,614	3,099,985	2,231,124	2,075,599	1,542,244
636,922	369,406	219,412	175,826	168,953	132,177	149,711
431,212	1,134,938	658,189	540,484	417,356	715,301	867,854
924,993	938,020	82,637	131,288	436,824	491,751	(5,376)
<u>29,432,188</u>	<u>28,688,769</u>	<u>26,570,590</u>	<u>27,204,863</u>	<u>27,199,675</u>	<u>26,506,920</u>	<u>26,014,154</u>
37,267	15,908	3,247	2,402	6,297	1,423	901
(924,993)	(938,020)	(82,637)	(131,288)	(436,824)	(491,751)	5,376
<u>(887,726)</u>	<u>(922,112)</u>	<u>(79,390)</u>	<u>(128,886)</u>	<u>(430,527)</u>	<u>(490,328)</u>	<u>6,277</u>
<u>\$28,544,462</u>	<u>\$27,766,657</u>	<u>\$26,491,200</u>	<u>\$27,075,977</u>	<u>\$26,769,148</u>	<u>\$26,016,592</u>	<u>\$26,020,431</u>
(\$1,827,623)	(\$824,511)	(\$3,421,691)	\$4,962,466	(\$225,483)	\$1,239,014	(\$1,271,219)
602,998	3,232,355	2,360,291	1,221,443	205,103	1,376,456	1,174,349
<u>(\$1,224,625)</u>	<u>\$2,407,844</u>	<u>(\$1,061,400)</u>	<u>\$6,183,909</u>	<u>(\$20,380)</u>	<u>\$2,615,470</u>	<u>(\$96,870)</u>

City of Newark

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

	2005	2006	2007	2008
General Fund				
Nonspendable	\$0	\$0	\$0	\$0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	307,378	739,920	848,097	470,901
Unreserved	528,313	1,114,748	2,717,746	2,608,161
<i>Total General Fund</i>	<u>835,691</u>	<u>1,854,668</u>	<u>3,565,843</u>	<u>3,079,062</u>
All Other Governmental Funds				
Nonspendable	\$0	\$0	\$0	\$0
Restricted	0	0	0	0
Unassigned	0	0	0	0
Reserved	2,546,268	4,515,664	2,531,396	2,867,626
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	4,428,725	4,891,038	4,329,307	3,774,340
Capital Projects Funds	<u>(2,889,968)</u>	<u>(1,997,460)</u>	<u>(849,552)</u>	<u>(4,972)</u>
<i>Total All Other Governmental Funds</i>	<u>4,085,025</u>	<u>7,409,242</u>	<u>6,011,151</u>	<u>6,636,994</u>
<i>Total Governmental Funds</i>	<u>\$4,920,716</u>	<u>\$9,263,910</u>	<u>\$9,576,994</u>	<u>\$9,716,056</u>

Source: City Auditor's Office

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

City of Newark

2009	2010	2011	2012	2013	2014
\$0	\$0	\$115,987	\$117,771	\$122,904	\$121,858
0	0	534,701	1,300,983	2,298,246	1,365,840
0	0	3,752,273	2,501,691	1,095,173	1,230,500
580,093	570,773	0	0	0	0
2,403,167	1,774,282	0	0	0	0
<u>2,983,260</u>	<u>2,345,055</u>	<u>4,402,961</u>	<u>3,920,445</u>	<u>3,516,323</u>	<u>2,718,198</u>
\$0	\$0	\$4,903,304	\$231,351	\$187,475	\$257,886
0	0	8,042,449	12,053,339	10,966,671	11,722,819
0	0	(755,421)	(558,807)	(1,044,814)	(2,422,355)
2,542,594	3,989,848	0	0	0	0
2,850,367	3,858,783	0	0	0	0
(211,166)	331,383	0	0	0	0
<u>5,181,795</u>	<u>8,180,014</u>	<u>12,190,332</u>	<u>11,725,883</u>	<u>10,109,332</u>	<u>9,558,350</u>
<u>\$8,165,055</u>	<u>\$10,525,069</u>	<u>\$16,593,293</u>	<u>\$15,646,328</u>	<u>\$13,625,655</u>	<u>\$12,276,548</u>

City of Newark

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

	2005	2006	2007	2008
Revenues:				
Taxes	\$21,765,717	\$22,853,652	\$23,795,166	\$24,141,533
Intergovernmental Revenues	10,751,711	9,577,436	10,137,168	8,458,536
Charges for Services	1,143,484	1,432,375	1,615,096	2,341,997
Licenses, Permits and Fees	1,628,325	1,549,917	1,343,140	672,053
Investment Earnings	433,890	880,326	1,034,943	582,307
Special Assessments	48,518	25,230	71,218	7,198
Fines and Forfeitures	1,556,778	1,975,088	2,092,652	2,072,203
All Other Revenue	1,297,389	1,500,256	755,691	431,212
Total Revenue	<u>38,625,812</u>	<u>39,794,280</u>	<u>40,845,074</u>	<u>38,707,039</u>
Expenditures:				
Current:				
Security of Persons and Property	17,422,539	17,248,660	18,093,642	18,603,640
Public Health and Welfare Services	2,957,320	2,418,915	2,464,530	622,243
Leisure Time Activities	1,842,136	673,150	468,478	536,902
Community Environment	2,791,767	3,162,051	2,790,461	2,823,629
Transportation	3,754,392	3,281,101	4,880,029	4,161,938
General Government	7,761,611	7,728,635	8,769,728	10,003,984
Capital Outlay	7,095,408	2,980,071	4,222,928	2,915,007
Debt Service:				
Principal Retirement	425,000	544,000	475,000	530,000
Interest and Fiscal Charges	733,591	775,132	765,960	748,092
Total Expenditures	<u>44,783,764</u>	<u>38,811,715</u>	<u>42,930,756</u>	<u>40,945,435</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,157,952)	982,565	(2,085,682)	(2,238,396)

City of Newark

2009	2010	2011	2012	2013	2014
\$21,995,412	\$22,138,933	\$23,235,579	\$23,598,538	\$23,209,071	\$23,321,413
9,778,082	10,267,862	11,112,100	12,475,770	9,742,262	6,188,662
2,484,063	2,289,390	2,114,800	2,102,342	1,989,940	2,141,130
739,218	63,204	136,677	65,196	75,781	83,409
362,306	217,555	170,071	161,787	124,176	146,950
39,295	27,635	25,439	7,703	6,843	6,828
2,134,239	2,056,603	1,948,006	2,101,869	1,829,655	1,884,913
1,134,938	658,189	540,484	417,356	715,301	867,854
<u>38,667,553</u>	<u>37,719,371</u>	<u>39,283,156</u>	<u>40,930,561</u>	<u>37,693,029</u>	<u>34,641,159</u>
18,299,201	18,207,565	17,582,231	18,462,490	17,586,636	17,441,213
7,911	140,923	200,044	1,751,877	119,440	186,078
616,513	575,431	560,236	652,138	687,552	746,428
3,171,385	2,549,523	1,940,710	2,160,549	2,140,823	1,569,877
4,886,329	3,936,324	3,981,510	4,377,197	3,433,453	2,059,898
9,770,565	9,774,503	10,750,798	10,259,639	9,959,941	10,641,150
4,123,220	2,460,005	2,983,077	3,614,008	4,701,957	2,205,873
535,000	550,000	751,726	894,321	1,018,701	685,592
705,764	722,471	665,800	736,336	725,068	732,569
<u>42,115,888</u>	<u>38,916,745</u>	<u>39,416,132</u>	<u>42,908,555</u>	<u>40,373,571</u>	<u>36,268,678</u>
(3,448,335)	(1,197,374)	(132,976)	(1,977,994)	(2,680,542)	(1,627,519)

(Continued)

City of Newark

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

	2005	2006	2007	2008
Other Financing Sources (Uses):				
Sale of Capital Assets	237,727	74,790	81,510	43,321
Other Financing Sources - Capital Lease	1,698,762	1,097,605	1,413,634	402,087
State Infrastructure Bank Loan	0	0	0	0
Premium on Bond Issuance	0	0	0	0
General Obligation Bonds Issued	0	1,609,000	0	1,180,000
Refunding General Obligation Bonds Issued	0	2,645,000	0	0
Discount on General Obligation Bonds Issued	0	(23,223)	0	0
Payment to Refunded Bond Escrow Agent	0	(2,555,973)	0	0
OPWC Loan Issuance	0	0	0	0
Transfers In	21,261,231	21,394,511	24,517,996	23,984,004
Transfers Out	(20,420,361)	(20,949,831)	(23,714,241)	(23,059,011)
Total Other Financing Sources (Uses)	<u>2,777,359</u>	<u>3,291,879</u>	<u>2,298,899</u>	<u>2,550,401</u>
Net Change in Fund Balance	<u>(\$3,380,593)</u>	<u>\$4,274,444</u>	<u>\$213,217</u>	<u>\$312,005</u>
Debt Service as a Percentage of Noncapital Expenditures	3.24%	3.80%	3.19%	3.24%

Source: City Auditor's Office

City of Newark

2009	2010	2011	2012	2013	2014
0	0	0	42,975	8,372	48,375
0	718,698	319,820	350,000	73,900	0
1,021,359	162,954	191,560	738,339	52,516	0
0	0	0	0	0	182,694
0	1,710,000	1,200,000	0	0	0
0	0	0	0	0	7,930,000
0	0	0	0	0	0
0	0	0	0	0	(7,945,049)
0	0	0	0	600,000	0
21,370,773	19,675,687	4,469,758	2,915,010	3,031,308	2,628,597
(20,432,753)	(18,793,050)	(4,113,653)	(2,862,443)	(3,065,058)	(2,633,973)
<u>1,959,379</u>	<u>3,474,289</u>	<u>2,067,485</u>	<u>1,183,881</u>	<u>701,038</u>	<u>210,644</u>
<u>(\$1,488,956)</u>	<u>\$2,276,915</u>	<u>\$1,934,509</u>	<u>(\$794,113)</u>	<u>(\$1,979,504)</u>	<u>(\$1,416,875)</u>
3.26%	3.40%	3.91%	4.11%	4.98%	4.16%

City of Newark

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	2005	2006	2007	2008	2009
Income Tax Rate	1.75%	1.75%	1.75%	1.75%	1.75%
Total Tax Collected	\$18,657,251	\$20,337,124	\$20,420,533	\$20,708,589	\$18,880,102
Income Tax Receipts					
Withholding	14,790,929	16,103,101	15,928,540	15,761,577	15,034,690
Percentage	79.28%	79.18%	78.00%	76.12%	79.63%
Corporate	1,235,602	1,555,677	1,850,596	2,399,014	1,264,276
Percentage	6.62%	7.65%	9.06%	11.58%	6.70%
Individuals	2,630,720	2,678,345	2,641,397	2,547,998	2,581,136
Percentage	14.10%	13.17%	12.94%	12.30%	13.67%

Source: City Income Tax Department

City of Newark

2010	2011	2012	2013	2014
1.75%	1.75%	1.75%	1.75%	1.75%
\$18,775,403	\$19,380,456	\$19,985,479	\$19,882,043	\$19,872,041
14,871,975	15,394,159	15,734,408	15,722,081	15,751,140
79.21%	79.43%	78.73%	79.08%	79.26%
1,389,251	1,407,060	1,645,186	1,564,374	1,494,229
7.40%	7.26%	8.23%	7.87%	7.52%
2,514,176	2,579,238	2,605,886	2,595,588	2,626,672
13.39%	13.31%	13.04%	13.05%	13.22%



City of Newark

Income Tax Statistics Current Year and Nine Years Ago

Calendar Year 2014

Income Tax Filers	Number of Filers	Percent of Total	Taxable Income	Percent of Income	Income Tax Collections	Percent of Income
Top Ten	10	0.07%	\$23,619,493	3.49%	\$413,341	3.49%
All Others	14,823	99.93%	652,380,827	96.51%	11,416,664	96.51%
Total	14,833	100.00%	\$676,000,320	100.00%	\$11,830,005	100.00%

Calendar Year 2005

Income Tax Filers	Number of Filers	Percent of Total	Taxable Income	Percent of Income	Income Tax Collections	Percent of Income
Top Ten	10	0.05%	\$15,194,349	2.22%	\$265,901	2.22%
All Others	19,703	99.95%	668,918,339	97.78%	11,706,071	97.78%
Total	19,713	100.00%	\$684,112,688	100.00%	\$11,971,972	100.00%

Source: City Income Tax Department

City of Newark

Ratios of Outstanding Debt By Type Last Ten Years

	2005	2006	2007	2008
Governmental Activities (1)				
Special Assessment Bonds Payable	\$45,000	\$25,000	\$0	\$0
General Obligation Bonds Payable	13,084,991	14,409,991	14,115,868	14,609,991
Ohio Public Works Commission Loan Payable	0	0	0	0
Capital Leases	1,748,827	2,464,526	3,255,703	2,904,221
ODOT State Infrastructure Bank Loan	0	0	0	0
Business-type Activities (1)				
General Obligation Bonds Payable	\$9,887,329	\$9,069,717	\$8,252,069	\$6,925,411
Ohio Water Development Authority Loans Payable	6,912,121	9,006,413	10,754,578	11,845,846
Ohio Public Works Commission Loans Payable	0	568,655	554,439	526,007
Special Assessment Bonds Payable	46,156	41,028	35,900	30,772
Capital Leases	0	43,517	418,364	398,080
Total Primary Government	<u>\$31,724,424</u>	<u>\$35,628,847</u>	<u>\$37,386,921</u>	<u>\$37,240,328</u>
Population (2)				
City of Newark	46,279	46,279	46,279	46,279
Outstanding Debt Per Capita	\$686	\$770	\$808	\$805
Income (3)				
Personal (in thousands)	\$1,411,926	\$1,483,242	\$1,569,876	\$1,600,374
Percentage of Personal Income	2.25%	2.40%	2.38%	2.33%

Sources:

- (1) City Auditor's Office
- (2) U.S. Bureau of Census, Population Division
- (3) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2013, for the presentation of 2014 statistics, the City is using the latest information available.
- (a) Per Capita Income is only available by County, Total Personal Income is a calculation

City of Newark

2009	2010	2011	2012	2013	2014
\$0	\$0	\$0	\$0	\$0	\$0
14,074,991	15,234,991	15,759,991	15,039,991	14,854,203	14,873,212
0	0	0	0	600,000	600,000
2,253,763	2,218,696	2,001,395	1,794,187	1,397,398	905,528
1,021,359	1,184,313	1,299,147	1,863,165	1,651,980	1,371,388
\$7,333,753	\$6,506,120	\$7,145,172	\$11,268,626	\$13,798,821	\$12,332,636
12,687,667	22,899,357	25,580,376	27,158,821	32,630,272	33,729,939
1,119,535	1,049,964	980,393	910,822	1,673,341	1,562,166
25,644	20,516	15,388	10,260	5,132	0
362,395	319,995	275,901	230,049	285,659	202,691
<u>\$38,879,107</u>	<u>\$49,433,952</u>	<u>\$53,057,763</u>	<u>\$58,275,921</u>	<u>\$66,896,806</u>	<u>\$65,577,560</u>
46,279	47,537	47,537	47,537	47,537	47,537
\$840	\$1,040	\$1,116	\$1,226	\$1,407	\$1,380
\$1,581,029	\$1,648,155	\$1,782,210	\$1,894,349	\$1,902,383	\$1,902,383
2.46%	3.00%	2.98%	3.08%	3.52%	3.45%

City of Newark

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2005	2006	2007	2008
Population (1)	46,279	46,279	46,279	46,279
Personal Income (2)	\$1,411,926,011	\$1,483,241,950	\$1,569,876,238	\$1,600,374,099
General Bonded Debt				
General Obligation Bonds	\$22,972,320	\$23,479,708	\$22,367,937	\$21,535,402
Resources Available to Pay Principal	\$145,622	\$137,693	\$6,126	\$154,983
Net General Bonded Debt	\$22,826,698	\$23,342,015	\$22,361,811	\$21,380,419
Ratio of Net Bonded Debt to Personal Income	1.62%	1.57%	1.42%	1.34%
Net Bonded Debt per Capita	\$493.24	\$504.38	\$483.20	\$461.99

Source:

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

(2) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2013, for the presentation of 2014 statistics, the City is using the latest information available.

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

City of Newark

2009	2010	2011	2012	2013	2014
46,279	47,537	47,537	47,537	47,537	47,537
\$1,581,029,477	\$1,648,155,327	\$1,782,209,667	\$1,894,349,450	\$1,902,383,203	\$1,902,383,203
\$21,408,744	\$21,741,111	\$22,905,163	\$26,308,617	\$28,653,024	\$27,205,848
\$8,059	\$18,749	\$166,935	\$391,186	\$699,446	\$1,585,501
\$21,400,685	\$21,722,362	\$22,738,228	\$25,917,431	\$27,953,578	\$25,620,347
1.35%	1.32%	1.28%	1.37%	1.47%	1.35%
\$462.43	\$456.96	\$478.33	\$545.21	\$588.04	\$538.96



City of Newark

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2014*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Newark (1)</u>	<u>Amount Applicable to the City of Newark</u>
Direct:			
City of Newark	\$17,750,128	100.00%	\$17,750,128
Overlapping:			
Career and Technology Education Center	4,115,000	20.37%	838,226
Licking County	16,599,512	20.49%	3,401,240
		Subtotal	<u>4,239,466</u>
		Total	<u>\$21,989,594</u>

Source: Licking County Auditor

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

City of Newark

Debt Limitations Last Ten Years

Collection Year	2005	2006	2007	2008
<u>Total Debt</u>				
Net Assessed Valuation	\$742,972,970	\$828,435,710	\$810,786,940	\$799,331,100
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	78,012,162	86,985,750	85,132,629	83,929,766
City Debt Outstanding (2)	15,377,491	13,465,991	12,744,991	12,619,991
Less: Applicable Debt Service Fund Amounts	<u>(145,622)</u>	<u>(137,693)</u>	<u>(6,126)</u>	<u>(154,983)</u>
Net Indebtedness Subject to Limitation	<u>15,231,869</u>	<u>13,328,298</u>	<u>12,738,865</u>	<u>12,465,008</u>
Overall Legal Debt Margin	<u>\$62,780,293</u>	<u>\$73,657,452</u>	<u>\$72,393,764</u>	<u>\$71,464,758</u>
Debt Margin as a Percentage of Debt Limit	80.48%	84.68%	85.04%	85.15%
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$742,972,970	\$828,435,710	\$810,786,940	\$799,331,100
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	40,863,513	45,563,964	44,593,282	43,963,211
City Debt Outstanding (2)	15,377,491	13,465,991	12,744,991	12,619,991
Less: Applicable Debt Service Fund Amounts	<u>(145,622)</u>	<u>(137,693)</u>	<u>(6,126)</u>	<u>(154,983)</u>
Net Indebtedness Subject to Limitation	<u>15,231,869</u>	<u>13,328,298</u>	<u>12,738,865</u>	<u>12,465,008</u>
Overall Legal Debt Margin	<u>\$25,631,644</u>	<u>\$32,235,666</u>	<u>\$31,854,417</u>	<u>\$31,498,203</u>

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

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

Source: City Auditor's Office

City of Newark

2009	2010	2011	2012	2013	2014
\$789,272,045	\$799,841,220	\$803,775,990	\$804,198,160	\$811,606,160	\$799,885,660
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
82,873,565	83,983,328	84,396,479	84,440,807	85,218,647	83,987,994
12,214,991	11,859,991	12,529,991	14,159,991	14,809,991	19,329,991
(8,059)	(18,749)	(166,935)	(391,186)	(699,446)	(1,585,501)
12,206,932	11,841,242	12,363,056	13,768,805	14,110,545	17,744,490
\$70,666,633	\$72,142,086	\$72,033,423	\$70,672,002	\$71,108,102	\$66,243,504
85.27%	85.90%	85.35%	83.69%	83.44%	78.87%
\$789,272,045	\$799,841,220	\$803,775,990	\$804,198,160	\$811,606,160	\$799,885,660
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
43,409,962	43,991,267	44,207,679	44,230,899	44,638,339	43,993,711
12,214,991	11,859,991	12,529,991	14,159,991	14,809,991	19,329,991
(8,059)	(18,749)	(166,935)	(391,186)	(699,446)	(1,585,501)
12,206,932	11,841,242	12,363,056	13,768,805	14,110,545	17,744,490
\$31,203,030	\$32,150,025	\$31,844,623	\$30,462,094	\$30,527,794	\$26,249,221

City of Newark

*Pledged Revenue Coverage
Last Ten Years*

	2005	2006	2007	2008	2009
Special Assessment Bonds (1)					
Special Assessment Collections	\$48,518	\$25,230	\$24,264	\$0	\$0
Debt Service					
Principal	20,000	20,000	25,000	0	0
Interest	3,942	2,250	1,250	0	0
Coverage	2.03	1.13	0.92	0.00	0.00
Special Assessment Bonds (2)					
Special Assessment Collections	\$25,741	\$16,479	\$6,725	\$7,198	\$6,725
Debt Service					
Principal	5,128	5,128	5,128	5,128	5,128
Interest	2,436	2,192	1,948	1,706	1,462
Coverage	3.40	2.25	0.95	1.05	1.02
Tax Increment Financing (TIF) (3)					
Payment in Lieu of Taxes	\$346,814	\$369,806	\$172,892	\$171,761	\$163,200
Debt Service					
Principal	125,000	130,000	60,000	80,000	85,000
Interest	140,682	136,325	125,645	106,332	103,132
Coverage	1.31	1.39	0.93	0.92	0.87
Tax Increment Financing (TIF) (4)					
Payment in Lieu of Taxes	\$0	\$0	\$0	\$111,174	\$88,014
Debt Service					
Principal	0	0	0	50,000	45,000
Interest	0	0	0	41,919	44,992
Coverage	0.00	0.00	0.00	1.21	0.98

(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

2010	2011	2012	2013	2014
\$0	\$0	\$0	\$0	\$0
0	0	0	0	0
0	0	0	0	0
0.00	0.00	0.00	0.00	0.00
\$6,245	\$6,525	\$7,254	\$6,725	\$6,529
5,128	5,128	5,128	5,128	5,132
1,218	974	730	488	244
0.98	1.07	1.24	1.20	1.21
\$164,491	\$170,495	\$232,252	\$166,819	\$25,587
85,000	90,000	95,000	100,000	100,000
99,732	96,332	92,732	88,932	84,932
0.89	0.92	1.24	0.88	0.14
\$97,264	\$99,659	\$108,302	\$107,079	\$111,712
45,000	55,000	55,000	55,000	55,000
43,304	41,616	39,554	37,492	35,428
1.10	1.03	1.15	1.16	1.24

City of Newark

Demographic and Economic Statistics Last Ten Years

Calendar Year	2005	2006	2007	2008	2009
Population (1)					
City of Newark	46,279	46,279	46,279	46,279	46,279
Licking County	154,806	154,806	154,806	154,806	154,806
Income (2) (a)					
Total Personal (in thousands)	\$1,411,926	\$1,483,242	\$1,569,876	\$1,600,374	\$1,581,029
Per Capita	\$30,509	\$32,050	\$33,922	\$34,581	\$34,163
Unemployment Rate (3)					
Federal	5.5%	5.0%	4.6%	5.8%	9.7%
State	6.0%	5.9%	5.6%	6.6%	10.2%
Licking County	5.8%	5.1%	5.2%	6.1%	11.1%
Civilian Work Force Estimates (3)					
State	5,900,400	5,934,000	5,976,500	5,986,400	5,979,100
Licking County	81,100	82,700	84,500	85,600	85,700

Sources:

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

(2) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2013, for the presentation of 2014 statistics, the City is using the latest information available. As the most current information becomes available, prior year figures are updated.

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

(3) State Department of Labor Statistics.

City of Newark

2010	2011	2012	2013	2014
47,537	47,537	47,537	47,537	47,537
166,492	166,492	166,492	166,492	166,492
\$1,648,155	\$1,782,210	\$1,894,349	\$1,902,383	\$1,902,383
\$34,671	\$37,491	\$39,850	\$40,019	\$40,019
8.9%	8.9%	7.8%	7.4%	5.6%
8.5%	8.6%	6.7%	7.4%	5.1%
8.7%	8.0%	6.5%	6.9%	4.1%
5,989,150	5,806,500	5,740,900	5,704,000	5,726,000
86,700	84,400	84,829	85,800	87,900



City of Newark

Principal Employers Current Year and Nine Years Ago

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

Employer	Nature of Business	2005	
		Number of Employees	Rank
State Farm Insurance	Insurance	1,401	1
Newark City Schools	Education	1,312	2
Licking County Government	Government	1,243	3
Licking Memorial Hospital	Hospital	1,195	4
Anomatic	Metal Finishers	1,145	5
Owens Corning Fiberglass	Fiberglass Insulation	1,045	6
OSUN/COTC	Education	650	7
Longaberger, Inc.	Decorative Baskets	600	8
Park National Bank Inc.	Banking	493	9
City of Newark	Government	489	10
Total		<u>9,573</u>	
Total Employment within the City (1)		<u>N/A</u>	

(1) - Total employment within the City is not available.

Source: City Auditor's Office

City of Newark

Full Time Equivalent Employees by Function Last Ten Years

	2005	2006	2007	2008	2009
Governmental Activities					
General Government					
Finance	20.00	20.00	20.00	20.00	19.00
Legal/Court	52.00	52.00	52.00	52.00	51.00
Administration	32.00	31.00	31.00	30.00	29.00
Maintenance	19.00	18.00	18.00	18.00	16.00
Security of Persons and Property					
Police	104.00	106.00	106.00	106.00	104.00
Fire	85.00	85.00	86.00	88.00	88.00
Transportation					
Street	32.00	32.00	32.00	32.00	29.00
Leisure Time Activities					
Recreation/Seniors	20.00	20.00	20.00	18.00	16.00
Community Environment	43.00	42.00	42.00	42.00	40.00
Community Development	6.00	7.00	7.00	7.00	9.00
Business-Type Activities					
Utilities					
Water	45.00	45.00	45.00	45.00	44.00
Sewer	26.00	26.00	26.00	26.00	25.00
Storm Water	1.00	1.00	1.00	2.00	3.00
<i>Total Employees</i>	<u>485.00</u>	<u>485.00</u>	<u>486.00</u>	<u>486.00</u>	<u>473.00</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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
19.00	19.00	19.00	19.00	19.00
51.00	51.00	51.00	50.00	50.00
29.00	29.00	29.00	29.00	29.00
16.00	16.00	16.00	16.00	16.00
103.00	105.00	105.00	104.00	104.00
87.00	88.00	88.00	88.00	88.00
28.00	28.00	28.00	28.00	28.00
16.00	15.00	15.00	14.00	14.00
40.00	40.00	40.00	40.00	40.00
9.00	11.00	9.00	5.00	5.00
44.00	44.00	44.00	44.00	46.00
25.00	25.00	25.00	25.00	29.00
3.00	3.00	3.00	3.00	3.00
<u>470.00</u>	<u>474.00</u>	<u>472.00</u>	<u>465.00</u>	<u>471.00</u>

City of Newark

Operating Indicators by Function Last Ten Years

	2005	2006	2007	2008	2009
Governmental Activities					
General Government					
Court					
Number of Traffic Cases	3,544	3,571	3,602	3,777	3,922
Licenses and Permits					
Number of Building Permits	581	534	521	501	450
Security of Persons and Property					
Police					
Number of Citations Issued	2,112	2,001	2,213	2,322	2,353
Number of Arrests	1,723	1,750	1,797	1,832	1,702
Fire					
Number of Fire Calls	5,870	6,146	6,204	6,220	6,316
Number of EMS Runs	7,228	7,672	7,737	7,839	6,998
Transportation					
Street					
Number of Streets Resurfaced	31	33	33	35	35
Community Environment					
Number of Code Violations	N/A	3	7	8	5
Business-Type Activities					
Water					
Number of Service Connections	20,212	20,342	20,408	20,543	20,543
Water Main Breaks	27	18	29	28	38
Daily Average Consumption (thousands of gallons)	8.9M	8.9M	8.9M	9.0M	8.9M
Sewer					
Number of Service Connections	18,243	18,657	18,687	18,703	18,723
Daily Average Sewage Treatment (thousands of gallons)	8.3M	8.4M	8.4M	8.5M	8.4M

Source: City Auditor's Office

City of Newark

2010	2011	2012	2013	2014
3,999	4,021	3,912	3,936	4,002
437	444	453	450	452
2,453	2,503	2,516	2,614	2,725
1,767	1,802	1,811	1,896	1,915
6,288	6,334	6,111	5,921	5,411
7,002	7,253	7,310	7,412	7,501
36	35	34	35	39
N/A	N/A	N/A	N/A	N/A
20,777	20,827	20,888	20,897	20,902
44	32	36	35	39
9.0M	9.0M	9.1M	9.2M	9.3M
18,798	18,842	18,911	18,925	18,999
8.5M	8.6M	8.7M	8.8M	8.9M

City of Newark

Capital Asset Statistics by Function Last Ten Years

	2005	2006	2007	2008	2009
Governmental Activities					
General Government					
Public Land and Buildings					
Land (acres)	459	459	459	459	459
Buildings	29	29	29	29	29
Security of Persons and Property					
Police					
Stations	1	1	1	1	1
Vehicles	22	22	22	22	22
Fire					
Stations	4	4	4	4	4
Vehicles	18	18	19	20	20
Transportation					
Street					
Streets (lane miles)	221	226	228	228	228
Traffic Signals	3,338	3,338	3,342	3,342	3,342
Vehicles	37	37	39	39	39
Leisure Time Activities					
Recreation/Seniors					
Land (acres)					
Buildings	16	16	16	16	16
Parks	39	39	39	39	39
Playgrounds	14	14	14	14	14
Swimming Pools	1	1	1	1	1
Baseball/Softball Diamonds	12	12	12	12	12
Business-Type Activities					
Utilities					
Water					
Waterlines (Miles)	199	199	201	203	203
Number of Hydrants	281	281	284	290	288
Sewer					
Sewer lines (Miles)	187	187	189	191	191
Lift Stations	7	7	7	7	10
Storm Water Drainage					
Storm Drains (Miles)	100	102	108	110	110
Number of Catch Basins	4,167	4,485	4,490	4,494	4,494

Source: City Auditor's Office

City of Newark

2010	2011	2012	2013	2014
459	459	459	459	459
29	29	29	29	29
1	1	1	1	1
23	24	24	24	24
4	4	4	4	4
22	22	22	22	22
228	228	228	228	228
3,344	3,346	3,348	3,348	3,348
40	41	42	42	42
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
204	204	204	204	204
290	291	291	291	291
192	194	194	194	194
10	10	10	10	10
115	117	117	117	119
4,504	4,508	4,529	4,529	4,533





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CITY OF NEWARK
LICKING COUNTY, OHIO

SINGLE AUDIT

January 1, 2014 through December 31, 2014
Fiscal Year Audited Under GAGAS: 2014

City of Newark
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For the Year Ended December 31, 2014

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City of Newark, Ohio
Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2014

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
U.S. Department of Housing and Urban Development			
<i>Direct from the Federal Government:</i>			
Community Development Block Grants/Entitlements Grants Cluster			
Community Development Block Grant	B-13-MC-39-0024/ B-14-MC-39-0024	14.218	627,906
Total Community Development Block Grants Cluster			<u>627,906</u>
Total U.S. Department of Housing and Urban Development			627,906
U.S. Department of Transportation			
<i>Federal Highway Administration</i>			
<i>Passed through the Ohio Department of Transportation:</i>			
Highway Planning and Construction	PID 86245	20.205	81,593
Highway Planning and Construction	PID 93575	20.205	34,013
Total Highway Planning and Construction			<u>115,606</u>
State and Community Highway Safety Grant	STEP-2015-45-00-00-00556-00	20.600	619
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	N/A	20.608	63,129
National Priority Safety Programs	N/A	20.616	<u>1,478</u>
Total U.S. Department of Transportation			180,832
U.S. Department of Criminal Justice			
<i>Passed through the Ohio Department of Public Safety:</i>			
Edward Bryne Memorial Justice Assistance Grant	2013-JG-A02-6587	16.738	11,482
Bulletproof Vest Partnership Program	N/A	16.607	330
Public Safety Partnership and Community Policing Grants (CHP)	2010UMWX0243	16.710	<u>144,646</u>
Total U.S. Department of Criminal Justice			156,458
United States Environmental Protection Agency			
<i>Direct from the Federal Government:</i>			
Brownfields Assessment and Cleanup Cooperative Agreements - ARRA	BF-00E01072-0	66.818	<u>143,564</u>
Total United States Environmental Protection Agency			143,564
U.S. Department of Homeland Security			
<i>Passed through the Ohio Emergency Management Agency:</i>			
Assistance to Firefighters Grant	EMW-2012-FO-05855	97.044	27,896
Assistance to Firefighters Grant	EMW-2011-FP-00748	97.044	<u>2,505</u>
			30,401
Total U.S. Department of Homeland Security			30,401
Total Federal Expenditures			<u>\$1,139,161</u>

N/A - pass through entity number not available

See accompanying notes to the schedule of federal awards expenditures.

CITY OF NEWARK
LICKING COUNTY, OHIO
NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 1 – GENERAL

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

NOTE 2 – BASIS OF ACCOUNTING

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



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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

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

To the Members of Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Newark, Licking County, (the City) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 26, 2015.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

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

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Balestra, Harr & Scherer, CPAs

Balestra, Harr & Scherer, CPAs, Inc.
Worthington, Ohio
June 26, 2015



Balestra, Harr & Scherer, CPAs, Inc.

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

www.bhscpas.com

Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133

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

To the Members of Council:

Report on Compliance for the Major Federal Program

We have audited the City of Newark's (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the City of Newark's major federal program for the year ended December 31, 2014. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City's major federal program.

Management's Responsibility

The City's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the City's compliance for the City's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the City's major program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Major Federal Program

In our opinion, the City of Newark complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2014.

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

Members of Council
City of Newark

Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133
Page 3

Report on Schedule of Federal Awards Expenditures Required by OMB Circular A-133

We have also 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 (the City) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 26, 2015. We conducted our audit to opine on the City's basic financial statements. The accompanying schedule of federal awards expenditures presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Balestra, Harr & Scherer, CPAs

Balestra, Harr & Scherer, CPAs, Inc.
Worthington, Ohio
June 26, 2015

City of Newark
Schedule of Findings
OMB Circular A-133 Section .505
For the Year Ended December 31, 2014

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under section .510(a)?	No
(d)(1)(vii)	Major Programs (list):	CFDA #14.218, Community Development Block Grants/Entitlement Grants
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None noted.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None noted.



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
OCTOBER 20, 2015**