

CITY OF NEWARK
LICKING COUNTY
SINGLE AUDIT
JANUARY 1, 2023 – DECEMBER 31, 2023



OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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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 Wilson, Shannon & Snow, Inc., for the audit period January 1, 2023 through December 31, 2023. 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 'Keith Faber'.

Keith Faber
Auditor of State
Columbus, Ohio

August 09, 2024

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**CITY OF NEWARK
LICKING COUNTY**

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City of Newark
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

| Federal Grantor/ Pass Through Grantor/ Program Title | Pass Through Entity Number | Federal AL Number | Passed Through to Subrecipients | Disbursements |
|---|-------------------------------|----------------------|------------------------------------|---------------------|
| U.S. Department of Housing and Urban Development | | | | |
| <i>Direct Assistance:</i> | | | | |
| Community Development Block Grants/Entitlements Grants Cluster: | | | | |
| Community Development Block Grant | B-17-MC-39-0024 | 14.218 | \$ - | \$ 4,809 |
| Community Development Block Grant | B-18-MC-39-0024 | 14.218 | - | 50,217 |
| Community Development Block Grant | B-19-MC-39-0024 | 14.218 | - | 154,881 |
| Community Development Block Grant | B-20-MC-39-0024 | 14.218 | - | 165,033 |
| Community Development Block Grant | B-22-MC-39-0024 | 14.218 | - | 20,044 |
| Community Development Block Grant | B-23-MC-39-0024 | 14.218 | 175,068 | 580,453 |
| Total Community Development Block Grants/Entitlement Grants Cluster | | | 175,068 | 975,437 |
| <i>Passed through the Ohio Department of Development Services Agency:</i> | | | | |
| Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii | | | | |
| COVID-19 Community Development Block Grant | B-20-MW-39-0024 | 14.228 | - | 50,480 |
| Total U.S. Department of Housing and Urban Development | | | 175,068 | 1,025,917 |
| U.S. Department of Transportation | | | | |
| <i>Federal Highway Administration</i> | | | | |
| <i>Passed through the Ohio Department of Transportation:</i> | | | | |
| Highway Planning and Construction Cluster: | | | | |
| Highway Planning and Construction | PID 104786 | 20.205 | - | 70,064 |
| Highway Planning and Construction | PID 108925 | 20.205 | - | 91,826 |
| Highway Planning and Construction | PID 109931 | 20.205 | - | 10,592 |
| Highway Planning and Construction | PID 87642 | 20.205 | - | 167,719 |
| Total Highway Planning and Construction Cluster | | | - | 340,201 |
| <i>Passed through the Ohio Department of Public Safety:</i> | | | | |
| State and Community Highway Safety Grant | IDEP/STEP-2023-00038 | 20.600 | - | 7,079 |
| Minimum Penalties for Repeat Offenders for Driving While Intoxicated | IDEP/STEP-2023-00038 | 20.608 | - | 4,978 |
| Total U.S. Department of Transportation | | | - | 352,258 |
| U.S. Department of Treasury | | | | |
| <i>Passed through the Ohio Department of Public Safety:</i> | | | | |
| COVID-19-Coronavirus State and Local Fiscal Recovery Funds: | | | | |
| ARPA Responder First Responder Incentive | N/A | 21.027 | - | 520,000 |
| Ohio Violent Crime Reduction | N/A | 21.027 | - | 128,400 |
| <i>Direct Assistance:</i> | | | | |
| COVID-19-Coronavirus State and Local Fiscal Recovery Funds | N/A | 21.027 | - | 5,547,612 |
| <i>Passed Through Ohio Department of Development:</i> | | | | |
| COVID-19-Coronavirus State and Local Fiscal Recovery Funds | DEV-2021-181449 | 21.027 | - | 67,165 |
| Total Coronavirus State and Local Fiscal Recovery Funds | | | | 6,263,177 |
| <i>Direct Assistance:</i> | | | | |
| Coronavirus Relief Fund | HB481-CRF-Local | 21.019 | - | 16 |
| Total U.S. Department of Treasury | | | - | 6,263,193 |
| U.S. Department of Criminal Justice | | | | |
| <i>Passed through the Ohio Department of Public Safety:</i> | | | | |
| Edward Bryne Memorial Justice Assistance Grant | 2018-JG-LLE-5958 | 16.738 | - | 15,425 |
| Total U.S. Department of Criminal Justice | | | - | 15,425 |
| United States Environmental Protection Agency | | | | |
| <i>Direct Assistance:</i> | | | | |
| Brownfields Assessment and Cleanup Cooperative Agreements | N/A | 66.818 | - | 108,815 |
| Total United States Environmental Protection Agency | | | - | 108,815 |
| Total Federal Expenditures | | | \$ 175,068 | \$ 7,765,608 |

See accompanying notes to the schedule.

**CITY OF NEWARK
LICKING COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Newark, Licking County (the City) under programs of the federal government for the year ended December 31, 2023. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - MATCHING REQUIREMENTS

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

NOTE E – SUBRECIPIENTS

The City passes certain federal awards received directly from the Federal Government to other governments or not-for-profit agencies (subrecipients). As Note B describes, the City reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the City has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

**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 City Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Newark, Licking County, (the City) as of and for the year ended December 31, 2023, 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 20, 2024, wherein we noted the City restated 2022 financial statements to correct a misstatement.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wilson, Shannon E. Shaw, Inc.

Newark, Ohio
June 20, 2024

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED
BY UNIFORM GUIDANCE**

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

To the City Council:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Newark's (the City) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2023. The City's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, the City of Newark complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The City's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

City of Newark
Licking County
Independent Auditor's Report on Compliance With Requirements
Applicable to Each Major Federal Program and On Internal Control
Over Compliance And the Schedule of Expenditures of
Federal Awards Required by Uniform Guidance
Page 3

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Newark (the City) as of and for the year ended December 31, 2023, 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 20, 2024. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is the responsibility of management 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, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Newark, Ohio
June 20, 2024

**CITY OF NEWARK
LICKING COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515**

DECEMBER 31, 2023

| |
|--|
| 1. SUMMARY OF AUDITOR'S RESULTS |
|--|

| | | |
|---------------------|---|---|
| <i>(d)(1)(i)</i> | Type of Financial Statement Opinion | Unmodified |
| <i>(d)(1)(ii)</i> | Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)? | No |
| <i>(d)(1)(ii)</i> | Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)? | No |
| <i>(d)(1)(iii)</i> | Was there any reported material noncompliance at the financial statement level (GAGAS)? | No |
| <i>(d)(1)(iv)</i> | Were there any material weaknesses in internal control reported for major federal programs? | No |
| <i>(d)(1)(iv)</i> | Were there any significant deficiencies in internal control reported for major federal programs? | No |
| <i>(d)(1)(v)</i> | Type of Major Programs' Compliance Opinion | Unmodified |
| <i>(d)(1)(vi)</i> | Are there any reportable findings under 2 CFR § 200.516(a)? | No |
| <i>(d)(1)(vii)</i> | Major Programs (list): | Community Development Block Grants/ Entitlement Grants Cluster COVID-19 Coronavirus State and Local Fiscal Recovery Funds/ALN 21.027 |
| <i>(d)(1)(viii)</i> | Dollar Threshold: Type A\B Programs | Type A: > \$750,000 Type B: all others |
| <i>(d)(1)(ix)</i> | Low Risk Auditee under 2 CFR §200.520? | Yes |

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

None.

| |
|---------------------------------------|
| 3. FINDINGS FOR FEDERAL AWARDS |
|---------------------------------------|

None.

City of Newark, Ohio

Licking County



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2023



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2023

Prepared by the Auditor's Office

Ryan T. Bubb
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
Ryan T. Bubb, City Auditor

Phone: (740) 670-7560 Email: Rbubb@newarkohio.net

June 20, 2024

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

We are pleased to submit for your review the Annual Comprehensive Financial Report of the City of Newark, Ohio for the fiscal year ended December 31, 2023. 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.

Accounting principles generally accepted in the United States of America (GAAP) 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, 2023***

Form of Government:

Statutory

Along with being the County Seat, 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. The Safety, Service and Economic Development Directors are appointed by the Mayor and serve at the pleasure of the Mayor. The Human Resources Director is appointed by the Mayor and is a classified employee.

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, 2012 and again in 2017. 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.
- ❖ Human Resources Director is a classified employee.

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 50,943. 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

***Letter of Transmittal
For the Year Ended December 31, 2023***

As part of the Columbus metropolitan area, in particular, its closeness to John Glenn Columbus International Airport (located on Columbus' far east side), offers flights to all points and places making 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.

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 historic Midland Theatre also calls Newark home offering many concerts and events throughout the year.

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. The newly completed Canal Market District provides a setting for various functions including a twice weekly farmers market running from May through October.

Our public high school is Newark High School. Students also have the ability to attend C-TEC which offers Technical training. Adult education is also offered at C-TEC. As an alternative to public education, Newark has two parochial elementary schools and one high school.

The Newark Branch of Ohio State University is the largest remote branch location offering Associate and Bachelor Degrees.

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.

***Letter of Transmittal
For the Year Ended December 31, 2023***

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. The Licking County region is close to post bulk mail centers and 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.

Very positive impacts occurring at The Central Ohio Aerospace and Technology Center:

- 14 Employers had employment level increases and nine companies experienced double-digit increases in employment.
- A combined \$137 million payroll, for a \$75,000+ annual average.
- At least one in six jobs are engineering-related or STEM fields.
- 11 Spec buildings in 11 years. A new 30,000 sq ft industrial building is under construction.

Intel Announcement: Newark hosted the nationally-historic announcement on January 21, 2022 of Intel's \$20 billion manufacturing investment slated to open in Licking County in 2025. The Intel news is the most significant announcement of a business development project in Ohio's history and is slated to be just 20 miles east of Newark. It could grow to \$100 billion in 10 years. The original two fabs are expected to add 3,000 direct jobs and could grow to 10,000 jobs. Economists have predicted that Intel could bring a five-fold multiplier effect meaning the initial investment could yield another 15,000 jobs to the area.

Newark's Arcade building is currently undergoing a multimillion dollar renovation. This is bringing the unique Arcade building back to life as a multi-house housing, retail, and entertainment complex in downtown Newark.

New housing is occurring in the following areas: Conor's Path Edition on Horns Hill Rd, Arbor Ct, along with Newark's west side near Thornwood Drive.

Redevelopment of the former Westinghouse now known as The Newark Station.

***Letter of Transmittal
For the Year Ended December 31, 2023***

Licking Memorial Hospital is Newark's largest employer and offers a wide array of medical services.

Manufacturing continues to be a dominant part of Newark's economic base with Anomatic, Owens Corning, and Universal Veneer standing out. Anomatic, a large manufacturer employer in Newark, produces anodized aluminum products. Owens Corning has retained employment and invested in a new 750,000 square foot. distribution center in nearby Heath. PCA acquired 75+ acres in Newark with plans to expand its Newark plant by 6X. PCA's plant has been in Newark for 70+ years. Newark is at the northern end of the largest manufacturing corridor in Central Ohio.

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 3.6%.

Employee Relations:

The City of Newark negotiates contracts with three 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, and the American Federation of State, County and Municipal Employees (AFSCME) Local 2963 Ohio Council 8, AFL-CIO, Non Union consists of the following: Non Bargaining, Management and Supervisory, Administrative/Technical, and Police/Fire Chiefs. Current contracts with union employees cover the years 2023 through 2025.

MAJOR INITIATIVES

During 2023, continuing efforts were made to upgrade services and improve the quality of life for the citizens of Newark through the following projects:

Infrastructure Improvements:

Newark continues to modernize as a new bridge at Thornwood Crossing will begin construction by the City in 2023 that connects the four-lane 161/16 Corridor to the Thornwood Corridor.

Part of S. 2nd Street is undergoing complete rebuild, changing the traffic flows. Additionally, improved streetscapes are being constructed along with Biosales greatly assisting with storm water runoff. This project will eliminate combined sanitary and storm sewers. The project is continuing to include other downtown streets.

A roundabout was finished at the Granville Street and Locust Street. This has vastly improved traffic flow to the numerous businesses, schools, and churches.

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.

***Letter of Transmittal
For the Year Ended December 31, 2023***

Parks and Recreation

Throughout 2023, Parks and Receptions throughout the City continued to evolve. Over 1,100 baseball games were played at Don Edwards Park bringing many overnight stays to our City. Trout and Catfish Derby Tournaments were held at TJ Evans. Northpoint Dive Quarry at TJ Evans continues to be a major attraction for diving and law enforcement instruction. Also, at TJ Evans, 5 shelter houses continued to be offered to the public. Everett Park hosted 2 skateboard tournaments and is used on an almost daily basis. A disc golf course at TJ Evans attracts numerous guests during the year. Also, at Everett Park, you will find The Civil Air Patrol headquarters and a dog park. A second dog park was planned in 2021 at Reddington Rd. Canal Market hosts Farmers Markets and Private Events throughout the Spring, Summer, and Fall. The Historic Licking County Jail brings many visitors to our City during the Fall.

Long-Term Financial Planning

During fiscal year 2007 the City began charging for EMS transport services. Legislation has been passed and amended mandating that 8% of the proceeds be set aside in reserve to provide stability to the City's General Fund with an additional 20% of the proceeds being earmarked and credited to the City's Capital Improvement Fund, 9% for EMS vehicles, and 37% allocated to acquisition of real property and construction along with maintenance of facilities and stations. 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.

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***Letter of Transmittal
For the Year Ended December 31, 2023***

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 ensures that the financial information generated is both accurate and reliable.

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

- * Personnel services
- * All others

***Letter of Transmittal
For the Year Ended December 31, 2023***

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 Wilson, Shannon and Snow Inc. 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 Annual Comprehensive Financial Report for the fiscal year ended December 31, 2022. 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 Annual Comprehensive Financial Report whose contents satisfy all program standards. The report must satisfy both accounting principles generally accepted in the United States of America (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 thirty-two consecutive years (1991 - 2022). 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 Annual Comprehensive 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, 2023***

Acknowledgments:

This report is a culmination of many hours of concentrated work on the part of the City Auditor's Office staff and a number of dedicated city employees and associates.

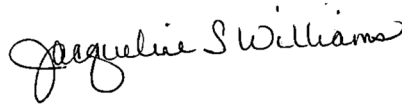
We also express our sincere appreciation to Donald J. Schonhardt and Associates, Inc. for their professional manner, expertise and countless hours of consultation in completing this annual financial report for the citizens of this community.

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.

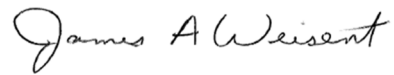
Respectfully,



Ryan T. Bubb
City Auditor



Jacqueline S. Williams
Accounting Manager



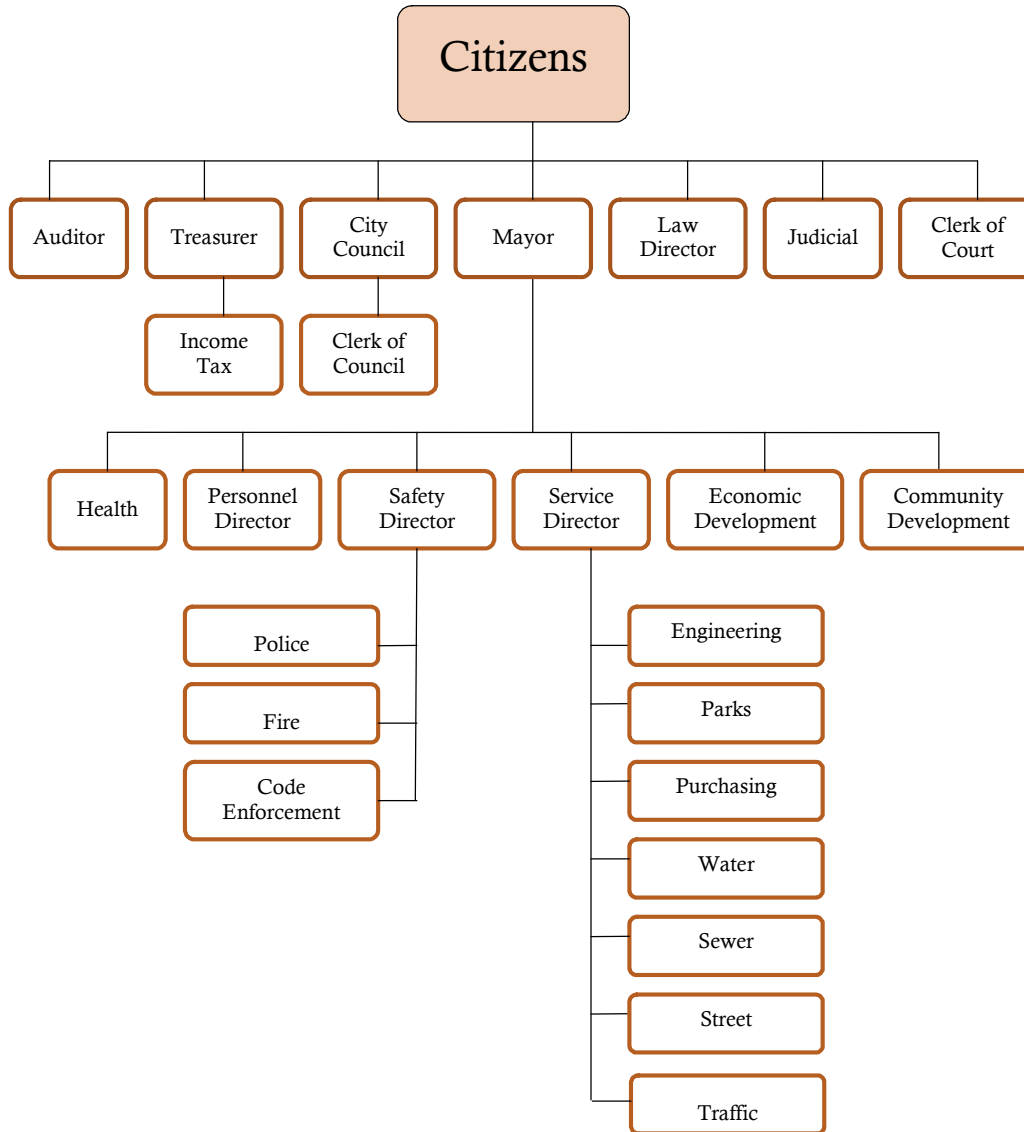
James A. Weisent
Deputy City Auditor

CITY OF NEWARK, OHIO

***List of Principal Officials
For the Year Ended December 31, 2023***

| <u>NAME</u> | <u>TITLE</u> | <u>TERM OF OFFICE</u> |
|-------------------|----------------------|-----------------------|
| Jeff Hall | Mayor | 01/01/20 to 12/31/23 |
| Ryan T. Bubb | Auditor | 01/01/20 to 12/31/23 |
| Matt George | Judge | 01/01/20 to 12/31/25 |
| David Stansbury | Judge | 01/01/18 to 12/31/23 |
| Tricia Moore | Law Director | 01/01/21 to 12/31/23 |
| Bradley Feightner | Treasurer | 01/01/22 to 12/31/25 |
| Don Ellington | President of Council | 01/01/20 to 12/31/23 |
| Cheri Hottinger | Council-at-Large | 01/01/20 to 12/31/23 |
| Spencer Barker. | Council-at-Large | 01/01/20 to 12/31/23 |
| Jeff Harris | Council-at-Large | 01/01/18 to 12/31/23 |
| Michael Houser | Council 1st Ward | 01/01/22 to 12/31/25 |
| Beth Bline | Council 2nd Ward | 01/01/22 to 12/31/25 |
| Jeff Rath | Council 3rd Ward | 01/01/22 to 12/31/25 |
| Mark Labutis | Council 4th Ward | 01/01/22 to 12/31/25 |
| Jonathan Lang | Council 5th Ward | 01/01/22 to 12/31/25 |
| Douglas Marmie | Council 6th Ward | 01/01/22 to 12/31/25 |
| Colton Rine | Council 7th Ward | 01/01/22 to 12/31/25 |
| Marcia Phelps | Clerk of Court | 01/01/20 to 12/31/26 |

**City Organizational Chart
For the Year Ended December 31, 2023**



***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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Newark, Licking County, Ohio (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and American Rescue Plan Act funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 2.B. to the financial statements, the 2022 financial statements have been restated to correct a misstatement. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities/assets and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic

City of Newark
Licking County
Independent Auditor's Report

financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2024, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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.

Wilson, Shannon & Sons, Inc.

Newark, Ohio
June 20, 2024



***Management's Discussion and Analysis
For the Year Ended December 31, 2023***

Unaudited

This discussion and analysis of the City of Newark's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2023. 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 2023 are as follows:

- ❑ In total, net position increased \$12,532,102. Net position of governmental activities increased \$4,574,209, or 8% from 2022. Net position of business-type activities increased \$7,957,893 or 16% from 2022.
- ❑ General revenues accounted for \$40,030,109 in revenue or 46% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$47,362,689, or 54% of total revenues of \$87,392,798.
- ❑ The City had \$54,756,159 in expenses related to governmental activities; only \$19,342,788 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$39,987,580 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$43,430,226 in revenues and other financing sources and \$42,105,992 in expenditures and other financing uses. The general fund's fund balance increased from \$11,514,289 to \$12,838,523.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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.

**Management’s Discussion and Analysis
For the Year Ended December 31, 2023**

Unaudited

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a summary of the City’s net position for 2023 compared to 2022.

| | Governmental Activities | | Business-type Activities | | Total | |
|----------------------------------|----------------------------|---------------------|-----------------------------|---------------------|----------------------|----------------------|
| | Restated | | | | Restated | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Current and Other Assets | \$53,934,023 | \$57,343,840 | \$20,630,605 | \$23,532,062 | \$74,564,628 | \$80,875,902 |
| Net OPEB Asset | 0 | 1,527,562 | 0 | 757,033 | 0 | 2,284,595 |
| Capital Assets, Net | 97,528,475 | 92,027,758 | 150,558,831 | 136,675,043 | 248,087,306 | 228,702,801 |
| Total Assets | <u>151,462,498</u> | <u>150,899,160</u> | <u>171,189,436</u> | <u>160,964,138</u> | <u>322,651,934</u> | <u>311,863,298</u> |
| Deferred Outflows of Resources | 23,073,438 | 14,315,720 | 3,287,040 | 1,206,394 | 26,360,478 | 15,522,114 |
| Net Pension Liability | 55,690,138 | 32,218,751 | 6,756,184 | 2,070,860 | 62,446,322 | 34,289,611 |
| Net OPEB Liability | 3,421,503 | 4,919,531 | 146,570 | 0 | 3,568,073 | 4,919,531 |
| Other Long-term Liabilities | 30,414,777 | 32,347,201 | 99,508,252 | 97,814,597 | 129,923,029 | 130,161,798 |
| Other Liabilities | 14,635,794 | 19,328,143 | 8,929,182 | 7,726,624 | 23,564,976 | 27,054,767 |
| Total Liabilities | <u>104,162,212</u> | <u>88,813,626</u> | <u>115,340,188</u> | <u>107,612,081</u> | <u>219,502,400</u> | <u>196,425,707</u> |
| Deferred Inflows of Resources | 11,712,951 | 22,314,690 | 48,342 | 3,428,398 | 11,761,293 | 25,743,088 |
| Net Position | | | | | | |
| Net Investment in Capital Assets | 70,344,843 | 63,519,450 | 48,699,388 | 39,963,556 | 119,044,231 | 103,483,006 |
| Restricted | 14,477,202 | 16,278,758 | 0 | 0 | 14,477,202 | 16,278,758 |
| Unrestricted | (26,161,272) | (25,711,644) | 10,388,558 | 11,166,497 | (15,772,714) | (14,545,147) |
| Total Net Position | <u>\$58,660,773</u> | <u>\$54,086,564</u> | <u>\$59,087,946</u> | <u>\$51,130,053</u> | <u>\$117,748,719</u> | <u>\$105,216,617</u> |

The net pension liability (NPL) is reported by the City pursuant to GASB Statement 68, “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27.” The net OPEB liability (NOL) is reported by the City pursuant to GASB Statement 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,” which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City’s actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan’s *net pension liability* or *net OPEB liability*.

***Management's Discussion and Analysis
For the Year Ended December 31, 2023***

Unaudited

GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability/asset to equal the City's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability/asset, respectively, not accounted for as deferred inflows/outflows.

CITY OF NEWARK, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2023**

Unaudited

Change in Net Position – The following table shows the change in net position for 2023 compared with 2022:

| | Governmental Activities | | Business-type Activities | | Total | |
|------------------------------------|----------------------------|--------------|-----------------------------|--------------|---------------|---------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Revenues | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services and Sales | \$5,688,403 | \$5,387,616 | \$21,947,541 | \$20,974,233 | \$27,635,944 | \$26,361,849 |
| Operating Grants and Contributions | 10,953,213 | 9,685,795 | 37,500 | 0 | 10,990,713 | 9,685,795 |
| Capital Grants and Contributions | 2,701,172 | 4,263,612 | 6,034,860 | 1,546,038 | 8,736,032 | 5,809,650 |
| Total Program Revenues | 19,342,788 | 19,337,023 | 28,019,901 | 22,520,271 | 47,362,689 | 41,857,294 |
| General Revenues: | | | | | | |
| Property Taxes | 3,964,695 | 3,880,580 | 0 | 0 | 3,964,695 | 3,880,580 |
| Income Taxes | 29,588,501 | 28,153,154 | 0 | 0 | 29,588,501 | 28,153,154 |
| Other Local Taxes | 626,148 | 586,689 | 0 | 0 | 626,148 | 586,689 |
| Intergovernmental, Unrestricted | 2,132,603 | 2,220,594 | 0 | 0 | 2,132,603 | 2,220,594 |
| Investment Earnings | 2,978,659 | (123,713) | 42,529 | 7,007 | 3,021,188 | (116,706) |
| Miscellaneous | 696,974 | 699,572 | 0 | 0 | 696,974 | 699,572 |
| Total General Revenues | 39,987,580 | 35,416,876 | 42,529 | 7,007 | 40,030,109 | 35,423,883 |
| Total Revenues | 59,330,368 | 54,753,899 | 28,062,430 | 22,527,278 | 87,392,798 | 77,281,177 |
| Program Expenses | | | | | | |
| Security of Persons and Property | 26,817,842 | 20,946,340 | 0 | 0 | 26,817,842 | 20,946,340 |
| Leisure Time Activities | 1,220,988 | 930,189 | 0 | 0 | 1,220,988 | 930,189 |
| Community Environment | 1,898,035 | 1,199,495 | 0 | 0 | 1,898,035 | 1,199,495 |
| Public Health and Welfare Services | 217,016 | 29,078 | 0 | 0 | 217,016 | 29,078 |
| Transportation | 5,692,765 | 4,612,892 | 0 | 0 | 5,692,765 | 4,612,892 |
| General Government | 17,857,924 | 14,305,997 | 0 | 0 | 17,857,924 | 14,305,997 |
| Interest and Fiscal Charges | 1,051,589 | 980,668 | 0 | 0 | 1,051,589 | 980,668 |
| Water | 0 | 0 | 8,114,720 | 5,919,670 | 8,114,720 | 5,919,670 |
| Sewer | 0 | 0 | 8,936,187 | 7,559,020 | 8,936,187 | 7,559,020 |
| Storm Water | 0 | 0 | 3,053,630 | 2,184,763 | 3,053,630 | 2,184,763 |
| Total Expenses | 54,756,159 | 43,004,659 | 20,104,537 | 15,663,453 | 74,860,696 | 58,668,112 |
| Total Change in Net Position | 4,574,209 | 11,749,240 | 7,957,893 | 6,863,825 | 12,532,102 | 18,613,065 |
| Beginning Net Position - Restated | 54,086,564 | 42,337,324 | 51,130,053 | 44,266,228 | 105,216,617 | 86,603,552 |
| Ending Net Position | \$58,660,773 | \$54,086,564 | \$59,087,946 | \$51,130,053 | \$117,748,719 | \$105,216,617 |

Governmental Activities

Governmental activities net position increased \$4,574,209, or 8%. An increase in operating grants can mostly be attributed to State and Local Fiscal Recovery funding received as part of the American Rescue Plan Act. A substantial increase in investment earnings was the result of an increase in interest rates and the fair value of investments.

An overall increase in expenses can be attributed to changes in the Net Pension and Net OPEB liabilities/asset.

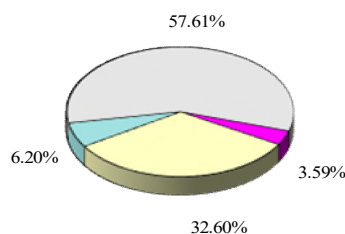
The City receives an income tax, which is based on 1.75% of all salaries, wages, commissions and other compensation and on net profits earned from residents living within the City.

***Management’s Discussion and Analysis
For the Year Ended December 31, 2023***

Unaudited

Income taxes and property taxes made up 50% and 7% respectively of revenues for governmental activities in 2023. The City’s reliance upon tax revenues is demonstrated by the following graph indicating 58% of total revenues from general tax revenues:

| Revenue Sources | 2023 | Percent of Total |
|---------------------------------|---------------------|---------------------|
| General Tax Revenues | \$34,179,344 | 57.61% |
| Intergovernmental, Unrestricted | 2,132,603 | 3.59% |
| Program Revenues | 19,342,788 | 32.60% |
| General Other | 3,675,633 | 6.20% |
| Total Revenue | <u>\$59,330,368</u> | <u>100.00%</u> |



Business-Type Activities

Net position of business-type activities increased \$7,957,893. This represents a 16% change from the previous year. An increase in charges for services can mostly be attributed to rate increases in water and sewer. Capital grants and contributions included water, sewer, and storm water infrastructure received from developers as well as State and Local Fiscal Recovery Funding used for water line improvements. An overall increase in expenses can be attributed to changes in the Net Pension and Net OPEB liabilities/asset.

FINANCIAL ANALYSIS OF THE CITY’S FUNDS

The City’s governmental funds reported a combined fund balance of \$27,349,426, which is a decrease from last year’s restated balance of \$27,488,599. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2023 and 2022:

| | Fund Balance December 31, 2023 | Restated Fund Balance December 31, 2022 | Increase (Decrease) |
|--------------------------|-----------------------------------|---|------------------------|
| General | \$12,838,523 | \$11,514,289 | \$1,324,234 |
| American Rescue Plan Act | 0 | 0 | 0 |
| Capital Improvement | 643,303 | 2,394,089 | (1,750,786) |
| Other Governmental | 13,867,600 | 13,580,221 | 287,379 |
| Total | <u>\$27,349,426</u> | <u>\$27,488,599</u> | <u>(\$139,173)</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:

CITY OF NEWARK, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2023**

Unaudited

| | 2023 Revenues | 2022 Revenues | Increase (Decrease) |
|----------------------------|---------------------|---------------------|------------------------|
| Taxes | \$32,672,932 | \$31,181,220 | \$1,491,712 |
| Intergovernmental Revenues | 2,309,307 | 2,292,750 | 16,557 |
| Charges for Services | 3,931,784 | 3,672,653 | 259,131 |
| Licenses, Permits and Fees | 58,446 | 151,726 | (93,280) |
| Investment Earnings | 2,796,894 | (79,506) | 2,876,400 |
| Fines and Forfeitures | 1,191,637 | 1,163,101 | 28,536 |
| All Other Revenue | 393,233 | 578,468 | (185,235) |
| Total | \$43,354,233 | \$38,960,412 | \$4,393,821 |

General Fund revenues increased \$4,393,821, or 11% when compared with the previous year. An increase in taxes was the result of an increase in income taxes, which can be attributed to improving economic conditions. An increase in charges for services was the result of EMS service charges. An increase in investment earnings was the result of an increase in interest rates as well as changes in the fair value of investments.

| | 2023 Expenditures | 2022 Expenditures | Increase (Decrease) |
|----------------------------------|----------------------|----------------------|------------------------|
| Security of Persons and Property | \$21,529,467 | \$19,206,825 | \$2,322,642 |
| Leisure Time Activities | 1,137,532 | 998,411 | 139,121 |
| Community Environment | 648,157 | 487,465 | 160,692 |
| Transportation | 5,269 | 9,246 | (3,977) |
| General Government | 13,436,544 | 12,489,846 | 946,698 |
| Debt Service: | | | |
| Principal Retirement | 77,118 | 111,632 | (34,514) |
| Interest and Fiscal Charges | 11,203 | 10,594 | 609 |
| Total | \$36,845,290 | \$33,314,019 | \$3,531,271 |

General Fund expenditures increased \$3,531,271, or approximately 11%. Increases in both security of persons and property and general government can be attributed to higher salaries and benefits following new collective bargaining agreements as well as an overall increase in the cost of goods and services.

American Rescue Plant Act Fund – The City reported the expenditure of \$4,419,854 in State and Local Fiscal Recovery funds, as part of the American Rescue Plan Act for various capital improvements. The remaining \$6,918,347 of unspent funds are reflected on the balance sheet as unearned revenue.

Capital Improvement Fund – The City's Capital Improvement Fund balance decreased 73% during 2023, to a balance of \$643,303. This decrease can be attributed to outlays for various infrastructure improvements.

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 2023 the City amended its General Fund budget several times.

For the General Fund, original and final budgeted receipts were not materially different. Actual budget basis receipts were 23% higher than final estimates due mostly to an increase in income tax receipts and investment earnings.. The difference between original, final budgeted, and actual expenditures was insignificant.

***Management's Discussion and Analysis
For the Year Ended December 31, 2023***

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2023 the City had \$248,087,306 net of accumulated depreciation invested in land, construction in progress, buildings, improvements, infrastructure, equipment and vehicles. Of this total, \$97,528,475 was related to governmental activities and \$150,558,831 to the business-type activities. The following tables show 2023 and 2022 balances:

| | Governmental Activities | | Increase (Decrease) |
|-----------------------------------|----------------------------|---------------------|------------------------|
| | 2023 | 2022 | |
| Land | \$21,889,838 | \$21,065,181 | \$824,657 |
| Construction In Progress | 8,552,527 | 6,512,634 | 2,039,893 |
| Buildings | 28,246,490 | 27,682,452 | 564,038 |
| Improvements Other than Buildings | 5,450,934 | 5,153,465 | 297,469 |
| Infrastructure | 97,630,264 | 93,006,939 | 4,623,325 |
| SBITA | 71,730 | 0 | 71,730 |
| Machinery and Equipment | 17,357,247 | 16,264,186 | 1,093,061 |
| Less: Accumulated Depreciation | <u>(81,670,555)</u> | <u>(77,657,099)</u> | <u>(4,013,456)</u> |
| Totals | <u>\$97,528,475</u> | <u>\$92,027,758</u> | <u>\$5,500,717</u> |

Infrastructure additions included developer donated streets in the Overlook, Willow Bend, and Deer Valley developments, as well as routine street improvements. Construction in progress included Cherry Valley Road Bridge replacement, roundabout improvements at Fourth Street and West Main Street, and Thornwood Crossing bridge replacement. Machinery and equipment additions included police cruisers, street department vehicles, and other various public safety equipment purchases. Building additions included improvements to the Reese Ice Rink. Additions to land included various parcels purchased to allow for infrastructure related improvements.

| | Business-Type Activities | | Increase (Decrease) |
|--------------------------------|-----------------------------|----------------------|------------------------|
| | 2023 | 2022 | |
| Land | \$161,800 | \$161,800 | \$0 |
| Construction in Progress | 52,422,748 | 42,905,545 | 9,517,203 |
| Buildings and Improvements | 58,324,326 | 58,255,134 | 69,192 |
| Infrastructure | 69,671,273 | 62,374,581 | 7,296,692 |
| SBITA | 106,625 | 0 | 106,625 |
| Machinery and Equipment | 42,871,811 | 42,632,526 | 239,285 |
| Less: Accumulated Depreciation | <u>(72,999,752)</u> | <u>(69,654,543)</u> | <u>(3,345,209)</u> |
| Totals | <u>\$150,558,831</u> | <u>\$136,675,043</u> | <u>\$13,883,788</u> |

Significant additions to business-type activities capital assets consisted of multiple sewer separation projects, water and storm water improvements at Tamarack and Fortieth Streets, and developer donated infrastructure in the Overlook, Willow Bend, and Deer Valley developments. 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, 2023***

Unaudited

Debt and Other Long-Term Obligations

The following table summarizes the City's debt and other long-term obligations outstanding as of December 31, 2023 and 2022:

| | <u>2023</u> | <u>2022</u> |
|--|-----------------------------|-----------------------------|
| Governmental Activities: | | |
| General Obligation Bonds | \$17,687,200 | \$19,127,931 |
| ODOT State Infrastructure Bank Loan | 3,162,248 | 3,522,181 |
| OPWC Loans | 592,596 | 677,578 |
| Long Term Note Payable | 1,130,000 | 1,125,000 |
| Installment Loans | 2,602,558 | 2,575,347 |
| Workers Compensation Retrospective Liability | 0 | 238,106 |
| SBITA | 49,309 | 0 |
| Accrued Pension Liability | 1,124,350 | 1,199,172 |
| Compensated Absences | 4,066,516 | 3,881,886 |
| Total Governmental Activities | <u>30,414,777</u> | <u>32,347,201</u> |
| Business-Type Activities: | | |
| General Obligation Bonds | 5,963,788 | 6,457,929 |
| Revenue Bonds | 16,800,294 | 17,204,152 |
| OWDA Loans | 72,882,698 | 70,106,626 |
| OPWC Loans | 619,341 | 728,354 |
| ODOT State Infrastructure Bank Loan | 2,375,146 | 2,537,386 |
| SBITA | 73,298 | 0 |
| Compensated Absences | 793,687 | 780,150 |
| Total Business-Type Activities | <u>99,508,252</u> | <u>97,814,597</u> |
| Totals | <u><u>\$129,923,029</u></u> | <u><u>\$130,161,798</u></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, 2023, 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. Over the past few years, the City has seen an increase in commercial and retail development that has provided a positive impact to the tax base.

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. An Amazon distribution complex is located in nearby Etna Township along with two joint economic development zones (JEDZ) have also been created with Etna Township. The former Chase building, now called the Trade Tower has been re-developed. A real estate firm, insurance company, an educational company, and an accounting company now call the Trade Tower home. This has brought around 70 employees to our downtown. A multi-million dollar renovation is occurring at the historic Arcade for business space and residential living. An estimated 75 new jobs are expected. The unemployment in the City remains near the national average.

Income tax collections showed a 5% increase in 2023. The City's budgetary forecasts project that growth trend will continue. The City has focused on increasing its cash position by establishing a Budget Stabilization Fund with a dedicated revenue source provided by legislation.

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: Ryan T. Bubb, City Auditor, 40 West Main Street, Newark, Ohio 43055.



CITY OF NEWARK, OHIO

**Statement of Net Position
December 31, 2023**

| | Governmental Activities | Business-Type Activities | Total |
|--|------------------------------------|-------------------------------------|--------------------|
| Assets: | | | |
| Pooled Cash and Investments | \$ 33,228,822 | \$ 16,107,194 | \$ 49,336,016 |
| Cash and Cash Equivalents in Segregated Accounts | 125,895 | 0 | 125,895 |
| Cash and Cash Equivalents with Fiscal Agent | 0 | 120,256 | 120,256 |
| Investments | 286,489 | 0 | 286,489 |
| Receivables: | | | |
| Taxes | 10,740,842 | 0 | 10,740,842 |
| Accounts | 944,429 | 2,254,291 | 3,198,720 |
| Intergovernmental | 3,537,758 | 0 | 3,537,758 |
| Interest | 127,394 | 0 | 127,394 |
| Loans | 2,416,427 | 0 | 2,416,427 |
| Internal Balance | (108,401) | 108,401 | 0 |
| Inventory of Supplies at Cost | 606,039 | 935,328 | 1,541,367 |
| Prepaid Items | 77,744 | 35,688 | 113,432 |
| Restricted Assets: | | | |
| Cash and Cash Equivalents | 937,131 | 0 | 937,131 |
| Cash and Cash Equivalents with Fiscal Agent | 30,256 | 1,069,447 | 1,099,703 |
| Investments | 258,720 | 0 | 258,720 |
| Investments with Fiscal Agent | 724,478 | 0 | 724,478 |
| Non-Depreciable Capital Assets | 30,442,365 | 52,584,548 | 83,026,913 |
| Depreciable Capital Assets, Net | 67,086,110 | 97,974,283 | 165,060,393 |
| Total Assets | 151,462,498 | 171,189,436 | 322,651,934 |
| Deferred Outflows of Resources: | | | |
| Deferred Charge on Debt Refunding | 105,888 | 113,663 | 219,551 |
| Pension | 19,876,831 | 2,739,122 | 22,615,953 |
| OPEB | 3,090,719 | 434,255 | 3,524,974 |
| Total Deferred Outflows of Resources | 23,073,438 | 3,287,040 | 26,360,478 |
| Liabilities: | | | |
| Accounts Payable | 1,295,278 | 1,561,081 | 2,856,359 |
| Accrued Wages and Benefits | 1,628,449 | 290,343 | 1,918,792 |
| Intergovernmental Payable | 77,537 | 0 | 77,537 |
| Claims Payable | 562,075 | 0 | 562,075 |
| Matured Bonds and Interest Payable | 0 | 13,728 | 13,728 |
| Unearned Revenue | 6,918,347 | 0 | 6,918,347 |
| Accrued Interest Payable | 214,108 | 504,030 | 718,138 |
| General Obligation Notes Payable | 3,940,000 | 6,560,000 | 10,500,000 |
| Noncurrent Liabilities: | | | |
| Due Within One Year | 4,865,322 | 4,419,287 | 9,284,609 |
| Due in More Than One Year: | | | |
| Net Pension Liability | 55,690,138 | 6,756,184 | 62,446,322 |
| Net OPEB Liability | 3,421,503 | 146,570 | 3,568,073 |
| Other Amounts Due in More Than One Year | 25,549,455 | 95,088,965 | 120,638,420 |
| Total Liabilities | 104,162,212 | 115,340,188 | 219,502,400 |

(Continued)

CITY OF NEWARK, OHIO

| | Governmental Activities | Business-Type Activities | Total |
|--|------------------------------------|-------------------------------------|-----------------------|
| Deferred Inflows of Resources: | | | |
| Property Tax Levy for Next Fiscal Year | 5,283,811 | 0 | 5,283,811 |
| Pension | 2,719,366 | 0 | 2,719,366 |
| OPEB | 3,709,774 | 48,342 | 3,758,116 |
| Total Deferred Inflows of Resources | 11,712,951 | 48,342 | 11,761,293 |
| Net Position: | | | |
| Net Investment in Capital Assets | 70,344,843 | 48,699,388 | 119,044,231 |
| Restricted For: | | | |
| Capital Projects | 448,451 | 0 | 448,451 |
| Debt Service | 1,860,075 | 0 | 1,860,075 |
| Security of Persons | 1,685,888 | 0 | 1,685,888 |
| Street Improvement | 4,369,091 | 0 | 4,369,091 |
| Community Environment | 2,889,037 | 0 | 2,889,037 |
| Judiciary | 1,753,911 | 0 | 1,753,911 |
| Cemetery Maintenance | 1,392,820 | 0 | 1,392,820 |
| Other Purposes | 77,929 | 0 | 77,929 |
| Unrestricted (Deficit) | (26,161,272) | 10,388,558 | (15,772,714) |
| Total Net Position | \$ 58,660,773 | \$ 59,087,946 | \$ 117,748,719 |

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

**Statement of Activities
For the Year Ended December 31, 2023**

| | Expenses | Program Revenues | | |
|---------------------------------------|----------------------|--------------------------------------|--|--|
| | | Charges for Services and Sales | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental Activities: | | | | |
| Security of Persons and Property | \$ 26,817,842 | \$ 3,761,586 | \$ 1,870,161 | \$ 0 |
| Leisure Time Activities | 1,220,988 | 0 | 0 | 0 |
| Community Environment | 1,898,035 | 550,410 | 1,026,916 | 0 |
| Public Health and Welfare Services | 217,016 | 204,040 | 263,474 | 0 |
| Transportation | 5,692,765 | 0 | 3,892,808 | 2,701,172 |
| General Government | 17,857,924 | 1,172,367 | 3,899,854 | 0 |
| Interest and Fiscal Charges | 1,051,589 | 0 | 0 | 0 |
| Total Governmental Activities | 54,756,159 | 5,688,403 | 10,953,213 | 2,701,172 |
| Business-Type Activities: | | | | |
| Water | 8,114,720 | 7,455,890 | 37,500 | 3,726,413 |
| Sewer | 8,936,187 | 11,125,276 | 0 | 1,490,364 |
| Storm Water | 3,053,630 | 3,366,375 | 0 | 818,083 |
| Total Business-Type Activities | 20,104,537 | 21,947,541 | 37,500 | 6,034,860 |
| Totals | \$ 74,860,696 | \$ 27,635,944 | \$ 10,990,713 | \$ 8,736,032 |

General Revenues

Property Taxes Levied for:

General Purposes

Special Purposes

Capital Purposes

Income Tax

Other Local Taxes

Intergovernmental, Unrestricted

Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Position

Net Position Beginning of Year - Restated

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 |
|----------------------------|-----------------------------|------------------------|
| \$ (21,186,095) | \$ 0 | \$ (21,186,095) |
| (1,220,988) | 0 | (1,220,988) |
| (320,709) | 0 | (320,709) |
| 250,498 | 0 | 250,498 |
| 901,215 | 0 | 901,215 |
| (12,785,703) | 0 | (12,785,703) |
| (1,051,589) | 0 | (1,051,589) |
| <u>(35,413,371)</u> | <u>0</u> | <u>(35,413,371)</u> |
| 0 | 3,105,083 | 3,105,083 |
| 0 | 3,679,453 | 3,679,453 |
| 0 | 1,130,828 | 1,130,828 |
| <u>0</u> | <u>7,915,364</u> | <u>7,915,364</u> |
| <u>\$ (35,413,371)</u> | <u>\$ 7,915,364</u> | <u>\$ (27,498,007)</u> |
| 2,701,792 | 0 | 2,701,792 |
| 537,970 | 0 | 537,970 |
| 724,933 | 0 | 724,933 |
| 29,588,501 | 0 | 29,588,501 |
| 626,148 | 0 | 626,148 |
| 2,132,603 | 0 | 2,132,603 |
| 2,978,659 | 42,529 | 3,021,188 |
| 696,974 | 0 | 696,974 |
| <u>39,987,580</u> | <u>42,529</u> | <u>40,030,109</u> |
| 4,574,209 | 7,957,893 | 12,532,102 |
| 54,086,564 | 51,130,053 | 105,216,617 |
| <u>\$ 58,660,773</u> | <u>\$ 59,087,946</u> | <u>\$ 117,748,719</u> |

CITY OF NEWARK, OHIO

**Balance Sheet
Governmental Funds
December 31, 2023**

| | General | American Rescue Plan Act | Capital Improvement |
|--|----------------------|--------------------------------|------------------------|
| Assets: | | | |
| Pooled Cash and Investments | \$ 11,560,919 | \$ 7,088,399 | \$ 4,455,316 |
| Cash and Cash Equivalents in Segregated Accounts | 86,015 | 0 | 0 |
| Investments | 0 | 0 | 211,466 |
| Receivables: | | | |
| Taxes | 9,239,228 | 0 | 0 |
| Accounts | 942,151 | 0 | 0 |
| Intergovernmental | 984,822 | 0 | 0 |
| Interest | 121,221 | 0 | 3,040 |
| Loans | 0 | 0 | 0 |
| Interfund Loans Receivable | 3,126 | 0 | 0 |
| Inventory of Supplies, at Cost | 183,734 | 0 | 0 |
| Prepaid Items | 77,744 | 0 | 0 |
| Restricted Assets: | | | |
| Cash and Cash Equivalents | 0 | 0 | 0 |
| Investments | 0 | 0 | 0 |
| Investments with Fiscal Agent | 0 | 0 | 0 |
| Total Assets | \$ 23,198,960 | \$ 7,088,399 | \$ 4,669,822 |
| Liabilities: | | | |
| Accounts Payable | \$ 527,549 | \$ 170,052 | \$ 36,407 |
| Accrued Wages and Benefits Payable | 1,476,334 | 0 | 0 |
| Intergovernmental Payable | 74,814 | 0 | 0 |
| Claims Payable | 71,065 | 0 | 0 |
| Unearned Revenue | 0 | 6,918,347 | 0 |
| Interfund Loans Payable | 0 | 0 | 0 |
| Compensated Absences Payable | 17,957 | 0 | 0 |
| Accrued Interest Payable | 0 | 0 | 50,112 |
| General Obligation Notes Payable | 0 | 0 | 3,940,000 |
| Total Liabilities | 2,167,719 | 7,088,399 | 4,026,519 |
| Deferred Inflows of Resources: | | | |
| Unavailable Amounts | 4,396,907 | 0 | 0 |
| Property Tax Levy for Next Fiscal Year | 3,795,811 | 0 | 0 |
| Total Deferred Inflows of Resources | 8,192,718 | 0 | 0 |
| Fund Balance: | | | |
| Nonspendable | 261,478 | 0 | 0 |
| Restricted | 0 | 0 | 0 |
| Committed | 0 | 0 | 1,122,305 |
| Assigned | 8,613,297 | 0 | 0 |
| Unassigned | 3,963,748 | 0 | (479,002) |
| Total Fund Balance | 12,838,523 | 0 | 643,303 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | \$ 23,198,960 | \$ 7,088,399 | \$ 4,669,822 |

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

| Other Governmental Funds | Total Governmental Funds |
|--------------------------------|--------------------------------|
| \$ 9,521,870 | \$ 32,626,504 |
| 39,880 | 125,895 |
| 75,023 | 286,489 |
| 1,501,614 | 10,740,842 |
| 2,278 | 944,429 |
| 2,552,936 | 3,537,758 |
| 497 | 124,758 |
| 2,416,427 | 2,416,427 |
| 0 | 3,126 |
| 422,305 | 606,039 |
| 0 | 77,744 |
| 937,131 | 937,131 |
| 258,720 | 258,720 |
| 724,478 | 724,478 |
| <u>\$ 18,453,159</u> | <u>\$ 53,410,340</u> |
| | |
| \$ 561,270 | \$ 1,295,278 |
| 152,115 | 1,628,449 |
| 2,723 | 77,537 |
| 0 | 71,065 |
| 0 | 6,918,347 |
| 3,126 | 3,126 |
| 0 | 17,957 |
| 0 | 50,112 |
| 0 | 3,940,000 |
| <u>719,234</u> | <u>14,001,871</u> |
| | |
| 2,378,325 | 6,775,232 |
| 1,488,000 | 5,283,811 |
| <u>3,866,325</u> | <u>12,059,043</u> |
| | |
| 422,305 | 683,783 |
| 11,979,439 | 11,979,439 |
| 0 | 1,122,305 |
| 1,466,942 | 10,080,239 |
| (1,086) | 3,483,660 |
| <u>13,867,600</u> | <u>27,349,426</u> |
| | |
| <u>\$ 18,453,159</u> | <u>\$ 53,410,340</u> |

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2023***

| | | |
|--|--------------------|-----------------------------|
| Total Governmental Fund Balances | | \$ 27,349,426 |
| <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. | | 97,528,475 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. | | 6,775,232 |
| The net pension and OPEB liabilities are not due and payable in the current period, therefore, the liabilities and related deferred inflows/outflows are not reported in the governmental funds. | | |
| Deferred Outflows - Pension | 19,876,831 | |
| Deferred Inflows - Pension | (2,719,366) | |
| Net Pension Liability | (55,690,138) | |
| Deferred Outflows - OPEB | 3,090,719 | |
| Deferred Inflows - OPEB | (3,709,774) | |
| Net OPEB Liability | <u>(3,421,503)</u> | (42,573,231) |
| 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. | | 35,799 |
| 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 | (17,687,200) | |
| Deferred Charge on Debt Refunding | 105,888 | |
| ODOT State Infrastructure Bank Loan | (3,162,248) | |
| Long Term Note Payable | (1,130,000) | |
| Ohio Public Works Commission Loan | (592,596) | |
| Installment Loans Payable | (2,602,558) | |
| SBITA Payable | (49,309) | |
| Accrued Pension Liability | (1,124,350) | |
| Compensated Absences Payable | (4,048,559) | |
| Accrued Interest Payable | <u>(163,996)</u> | <u>(30,454,928)</u> |
| <i>Net Position of Governmental Activities</i> | | <u>\$ 58,660,773</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, 2023**

| | General | American Rescue Plan Act | Capital Improvement |
|--|----------------------|--------------------------------|------------------------|
| Revenues: | | | |
| Taxes | \$ 32,672,932 | \$ 0 | \$ 0 |
| Intergovernmental Revenues | 2,309,307 | 4,419,854 | 840,201 |
| Charges for Services | 3,931,784 | 0 | 0 |
| Licenses, Permits and Fees | 58,446 | 0 | 0 |
| Investment Earnings | 2,796,894 | 0 | 30,683 |
| Special Assessments | 0 | 0 | 0 |
| Fines and Forfeitures | 1,191,637 | 0 | 0 |
| All Other Revenue | 393,233 | 0 | 101,220 |
| Total Revenues | 43,354,233 | 4,419,854 | 972,104 |
| Expenditures: | | | |
| Current: | | | |
| Security of Persons and Property | 21,529,467 | 532,748 | 0 |
| Public Health and Welfare Services | 0 | 0 | 0 |
| Leisure Time Activities | 1,137,532 | 0 | 0 |
| Community Environment | 648,157 | 0 | 0 |
| Transportation | 5,269 | 0 | 0 |
| General Government | 13,436,544 | 3,887,106 | 0 |
| Capital Outlay | 0 | 0 | 4,304,209 |
| Debt Service: | | | |
| Principal Retirement | 77,118 | 0 | 1,828,302 |
| Interest and Fiscal Charges | 11,203 | 0 | 304,415 |
| Total Expenditures | 36,845,290 | 4,419,854 | 6,436,926 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 6,508,943 | 0 | (5,464,822) |
| Other Financing Sources (Uses): | | | |
| Sale of Capital Assets | 4,263 | 0 | 0 |
| Other Financing Sources - SBITA | 71,730 | 0 | 0 |
| Loan Issuance | 0 | 0 | 785,210 |
| Long Term Note Issuance | 0 | 0 | 1,130,000 |
| Transfers In | 0 | 0 | 2,017,088 |
| Transfers Out | (5,260,702) | 0 | (218,262) |
| Total Other Financing Sources (Uses) | (5,184,709) | 0 | 3,714,036 |
| Net Change in Fund Balance | 1,324,234 | 0 | (1,750,786) |
| Fund Balance at Beginning of Year - Restated | 11,514,289 | 0 | 2,394,089 |
| Fund Balance End of Year | \$ 12,838,523 | \$ 0 | \$ 643,303 |

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

| Other Governmental Funds | Total Governmental Funds |
|--------------------------------|--------------------------------|
| \$ 1,261,537 | \$ 33,934,469 |
| 6,050,369 | 13,619,731 |
| 6,827 | 3,938,611 |
| 0 | 58,446 |
| 122,417 | 2,949,994 |
| 142,539 | 142,539 |
| 431,771 | 1,623,408 |
| 202,521 | 696,974 |
| 8,217,981 | 56,964,172 |
| 1,480,565 | 23,542,780 |
| 217,016 | 217,016 |
| 0 | 1,137,532 |
| 1,196,887 | 1,845,044 |
| 4,762,070 | 4,767,339 |
| 1,089,963 | 18,413,613 |
| 18,940 | 4,323,149 |
| 1,829,915 | 3,735,335 |
| 797,122 | 1,112,740 |
| 11,392,478 | 59,094,548 |
| (3,174,497) | (2,130,376) |
| 0 | 4,263 |
| 0 | 71,730 |
| 0 | 785,210 |
| 0 | 1,130,000 |
| 3,461,876 | 5,478,964 |
| 0 | (5,478,964) |
| 3,461,876 | 1,991,203 |
| 287,379 | (139,173) |
| 13,580,221 | 27,488,599 |
| \$ 13,867,600 | \$ 27,349,426 |

CITY OF NEWARK, OHIO

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For the Year Ended December 31, 2023***

Net Change in Fund Balances - Total Governmental Funds \$ (139,173)

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

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

| | | |
|----------------------|-------------|-----------|
| Capital Outlay | 8,723,597 | |
| Depreciation Expense | (5,072,001) | 3,651,596 |

Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources. 1,860,971

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. (11,850)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 476,560

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows:

| | | |
|---------|-----------|-----------|
| Pension | 3,866,374 | |
| OPEB | 64,735 | 3,931,109 |

Except for amounts reported as deferred inflows/outflows, changes in the net pension and OPEB liabilities are reported as pension/OPEB expense in the statement of activities:

| | | |
|---------|-------------|-------------|
| Pension | (7,205,153) | |
| OPEB | 423,834 | (6,781,319) |

The issuance of long-term debt provides current financial resources to governmental funds, however, has no effect on net position.

| | | |
|---------------------------|-------------|-------------|
| Long Term Note Issuance | (1,130,000) | |
| Installment Loan Issuance | (785,210) | |
| SBITA Issuance | (71,730) | (1,986,940) |

(Continued)

CITY OF NEWARK, OHIO

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.

| | | |
|--|-----------|-----------|
| Deferred Charge on Debt Refunding Amortization | (14,450) | |
| Bond Premium Amortization | 55,731 | |
| General Obligation Bond Principal Payment | 1,385,000 | |
| OPWC Loan Principal Payment | 84,982 | |
| ODOT State Infrastructure Bank Loan Retirement | 359,933 | |
| Long Term Note Retirement | 1,125,000 | |
| Installment Loan Principal Retirement | 757,999 | |
| SBITA Retirement | 22,421 | |
| Pension Liability Principal Payment | 74,822 | 3,851,438 |

In the statement of activities, interest is accrued on outstanding bonds, whereas governmental funds, an interest expenditure is reported when due. 19,870

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 | (169,319) | |
| Worker's Compensation Retrospective Liability | 238,106 | 68,787 |

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. (366,840)

Change in Net Position of Governmental Activities \$ 4,574,209

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, 2023**

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|---------------------|--------------------|----------------------|---|
| Revenues: | | | | |
| Taxes | \$ 28,236,669 | \$ 28,236,669 | \$ 32,794,528 | \$ 4,557,859 |
| Intergovernmental Revenue | 2,261,453 | 2,261,453 | 2,334,455 | 73,002 |
| Charges for Services | 3,230,675 | 3,230,675 | 3,919,911 | 689,236 |
| Licenses, Permits and Fees | 139,400 | 139,400 | 58,746 | (80,654) |
| Investment Earnings | 360,240 | 360,240 | 2,754,503 | 2,394,263 |
| Fines and Forfeitures | 1,142,510 | 1,142,510 | 1,191,635 | 49,125 |
| All Other Revenue | 92,950 | 92,950 | 394,358 | 301,408 |
| Total Revenues | <u>35,463,897</u> | <u>35,463,897</u> | <u>43,448,136</u> | <u>7,984,239</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | 21,923,993 | 22,720,454 | 22,086,773 | 633,681 |
| Leisure Time Activities | 1,441,295 | 1,550,455 | 1,215,038 | 335,417 |
| Community Environment | 999,299 | 687,888 | 642,655 | 45,233 |
| General Government | 14,598,943 | 15,781,715 | 14,987,669 | 794,046 |
| Total Expenditures | <u>38,963,530</u> | <u>40,740,512</u> | <u>38,932,135</u> | <u>1,808,377</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (3,499,633) | (5,276,615) | 4,516,001 | 9,792,616 |
| Other Financing Sources (Uses): | | | | |
| Sale of Capital Assets | 53,000 | 53,000 | 4,263 | (48,737) |
| Transfers In | 1,421,050 | 1,421,050 | 1,970,981 | 549,931 |
| Transfers Out | (5,638,152) | (6,658,766) | (6,658,766) | 0 |
| Advances In | 0 | 0 | 7,712 | 7,712 |
| Advances Out | 0 | (3,126) | (3,126) | 0 |
| Total Other Financing Sources (Uses): | <u>(4,164,102)</u> | <u>(5,187,842)</u> | <u>(4,678,936)</u> | <u>508,906</u> |
| Net Change in Fund Balance | (7,663,735) | (10,464,457) | (162,935) | 10,301,522 |
| Fund Balance at Beginning of Year - Restated | 9,003,276 | 9,003,276 | 9,003,276 | 0 |
| Prior Year Encumbrances | 1,596,139 | 1,596,139 | 1,596,139 | 0 |
| Fund Balance at End of Year | <u>\$ 2,935,680</u> | <u>\$ 134,958</u> | <u>\$ 10,436,480</u> | <u>\$ 10,301,522</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)
American Rescue Plan Act Fund
For the Year Ended December 31, 2023**

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|--------------------|--------------|--------------|---|
| Revenues: | | | | |
| Intergovernmental Revenues | \$ 0 | \$ 520,000 | \$ 619,640 | \$ 99,640 |
| Total Revenues | 0 | 520,000 | 619,640 | 99,640 |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | 11,747,178 | 12,349,714 | 12,300,410 | 49,304 |
| Security of Persons and Property | 0 | 532,748 | 532,748 | 0 |
| Total Expenditures | 11,747,178 | 12,882,462 | 12,833,158 | 49,304 |
| Net Change in Fund Balance | (11,747,178) | (12,362,462) | (12,213,518) | 148,944 |
| Fund Balance at Beginning of Year | 789,194 | 789,194 | 789,194 | 0 |
| Prior Year Encumbrances | 11,747,178 | 11,747,178 | 11,747,178 | 0 |
| Fund Balance at End of Year | \$ 789,194 | \$ 173,910 | \$ 322,854 | \$ 148,944 |

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2023**

| | Business-Type Activities | | | |
|---|--------------------------|--------------------|-------------------|--------------------|
| | Enterprise Funds | | | |
| | Water | Sewer | Storm Water | Total |
| Assets: | | | | |
| Current Assets: | | | | |
| Pooled Cash and Investments | \$ 6,324,097 | \$ 7,608,894 | \$ 2,174,203 | \$ 16,107,194 |
| Cash and Cash Equivalents with Fiscal Agent | 120,256 | 0 | 0 | 120,256 |
| Receivables: | | | | |
| Accounts | 969,345 | 969,345 | 315,601 | 2,254,291 |
| Interest | 0 | 0 | 0 | 0 |
| Inventory of Supplies at Cost | 400,891 | 394,106 | 140,331 | 935,328 |
| Prepaid Items | 17,797 | 17,610 | 281 | 35,688 |
| Total Current Assets | 7,832,386 | 8,989,955 | 2,630,416 | 19,452,757 |
| Noncurrent Assets: | | | | |
| Restricted Assets: | | | | |
| Cash and Cash Equivalents with Fiscal Agent | 1,055,742 | 13,705 | 0 | 1,069,447 |
| Total Restricted Assets | 1,055,742 | 13,705 | 0 | 1,069,447 |
| Non Depreciable Capital Assets | 17,190,828 | 33,754,008 | 1,639,712 | 52,584,548 |
| Depreciable Capital Assets, Net | 19,494,478 | 62,635,930 | 15,843,875 | 97,974,283 |
| Total Noncurrent Assets | 37,741,048 | 96,403,643 | 17,483,587 | 151,628,278 |
| Total Assets | 45,573,434 | 105,393,598 | 20,114,003 | 171,081,035 |
| Deferred Outflows of Resources: | | | | |
| Deferred Charge on Debt Refunding | 0 | 0 | 113,663 | 113,663 |
| Pension | 1,287,388 | 1,287,388 | 164,346 | 2,739,122 |
| OPEB | 204,100 | 204,100 | 26,055 | 434,255 |
| Total Deferred Outflows of Resources | 1,491,488 | 1,491,488 | 304,064 | 3,287,040 |
| Liabilities: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable | 1,171,251 | 312,355 | 77,475 | 1,561,081 |
| Accrued Wages and Benefits | 177,309 | 99,126 | 13,908 | 290,343 |
| Claims Payable | 0 | 0 | 0 | 0 |
| Compensated Absences Payable - Current | 357,491 | 154,492 | 45,030 | 557,013 |
| Accrued Interest Payable | 127,780 | 310,973 | 65,277 | 504,030 |
| General Obligation Notes Payable | 3,085,000 | 560,000 | 2,915,000 | 6,560,000 |
| General Obligation Bonds Payable - Current | 108,000 | 60,000 | 322,000 | 490,000 |
| Revenue Bonds Payable - Current | 380,000 | 0 | 0 | 380,000 |
| OWDA Loans Payable - Current | 166,343 | 2,269,417 | 248,646 | 2,684,406 |
| OPWC Loans Payable - Current | 0 | 105,229 | 0 | 105,229 |
| SBITA Payable - Current | 11,358 | 17,748 | 6,389 | 35,495 |
| State Infrastructure Bank Loan - Current | 51,397 | 51,397 | 64,350 | 167,144 |
| Total Current Liabilities | 5,635,929 | 3,940,737 | 3,758,075 | 13,334,741 |

CITY OF NEWARK, OHIO

Governmental
Activities -
Internal Service
Funds

\$ 602,318
0

0
2,636
0
0

604,954

30,256

30,256

0
0

30,256

635,210

0
0
0

0

0
0
491,010
0
0
0
0
0
0
0
0
0
0

491,010

(Continued)

CITY OF NEWARK, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2023**

| | Business-Type Activities | | | Total |
|--|--------------------------|----------------------|---------------------|----------------------|
| | Enterprise Funds | | | |
| | Water | Sewer | Storm Water | |
| Noncurrent Liabilities: | | | | |
| Matured Bonds and Interest Payable | 23 | 13,705 | 0 | 13,728 |
| General Obligation Bonds Payable | 972,750 | 573,750 | 3,927,288 | 5,473,788 |
| Revenue Bonds Payable | 16,420,294 | 0 | 0 | 16,420,294 |
| OWDA Loans Payable | 2,239,988 | 66,012,248 | 1,946,056 | 70,198,292 |
| OPWC Loans Payable | 0 | 514,112 | 0 | 514,112 |
| SBITA Payable | 12,097 | 18,901 | 6,805 | 37,803 |
| State Infrastructure Bank Loans Payable | 678,961 | 678,960 | 850,081 | 2,208,002 |
| Compensated Absences Payable | 140,925 | 75,659 | 20,090 | 236,674 |
| Net Pension Liability | 3,175,406 | 3,175,408 | 405,370 | 6,756,184 |
| Net OPEB Liability | 68,886 | 68,890 | 8,794 | 146,570 |
| Total Noncurrent Liabilities | 23,709,330 | 71,131,633 | 7,164,484 | 102,005,447 |
| Total Liabilities | 29,345,259 | 75,072,370 | 10,922,559 | 115,340,188 |
| Deferred Inflows of Resources: | | | | |
| OPEB | 22,722 | 22,718 | 2,902 | 48,342 |
| Total Deferred Inflows of Resources | 22,722 | 22,718 | 2,902 | 48,342 |
| Net Position: | | | | |
| Net Investment in Capital Assets | 15,860,577 | 25,528,176 | 7,310,635 | 48,699,388 |
| Unrestricted | 1,836,364 | 6,261,822 | 2,181,971 | 10,280,157 |
| Total Net Position | \$ 17,696,941 | \$ 31,789,998 | \$ 9,492,606 | \$ 58,979,545 |
| Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds. | | | | 108,401 |
| Net Position of Business-type Activities | | | | \$ 59,087,946 |

See accompanying notes to the basic financial statements

Governmental
Activities -
Internal Service
Funds

| |
|---------|
| 0 |
| 0 |
| 0 |
| 0 |
| 0 |
| 0 |
| 0 |
| 0 |
| 0 |
| 0 |
| 0 |
| 0 |
| <hr/> |
| 0 |
| <hr/> |
| 491,010 |
| <hr/> |

| |
|-------|
| 0 |
| <hr/> |
| 0 |
| <hr/> |

| |
|------------|
| 0 |
| 144,200 |
| <hr/> |
| \$ 144,200 |
| <hr/> |

CITY OF NEWARK, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2023**

| | Business-Type Activities | | | Total |
|--|--------------------------|----------------------|---------------------|----------------------|
| | Enterprise Funds | | | |
| | Water | Sewer | Storm Water | |
| Operating Revenues: | | | | |
| Charges for Services | \$ 7,253,218 | \$ 10,174,511 | \$ 3,307,837 | \$ 20,735,566 |
| Other Operating Revenues | 202,672 | 950,765 | 58,538 | 1,211,975 |
| Total Operating Revenues | 7,455,890 | 11,125,276 | 3,366,375 | 21,947,541 |
| Operating Expenses: | | | | |
| Personal Services | 2,595,862 | 3,249,908 | 337,955 | 6,183,725 |
| Contractual Services | 2,138,461 | 1,630,414 | 1,562,874 | 5,331,749 |
| Materials and Supplies | 1,652,968 | 801,603 | 430,884 | 2,885,455 |
| Depreciation | 829,136 | 2,205,356 | 310,717 | 3,345,209 |
| Total Operating Expenses | 7,216,427 | 7,887,281 | 2,642,430 | 17,746,138 |
| Operating Income (Loss) | 239,463 | 3,237,995 | 723,945 | 4,201,403 |
| Non-Operating Revenues (Expenses): | | | | |
| Interest Income | 20,258 | 22,271 | 0 | 42,529 |
| Interest and Fiscal Charges | (883,186) | (1,042,615) | (322,730) | (2,248,531) |
| Other Nonoperating Expense | (15,107) | (6,291) | 0 | (21,398) |
| Total Non-Operating Revenues (Expenses) | (878,035) | (1,026,635) | (322,730) | (2,227,400) |
| Income (Loss) Before Transfers and Contributions | (638,572) | 2,211,360 | 401,215 | 1,974,003 |
| Transfers and Contributions: | | | | |
| Transfers In | 11,079 | 146,139 | 300,000 | 457,218 |
| Transfers Out | (20,080) | (311,079) | (126,059) | (457,218) |
| Capital Contributions | 3,763,913 | 1,490,364 | 818,083 | 6,072,360 |
| Total Transfers and Contributions | 3,754,912 | 1,325,424 | 992,024 | 6,072,360 |
| Change in Net Position | 3,116,340 | 3,536,784 | 1,393,239 | 8,046,363 |
| Net Position Beginning of Year | 14,580,601 | 28,253,214 | 8,099,367 | 50,933,182 |
| Net Position End of Year | \$ 17,696,941 | \$ 31,789,998 | \$ 9,492,606 | \$ 58,979,545 |
| Change in Net Position - Total Enterprise Funds | | | | \$ 8,046,363 |
| Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds. | | | | (88,470) |
| Change in Net Position - Business-type Activities | | | | \$ 7,957,893 |

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

Governmental
Activities -
Internal Service
Funds

\$ 6,503,598
0
6,503,598

6,987,573
0
0
0
6,987,573

(483,975)

28,665
0
0
28,665

(455,310)

0
0
0
0

(455,310)

599,510
\$ 144,200

CITY OF NEWARK, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023**

| | Business-Type Activities | | |
|--|--------------------------|--------------|-------------|
| | Enterprise Funds | | |
| | Water | Sewer | Storm Water |
| <u>Cash Flows from Operating Activities:</u> | | | |
| Cash Received from Customers | \$7,609,511 | \$11,278,897 | \$3,416,391 |
| Cash Received for Interfund Services | 0 | 0 | 0 |
| Cash Payments for Goods and Services | (3,595,217) | (2,361,919) | (1,915,093) |
| Cash Payments to Employees | (2,593,110) | (3,135,757) | (316,781) |
| Net Cash Provided (Used) by Operating Activities | 1,421,184 | 5,781,221 | 1,184,517 |
| <u>Cash Flows from Noncapital Financing Activities:</u> | | | |
| Transfers In from Other Funds | 11,079 | 146,139 | 300,000 |
| Transfers Out to Other Funds | (20,080) | (311,079) | (126,059) |
| Net Cash Provided (Used) by Noncapital Financing Activities | (9,001) | (164,940) | 173,941 |
| <u>Cash Flows from Capital and Related Financing Activities:</u> | | | |
| Acquisition and Construction of Assets | (6,340,298) | (7,007,175) | (175,212) |
| Capital Grants | 2,629,170 | 500,000 | 0 |
| Premium on Debt Issued | 17,029 | 5,078 | 13,883 |
| General Obligation Notes Issued | 3,085,000 | 560,000 | 2,915,000 |
| General Obligation Note Retirement | (2,835,000) | (550,000) | (3,015,000) |
| Principal Paid on General Obligation Bonds | (105,750) | (58,750) | (315,500) |
| Principal Paid on Revenue Bonds | (365,000) | 0 | 0 |
| Ohio Water Development Authority Loans Issued | 745,732 | 6,185,594 | 0 |
| Principal Paid on State Infrastructure Bank Loans | (49,889) | (49,889) | (62,462) |
| Principal Paid on Ohio Water Development Authority Loans | (160,379) | (3,705,069) | (289,806) |
| Principal Paid on Ohio Public Works Commission Loans | 0 | (109,013) | 0 |
| SBITA Principal Retirement | (10,665) | (16,664) | (5,999) |
| Interest Paid on All Debt | (933,469) | (1,073,332) | (331,296) |
| Net Cash Used by Capital and Related Financing Activities | (4,323,519) | (5,319,220) | (1,266,392) |
| <u>Cash Flows from Investing Activities:</u> | | | |
| Receipts of Interest | 20,258 | 22,271 | 0 |
| Net Cash Provided by Investing Activities | 20,258 | 22,271 | 0 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (2,891,078) | 319,332 | 92,066 |
| Cash and Cash Equivalents at Beginning of Year | 10,391,173 | 7,303,267 | 2,082,137 |
| Cash and Cash Equivalents at End of Year | \$7,500,095 | \$7,622,599 | \$2,174,203 |
| <u>Reconciliation of Cash and</u> | | | |
| <u>Cash Equivalents per the Statement of Net Position:</u> | | | |
| Cash and Cash Equivalents | \$6,324,097 | \$7,608,894 | \$2,174,203 |
| Cash with Fiscal Agent | 120,256 | 0 | 0 |
| Restricted Cash with Fiscal Agent | 1,055,742 | 13,705 | 0 |
| Cash and Cash Equivalents at End of Year | \$7,500,095 | \$7,622,599 | \$2,174,203 |

CITY OF NEWARK, OHIO

| Total | Governmental- Activities Internal Service |
|---------------------|---|
| \$22,304,799 | \$0 |
| 0 | 6,503,598 |
| (7,872,229) | 0 |
| <u>(6,045,648)</u> | <u>(6,857,000)</u> |
| 8,386,922 | (353,402) |
| 457,218 | 0 |
| <u>(457,218)</u> | <u>0</u> |
| 0 | 0 |
| (13,522,685) | 0 |
| 3,129,170 | 0 |
| 35,990 | 0 |
| 6,560,000 | 0 |
| (6,400,000) | 0 |
| (480,000) | 0 |
| (365,000) | 0 |
| 6,931,326 | 0 |
| (162,240) | 0 |
| (4,155,254) | 0 |
| (109,013) | 0 |
| (33,328) | 0 |
| <u>(2,338,097)</u> | <u>0</u> |
| (10,909,131) | 0 |
| 42,529 | 28,210 |
| <u>42,529</u> | <u>28,210</u> |
| (2,479,680) | (325,192) |
| <u>19,776,577</u> | <u>957,766</u> |
| <u>\$17,296,897</u> | <u>\$632,574</u> |
| \$16,107,194 | \$602,318 |
| 120,256 | 0 |
| 1,069,447 | 30,256 |
| <u>\$17,296,897</u> | <u>\$632,574</u> |

(Continued)

CITY OF NEWARK, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023**

| | Business-Type Activities | | |
|--|--------------------------|-------------|-------------|
| | Enterprise Funds | | |
| | Water | Sewer | Storm Water |
| <u>Reconciliation of Operating Income (Loss) to Net Cash</u> | | | |
| <u>Provided (Used) by Operating Activities:</u> | | | |
| Operating Income (Loss) | \$239,463 | \$3,237,995 | \$723,945 |
| Adjustments to Reconcile Operating Income (Loss) to | | | |
| Net Cash Provided (Used) by Operating Activities: | | | |
| Depreciation Expense | 829,136 | 2,205,356 | 310,717 |
| Nonoperating Expense | (16,709) | (9,429) | 0 |
| Changes in Assets, Liabilities, and Deferred Outflows/Inflows: | | | |
| Decrease in Accounts Receivable | 153,621 | 153,621 | 50,016 |
| (Increase) Decrease in Inventory | (40,843) | (3,973) | 23,452 |
| Increase in Prepaid Items | (1,290) | (1,277) | (20) |
| Decrease in Net OPEB Asset | 343,327 | 369,814 | 43,892 |
| Increase in Deferred Outflows of Resources | (1,063,031) | (895,847) | (135,976) |
| Increase in Accounts Payable | 255,054 | 84,777 | 55,233 |
| Increase (Decrease) in Accrued Wages and Benefits | (7,646) | 15,829 | 2,340 |
| Increase in Claims Payable | 0 | 0 | 0 |
| Increase (Decrease) in Compensated Absences | 32,277 | (23,455) | 4,715 |
| Increase in Net Pension Liability | 2,236,240 | 2,163,779 | 285,305 |
| Increase in Net OPEB Liability | 68,886 | 68,890 | 8,794 |
| Decrease in Deferred Inflows of Resources | (1,607,301) | (1,584,859) | (187,896) |
| Total Adjustments | 1,181,721 | 2,543,226 | 460,572 |
| Net Cash Provided (Used) by Operating Activities | \$1,421,184 | \$5,781,221 | \$1,184,517 |

Schedule of Noncash Investing, Capital and Financing Activities:

During 2023 the Water Fund, Sewer Fund, and Storm Water Fund received noncash capital contributions of \$1,134,743, \$990,364, and \$818,083, respectively.

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

| <u>Total</u> | <u>Governmental- Activities Internal Service</u> |
|--------------------|--|
| \$4,201,403 | (\$483,975) |
| 3,345,209 | 0 |
| (26,138) | 0 |
| 357,258 | 0 |
| (21,364) | 0 |
| (2,587) | 0 |
| 757,033 | 0 |
| (2,094,854) | 0 |
| 395,064 | 0 |
| 10,523 | 0 |
| 0 | 130,573 |
| 13,537 | 0 |
| 4,685,324 | 0 |
| 146,570 | 0 |
| (3,380,056) | 0 |
| <u>4,185,519</u> | <u>130,573</u> |
| <u>\$8,386,922</u> | <u>(\$353,402)</u> |

CITY OF NEWARK, OHIO

***Statement of Net Position
Fiduciary Funds
December 31, 2023***

| | <u>Custodial</u> |
|---------------------------|-------------------|
| Assets: | |
| Cash and Cash Equivalents | \$ 1,406,864 |
| Receivables: | |
| Taxes | 2,455,392 |
| Accounts | 3,901 |
| Total Assets | <u>3,866,157</u> |
| Liabilities: | |
| Intergovernmental Payable | 3,539,059 |
| Due to Others | 3,901 |
| Total Liabilities | <u>3,542,960</u> |
| Net Position: | |
| Restricted For: | |
| Court Bonds | 323,197 |
| Total Net Position | <u>\$ 323,197</u> |

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

***Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended December 31, 2023***

| | <u>Custodial</u> |
|--|--------------------------|
| Additions: | |
| Fines and Forfeiture Collections for other Governments | \$ 2,868,847 |
| Income Tax Collections for other Governments | 3,261,850 |
| Total Additions | <u>6,130,697</u> |
| Deductions: | |
| Distribution of Fines and Forfeitures to other Governments | 2,827,789 |
| Distribution of Income Taxes to other Governments | 3,261,850 |
| Total Deductions | <u>6,089,639</u> |
| Change in Net Position | 41,058 |
| Net Position at Beginning of Year | 282,139 |
| Net Position End of Year | <u><u>\$ 323,197</u></u> |

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

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, 2023 and for the year then ended and have been prepared in conformity with accounting principles generally accepted in the United States of America (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 Governmental Accounting Standards Board (the "GASB") Statement No. 14, *"The Financial Reporting Entity,"* as amended by GASB Statement No. 39, *"Determining Whether Certain Organizations Are Component Units"* and GASB Statement No. 61, *"The Financial Reporting Entity; Omnibus"* 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 accounting principles generally accepted in the United States of America 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, 2023***

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.

American Rescue Plan Act Fund – This fund is used to account for Coronavirus State and Local Fiscal Recovery funds received as part of the American Rescue Plan Act. The funds are to be used to support the response and recovery from the COVID-19 public health emergency.

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.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

Fiduciary 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. Fiduciary activities are accounted for on an "economic resources" measurement focus.

Custodial Funds -The custodial funds account for municipal court monies, fines for the Licking County law library and Joint Economic Development District income tax collections.

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, 2023***

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 and custodial funds 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, 2023***

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, 2023 but are not intended to finance 2023 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 custodial 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, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

All funds other than custodial 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 2023.

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, 2023***

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 Fund" 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, 2023**

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 Fund and Major Special Revenue Fund:

| | Net Change in Fund Balance | |
|--|----------------------------|-------------------------------------|
| | General Fund | American Rescue Plan Act Fund |
| GAAP Basis (as reported) | \$1,324,234 | \$0 |
| Increase (Decrease): | | |
| Accrued Revenues at December 31, 2023 received during 2024 | (2,786,815) | 0 |
| Accrued Revenues at December 31, 2022 received during 2023 | 2,885,304 | 0 |
| Accrued Expenditures at December 31, 2023 paid during 2024 | 2,167,719 | 170,052 |
| Accrued Expenditures at December 31, 2022 paid during 2023 | (2,243,024) | (49,116) |
| Change in Unearned Revenue | 0 | (5,568,909) |
| Change in Inventory | 16,601 | 0 |
| 2022 Prepays for 2023 | 72,259 | 0 |
| 2023 Prepays for 2024 | (77,744) | 0 |
| Outstanding Encumbrances | (1,521,469) | (6,765,545) |
| Budget Basis | <u>(\$162,935)</u> | <u>(\$12,213,518)</u> |

F. Cash and Cash Equivalents

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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" and GASB Statement No. 72, "Fair Value Measurement and Application," the City records all its investments at fair value except for nonparticipating investment contracts which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statements.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. See Note 4, "Cash, Cash Equivalents and Investments."

The City's investment in the State Treasury Asset Reserve of Ohio (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 and is recognized as an external investment pool by the City. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. For fiscal year 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

H. Inventory

On the government-wide financial statements and in the proprietary funds, inventories are presented at cost 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, 2023, 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, 2023***

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 acquisition 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 acquisition 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, 2023***

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, Sewer Fund, Storm Water Fund Tax Increment Financing Fund Debt Service Fund |
| OWDA Loans | Water Fund, Sewer Fund, Storm Water Fund |
| OPWC Loans | Permissive License Tax Fund, Sewer Fund |
| Installment Loans | General Fund, Capital Improvement Fund |
| SBITA | General Fund, Water Fund, Sewer Fund, Storm Water Fund |
| Compensated Absences | General Fund Street Department Fund Community Development Fund, Safety Grants Fund, Court Computerization Fund, Probation Grant Fund, Judicial 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, Permissive License Tax Fund, Water Fund, Sewer Fund, Storm Water Fund |
| Long Term Notes | Capital Improvement 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, 2023***

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, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Pension/OPEB

The provision for pension/OPEB cost is recorded when the related payroll is accrued and the obligation is incurred. For purposes of measuring the net pension and OPEB liability/asset, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB systems report investments at fair value.

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. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Restricted Assets

Restricted cash and investments are amounts restricted in use for a bond reserve account, 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 2023.

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 assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows for the deferred charge on debt refunding and for deferred pension/OPEB amounts. The deferred charge on debt refunding is 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. Deferred outflows of resources are reported for pension/OPEB amounts on the government-wide and proprietary funds statement of net position. See Notes 9 and 10.

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 assets 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.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. Deferred Outflows/Inflows of Resources (Continued)

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. Deferred inflows of resources related to pension/OPEB are reported on the government-wide and proprietary funds statement of net position. See Notes 9 and 10.

U. Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF FUND BALANCE/NET POSITION

A. Change in Accounting Principle

For 2023 the City implemented Governmental Accounting Standards Board (GASB) Statement No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements,” and Statement No. 96, “Subscription-Based Information Technology Arrangements.”

GASB Statement No. 94 clarifies accounting and financial reporting requirements for public-private and public-public partnership arrangements and availability payment arrangements. GASB Statement No. 96 provides guidance on accounting and financial reporting for subscription-based information technology arrangements for government end users.

The implementation of these Statements had no effect on beginning net position/fund balance.

B. Restatement of Fund Balance/Net Position

Certain adjustments were necessary to beginning of year fund balance/net position to account for the correction of errors in accounting for various receipts in the general fund.

These corrections had the following effect on fund balance/net position as reported December 31, 2022:

| | Governmental Activities | Total Governmental Funds | General Fund | General Fund Budget Basis Cash Balance |
|---|----------------------------|--------------------------------|---------------------|--|
| Fund Balance/Net Position December 31, 2022 | \$55,621,784 | \$29,023,819 | \$13,049,509 | \$10,538,496 |
| Adjustments: | | | | |
| Correction of Receipts | (1,535,220) | (1,535,220) | (1,535,220) | (1,535,220) |
| Restated Fund Balance/Net Position December 31, 2022 | <u>\$54,086,564</u> | <u>\$27,488,599</u> | <u>\$11,514,289</u> | <u>\$9,003,276</u> |

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

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 | American Rescue Plan Act Fund | Capital Improvement Fund | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|-------------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Nonspendable: | | | | | |
| Supplies Inventory | \$183,734 | \$0 | \$0 | \$422,305 | \$606,039 |
| Prepaid Items | 77,744 | 0 | 0 | 0 | 77,744 |
| Total Nonspendable | <u>261,478</u> | <u>0</u> | <u>0</u> | <u>422,305</u> | <u>683,783</u> |
| Restricted: | | | | | |
| Community Development | 0 | 0 | 0 | 2,940,618 | 2,940,618 |
| Capital Acquisition and Improvement | 0 | 0 | 0 | 448,451 | 448,451 |
| Cemetery Maintenance | 0 | 0 | 0 | 1,392,820 | 1,392,820 |
| Memorial Sidewalk Program | 0 | 0 | 0 | 77,929 | 77,929 |
| Street Maintenance | 0 | 0 | 0 | 2,502,494 | 2,502,494 |
| Addiction Treatment | 0 | 0 | 0 | 84,285 | 84,285 |
| Fire Damage Deposits | 0 | 0 | 0 | 136,657 | 136,657 |
| Court Improvements | 0 | 0 | 0 | 1,776,883 | 1,776,883 |
| Law Enforcement | 0 | 0 | 0 | 754,419 | 754,419 |
| Pollution Remediation | 0 | 0 | 0 | 4,808 | 4,808 |
| Debt Retirement | 0 | 0 | 0 | 1,860,075 | 1,860,075 |
| Total Restricted | <u>0</u> | <u>0</u> | <u>0</u> | <u>11,979,439</u> | <u>11,979,439</u> |
| Committed: | | | | | |
| Capital Acquisition and Improvement | 0 | 0 | 1,122,305 | 0 | 1,122,305 |
| Total Committed | <u>0</u> | <u>0</u> | <u>1,122,305</u> | <u>0</u> | <u>1,122,305</u> |
| Assigned: | | | | | |
| Budget Resource | 7,603,655 | 0 | 0 | 0 | 7,603,655 |
| Supplies and Services | 919,105 | 0 | 0 | 0 | 919,105 |
| Debt Retirement | 0 | 0 | 0 | 1,466,942 | 1,466,942 |
| Compensated Absences | 90,537 | 0 | 0 | 0 | 90,537 |
| Total Assigned | <u>8,613,297</u> | <u>0</u> | <u>0</u> | <u>1,466,942</u> | <u>10,080,239</u> |
| Unassigned (Deficits): | <u>3,963,748</u> | <u>0</u> | <u>(479,002)</u> | <u>(1,086)</u> | <u>3,483,660</u> |
| Total Fund Balances | <u>\$12,838,523</u> | <u>\$0</u> | <u>\$643,303</u> | <u>\$13,867,600</u> | <u>\$27,349,426</u> |

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

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 fair 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 fair value 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, 2023***

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 City's deposits may not be returned to it. The City has no deposit policy for custodial risk beyond the requirements of State statute.

Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

A. Deposits

At year end the carrying amount of the City's deposits was \$19,094,728 and the bank balance was \$20,487,266. Federal depository insurance covered \$16,261,186 of the bank balance and \$4,226,080 was uninsured and collateralized with securities held in the Ohio Pooled Collateral System.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

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

B. Investments

The City's investments at December 31, 2023 are summarized below:

| | Fair Value | Credit Rating | Fair Value Hierarchy | Concentration of Credit Risk | Investment Maturities (in Years) | | |
|-----------------------------------|---------------------|----------------------|----------------------|------------------------------|----------------------------------|---------------------|--------------------|
| | | | | | less than 1 | 1-3 | 3-5 |
| STAR Ohio ⁴ | \$15,102,330 | AAAm ¹ | NA | 42.90% | \$15,102,330 | \$0 | \$0 |
| Government Agency MM ⁴ | 380,414 | AA+ ¹ | NA | 1.08% | 380,414 | 0 | 0 |
| Corporate Equities* | 317,298 | N/A | Level 2 | 0.90% | 317,298 | 0 | 0 |
| Mutual Funds ⁴ | 378,452 | Aaa-Baa ² | NA | 1.08% | 378,452 | 0 | 0 |
| Negotiable CD's | 10,311,996 | AAA ³ | Level 2 | 29.29% | 2,570,148 | 6,992,654 | 749,194 |
| US Treasuries | 1,864,868 | N/A | Level 1 | 5.30% | 1,344,325 | 520,543 | 0 |
| FHLMC | 2,551,964 | AA+ ¹ | Level 2 | 7.25% | 395,277 | 1,639,251 | 517,436 |
| FFCB | 1,954,267 | AA+ ¹ | Level 2 | 5.55% | 0 | 1,198,683 | 755,584 |
| FHLB | 1,597,040 | AA+ ¹ | Level 2 | 4.54% | 855,690 | 741,350 | 0 |
| FAMC | 742,195 | AA+ ¹ | Level 2 | 2.11% | 0 | 742,195 | 0 |
| Total Investments | \$35,200,824 | | | 100.00% | \$21,343,934 | \$11,834,676 | \$2,022,214 |

* Corporate Equities do not have a maturity

¹ Standard & Poor's

² Moody's Investor Service

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

⁴ Reported at amortized cost

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 it may invest in any one issuer. The allocation of investments is detailed above.

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.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Level 2 inputs are significant other observable inputs. Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Level 3 inputs are significant unobservable inputs.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

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 2023 were levied after October 1, 2022 on assessed values as of January 1, 2022, 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 2023. 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, 2023 was \$3.70 per \$1,000 of assessed value. The assessed value upon which the 2023 collections was based was \$1,007,972,690. This amount constitutes \$961,198,480 in real property assessed value and \$46,774,210 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, 2023**

NOTE 6 - RECEIVABLES

Receivables at December 31, 2023 consisted of taxes, interest, accounts, loans, and intergovernmental receivables arising from shared revenues. All receivables are considered fully collectible.

NOTE 7 – INTERFUND ACTIVITY

A. Transfers

Following is a summary of transfers in and out for all funds for 2023:

| Fund | Transfer In | Transfer Out |
|--------------------------|--------------------|--------------------|
| Governmental Funds: | | |
| General Fund | \$0 | \$5,260,702 |
| Capital Improvement Fund | 2,017,088 | 218,262 |
| Other Governmental Funds | 3,461,876 | 0 |
| Total Governmental Funds | <u>5,478,964</u> | <u>5,478,964</u> |
| Proprietary Funds: | | |
| Water Fund | 11,079 | 20,080 |
| Sewer Fund | 146,139 | 311,079 |
| Storm Water Fund | 300,000 | 126,059 |
| Total Enterprise Funds | <u>457,218</u> | <u>457,218</u> |
| Total Transfers | <u>\$5,936,182</u> | <u>\$5,936,182</u> |

Transfers for the year ended December 31, 2023 included \$2,017,088 transferred from the General Fund to Capital Improvement Fund which were EMS receipts dedicated to capital improvements as well as the General Fund’s share of capital projects. In addition, the General Fund transferred \$2,843,614 to the Debt Service Funds for debt payments and \$400,000 to the Street Department Fund for street improvements. Transfers between the Water, Sewer, and Storm Water Funds were for debt retirement reclassification. All transfers were made in accordance with Ohio Revised Code.

B. Interfund Balances

Individual interfund balances at December 31, 2023 are as follows:

| Fund | Interfund Loan Receivable | Interfund Loan Payable |
|--------------------------|------------------------------|---------------------------|
| General Fund | \$3,126 | \$0 |
| Other Governmental Funds | 0 | 3,126 |
| Totals | <u>\$3,126</u> | <u>\$3,126</u> |

Interfund balances at December 31, 2023, consisted of general fund advances to nonmajor special revenue funds due to deficit cash balances and the timing of reimbursement of expenditures.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 8 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2023:

Historical Cost:

| Class | December 31, 2022 | Additions | Deletions | December 31, 2023 |
|--|-----------------------|------------------------|----------------------|-----------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$21,065,181 | \$824,657 | \$0 | \$21,889,838 |
| Construction in Progress | 6,512,634 | 2,648,477 | (608,584) | 8,552,527 |
| Sub-Total | 27,577,815 | 3,473,134 | (608,584) | 30,442,365 |
| Capital assets being depreciated: | | | | |
| Buildings | 27,682,452 | 564,038 | 0 | 28,246,490 |
| Improvements Other than Buildings | 5,153,465 | 297,469 | 0 | 5,450,934 |
| Infrastructure | 93,006,939 | 5,693,720 | (1,070,395) | 97,630,264 |
| SBITA | 0 | 71,730 | 0 | 71,730 |
| Machinery and Equipment | 16,264,186 | 1,093,061 | 0 | 17,357,247 |
| Total Cost | <u>\$169,684,857</u> | <u>\$11,193,152</u> | <u>(\$1,678,979)</u> | <u>\$179,199,030</u> |
| Accumulated Depreciation: | | | | |
| Class | December 31, 2022 | Additions | Deletions | December 31, 2023 |
| Buildings | (\$10,679,960) | (\$530,299) | \$0 | (\$11,210,259) |
| Improvements Other than Buildings | (4,233,706) | (96,581) | 0 | (4,330,287) |
| Infrastructure | (51,033,756) | (3,065,490) | 1,058,545 | (53,040,701) |
| SBITA | 0 | (23,910) | 0 | (23,910) |
| Machinery and Equipment | (11,709,677) | (1,355,721) | 0 | (13,065,398) |
| Total Depreciation | <u>(\$77,657,099)</u> | <u>(\$5,072,001) *</u> | <u>\$1,058,545</u> | <u>(\$81,670,555)</u> |
| Net Value: | <u>\$92,027,758</u> | | | <u>\$97,528,475</u> |

* Depreciation was charged to governmental functions as follows:

| | |
|----------------------------------|--------------------|
| Security of Persons and Property | \$958,757 |
| Leisure Time Activities | 57,024 |
| Community Environment | 44,418 |
| Transportation | 3,198,572 |
| General Government | 813,230 |
| Total Depreciation Expense | <u>\$5,072,001</u> |

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 8 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2023:

Historical Cost:

| Class | December 31, 2022 | Additions | Deletions | December 31, 2023 |
|--|----------------------|--------------|---------------|----------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$161,800 | \$0 | \$0 | \$161,800 |
| Construction in Progress | 42,905,545 | 16,813,894 | (7,296,691) | 52,422,748 |
| Sub-Total | 43,067,345 | 16,813,894 | (7,296,691) | 52,584,548 |
| Capital assets being depreciated: | | | | |
| Buildings and Improvements | 58,255,134 | 69,192 | 0 | 58,324,326 |
| Infrastructure | 62,374,581 | 7,296,692 | 0 | 69,671,273 |
| SBITA | 0 | 106,625 | 0 | 106,625 |
| Machinery and Equipment | 42,632,526 | 239,285 | 0 | 42,871,811 |
| Total Cost | \$206,329,586 | \$24,525,688 | (\$7,296,691) | \$223,558,583 |

Accumulated Depreciation:

| Class | December 31, 2022 | Additions | Deletions | December 31, 2023 |
|----------------------------|----------------------|---------------|-----------|----------------------|
| Buildings and Improvements | (\$29,353,189) | (\$1,452,237) | \$0 | (\$30,805,426) |
| Infrastructure | (8,466,854) | (1,009,852) | 0 | (9,476,706) |
| SBITA | 0 | (35,542) | 0 | (35,542) |
| Machinery and Equipment | (31,834,500) | (847,578) | 0 | (32,682,078) |
| Total Depreciation | (\$69,654,543) | (\$3,345,209) | \$0 | (\$72,999,752) |
| Net Value: | \$136,675,043 | | | \$150,558,831 |

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 9 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the City’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the City’s obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. Effective January 1, 2022, the Combined Plan is no longer available for member selection. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

| Group A | Group B | Group C |
|---|---|---|
| Eligible to retire prior to January 7, 2013 or five years after January 7, 2013 | 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013 | Members not in other Groups and members hired on or after January 7, 2013 |
| State and Local | State and Local | State and Local |
| Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit |
| Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35 |

Final average Salary (FAS) represents the average of the three highest years of earnings over a member’s career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member’s career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member’s pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member’s FAS for the first 30 years of service.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member’s FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS’s Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member’s contributions plus or minus the investment gains or losses resulting from the member’s investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members’ contributions, vested employer contributions and investment gains or losses resulting from the members’ investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit. For additional information, see the Plan Statement in the OPERS Annual Comprehensive Financial Report.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

| | <u>State and Local</u> |
|--|----------------------------|
| 2023 Statutory Maximum Contribution Rates | |
| Employer | 14.0 % |
| Employee | 10.0 % |
| 2023 Actual Contribution Rates | |
| Employer: | |
| Pension | 14.0 % |
| Post-employment Health Care Benefits | <u>0.0</u> |
| Total Employer | <u>14.0 %</u> |
| Employee | <u>10.0 %</u> |

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$1,600,212 for 2023.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Plan Description – Ohio Police & Fire Pension Fund (OPF)

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit. (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3.00% or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to 3.00% of their base pension or disability benefit.

Members who retired prior to July 24, 1986 or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

| | <u>Police</u> | <u>Firefighters</u> |
|--|----------------|---------------------|
| 2023 Statutory Maximum Contribution Rates | | |
| Employer | 19.50 % | 24.00 % |
| Employee | 12.25 % | 12.25 |
| 2023 Actual Contribution Rates | | |
| Employer: | | |
| Pension | 19.00 % | 23.50 % |
| Post-employment Health Care Benefits | 0.50 | 0.50 |
| Total Employer | <u>19.50 %</u> | <u>24.00 %</u> |
| Employee | 12.25 % | 12.25 % |

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$2,783,768 for 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF’s total pension liability was measured as of December 31, 2022, and was determined by rolling forward the total pension liability as of January 1, 2022, to December 31, 2022. The City’s proportion of the net pension liability was based on the City’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

| | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|--|--------------------|--------------------|--------------|
| Proportionate Share of the Net Pension Liability | \$20,887,170 | \$41,559,152 | \$62,446,322 |
| Proportion of the Net Pension Liability-2023 | 0.070708% | 0.437509% | |
| Proportion of the Net Pension Liability-2022 | 0.071830% | 0.448827% | |
| Percentage Change | <u>(0.001122%)</u> | <u>(0.011318%)</u> | |
| Pension Expense | \$3,092,005 | \$4,980,461 | \$8,072,466 |

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | OPERS | OP&F | Total |
|--|--------------------|---------------------|---------------------|
| Deferred Outflows of Resources | | | |
| Changes in assumptions | \$220,661 | \$3,748,493 | \$3,969,154 |
| Differences between expected and actual experience | 693,787 | 623,368 | 1,317,155 |
| Net difference between projected and actual earnings on pension plan investments | 5,953,501 | 6,050,502 | 12,004,003 |
| Change in proportionate share | 23,969 | 917,692 | 941,661 |
| City contributions subsequent to the measurement date | <u>1,600,212</u> | <u>2,783,768</u> | <u>4,383,980</u> |
| Total Deferred Outflows of Resources | <u>\$8,492,130</u> | <u>\$14,123,823</u> | <u>\$22,615,953</u> |
| Deferred Inflows of Resources | | | |
| Changes in assumptions | \$0 | \$810,390 | \$810,390 |
| Differences between expected and actual experience | 0 | 946,839 | 946,839 |
| Change in proportionate share | <u>80,149</u> | <u>881,988</u> | <u>962,137</u> |
| Total Deferred Inflows of Resources | <u>\$80,149</u> | <u>\$2,639,217</u> | <u>\$2,719,366</u> |

\$4,383,980 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| | OPERS | OP&F | Total |
|--------------------------|--------------------|--------------------|---------------------|
| Year Ending December 31: | | | |
| 2024 | \$778,004 | \$884,536 | \$1,662,540 |
| 2025 | 1,364,911 | 2,185,609 | 3,550,520 |
| 2026 | 1,752,406 | 2,405,261 | 4,157,667 |
| 2027 | 2,916,448 | 3,421,320 | 6,337,768 |
| 2028 | <u>0</u> | <u>(195,888)</u> | <u>(195,888)</u> |
| Total | <u>\$6,811,769</u> | <u>\$8,700,838</u> | <u>\$15,512,607</u> |

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

The total pension liability in the December 31, 2022 and December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | December 31, 2022 |
|--|--|
| Wage Inflation | 2.75 percent |
| Future Salary Increases, including inflation | 2.75 to 10.75 percent including wage inflation |
| COLA or Ad Hoc COLA (Pre 1/7/13 retirees) | 3 percent simple |
| COLA or Ad Hoc COLA (Post 1/7/13 retirees) | 3 percent simple through 2023. 2.05 percent simple, thereafter |
| Investment Rate of Return | 6.9 percent |
| Actuarial Cost Method | Individual Entry Age |
| | December 31, 2021 |
| Wage Inflation | 2.75 percent |
| Future Salary Increases, including inflation | 2.75 to 10.75 percent including wage inflation |
| COLA or Ad Hoc COLA (Pre 1/7/13 retirees) | 3 percent simple |
| COLA or Ad Hoc COLA (Post 1/7/13 retirees) | 3 percent simple through 2022. 2.05 percent simple, thereafter |
| Investment Rate of Return | 6.9 percent |
| Actuarial Cost Method | Individual Entry Age |

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five year period ended December 31, 2020.

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 12.1 percent for 2022.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real estate rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized below:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return (Arithmetic) |
|------------------------|----------------------|---|
| Fixed Income | 22.00 % | 2.62 % |
| Domestic Equities | 22.00 | 4.60 |
| Real Estate | 13.00 | 3.27 |
| Private Equity | 15.00 | 7.53 |
| International Equities | 21.00 | 5.51 |
| Risk Parity | 2.00 | 4.37 |
| Other Investments | 5.00 | 3.27 |
| Total | 100.00 % | |

Discount Rate The discount rate used to measure the total pension liability was 6.9 percent. The discount rate for the prior year was 6.9 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.9 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

| | 1% Decrease (5.90%) | Current Discount Rate (6.90%) | 1% Increase (7.90%) |
|--|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net pension liability | \$31,288,290 | \$20,887,170 | \$12,235,312 |

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF’s total pension liability as of December 31, 2022 is based on the results of an actuarial valuation date of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2022, compared with January 1, 2021, are presented below.

| | January 1, 2022 | January 1, 2021 |
|----------------------------|---|---|
| Valuation Date | January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022 | January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021 |
| Actuarial Cost Method | Entry Age Normal | Entry Age Normal |
| Investment Rate of Return | 7.5 percent | 7.5 percent |
| Projected Salary Increases | 3.75 percent to 10.5 percent | 3.75 percent to 10.5 percent |
| Payroll Growth | Inflation rate of 2.75 percent plus productivity increase rate of 0.5 | Inflation rate of 2.75 percent plus productivity increase rate of 0.5 |
| Cost of Living Adjustments | 2.2 percent simple | 2.2 percent simple |

For the January 1, 2022 valuation, mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

The most recent experience study was completed for the five year period ended December 31, 2016.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2022 are summarized below:

| Asset Class | Target Allocation | Long Term Expected Real Rate of Return |
|---------------------------------|-------------------|--|
| Cash and Cash Equivalents | 0.00 % | 0.00 % |
| Domestic Equity | 18.60 | 4.80 |
| Non-US Equity | 12.40 | 5.50 |
| Private Markets | 10.00 | 7.90 |
| Core Fixed Income * | 25.00 | 2.50 |
| High Yield Fixed Income | 7.00 | 4.40 |
| Private Credit | 5.00 | 5.90 |
| U.S. Inflation Linked Bonds* | 15.00 | 2.00 |
| Midstream Energy Infrastructure | 5.00 | 5.90 |
| Real Assets | 8.00 | 5.90 |
| Gold | 5.00 | 3.60 |
| Private Real Estate | 12.00 | 5.30 |
| Commodities | 2.00 | 3.60 |
| Total | 125.00 % | |

* levered 2.5x

Note: Assumptions are geometric

OPF’s Board of Trustees has incorporated the “risk parity” concept into OPF’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate For 2022, the total pension liability was calculated using the discount rate of 7.50 percent. The discount rate used for 2021 was 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 7.50 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

| | 1% Decrease (6.50%) | Current Discount Rate (7.50%) | 1% Increase (8.50%) |
|--|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net pension liability | \$54,824,540 | \$41,559,152 | \$30,531,634 |

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 10 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability represents the City’s proportionate share of each OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan’s fiduciary net position. The net OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code limits the City’s obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which OPEB are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. These changes are reflected in the December 31, 2020, measurement date health care valuation.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have 20 or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2023. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2023 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2023.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75. OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. 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 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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 2023, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees is also 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 contractually required contribution to OP&F was \$64,735 for 2023.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2022, and was determined by rolling forward the total OPEB liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

| | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|---|--------------------|--------------------|--------------|
| Proportionate Share of the Net OPEB Liability | \$453,132 | \$3,114,941 | \$3,568,073 |
| Proportion of the Net OPEB Liability - 2023 | 0.071867% | 0.437509% | |
| Proportion of the Net OPEB Liability - 2022 | <u>0.072940%</u> | <u>0.448827%</u> | |
| Percentage Change | <u>(0.001073%)</u> | <u>(0.011318%)</u> | |
| OPEB Expense | (\$728,593) | \$69,069 | (\$659,524) |

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|---|--------------------|--------------------|--------------------|
| Deferred Outflows of Resources | | | |
| Changes in assumptions | \$442,587 | \$1,552,313 | \$1,994,900 |
| Differences between expected and actual experience | 0 | 185,883 | 185,883 |
| Net difference between projected and actual earnings on OPEB plan investments | 899,941 | 267,169 | 1,167,110 |
| Change in proportionate share | 0 | 112,346 | 112,346 |
| City contributions subsequent to the measurement date | <u>0</u> | <u>64,735</u> | <u>64,735</u> |
| Total Deferred Outflows of Resources | <u>\$1,342,528</u> | <u>\$2,182,446</u> | <u>\$3,524,974</u> |
| Deferred Inflows of Resources | | | |
| Changes in assumptions | \$36,418 | \$2,547,765 | \$2,584,183 |
| Differences between expected and actual experience | 113,030 | 614,204 | 727,234 |
| Change in proportionate share | <u>0</u> | <u>446,699</u> | <u>446,699</u> |
| Total Deferred Inflows of Resources | <u>\$149,448</u> | <u>\$3,608,668</u> | <u>\$3,758,116</u> |

\$64,735 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ending December 31: | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|--------------------------|--------------------|----------------------|--------------------|
| 2024 | \$148,586 | (\$231,735) | (\$83,149) |
| 2025 | 329,121 | (183,101) | 146,020 |
| 2026 | 280,630 | (125,108) | 155,522 |
| 2027 | 434,743 | (62,556) | 372,187 |
| 2028 | 0 | (252,142) | (252,142) |
| 2029 | 0 | (285,272) | (285,272) |
| 2030 | 0 | (337,562) | (337,562) |
| 2031 | <u>0</u> | <u>(13,481)</u> | <u>(13,481)</u> |
| Total | <u>\$1,193,080</u> | <u>(\$1,490,957)</u> | <u>(\$297,877)</u> |

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

| | |
|--|--|
| Wage Inflation | 2.75 percent |
| Projected Salary Increases, including inflation | 2.75 to 10.75 percent including wage inflation |
| Single Discount Rate: | |
| Current measurement date | 5.22 percent |
| Prior measurement date | 6.00 percent |
| Investment Rate of Return: | |
| Current measurement date | 6.00 percent |
| Prior measurement date | 6.00 percent |
| Municipal Bond Rate: | |
| Current measurement date | 4.05 percent |
| Prior measurement date | 1.84 percent |
| Health Care Cost Trend Rate: | |
| Current measurement date | 5.5 percent initial, 3.5 percent ultimate in 2036 |
| Prior measurement date | 5.5 percent initial, 3.5 percent ultimate in 2034 |
| Actuarial Cost Method | Individual Entry Age Normal |

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five year period ended December 31, 2020.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 15.6 percent for 2022.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by OPERS investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Arithmetic) |
|------------------------------|-------------------|--|
| Fixed Income | 34.00 % | 2.56 % |
| Domestic Equities | 26.00 | 4.60 |
| Real Estate Investment Trust | 7.00 | 4.70 |
| International Equities | 25.00 | 5.51 |
| Risk Parity | 2.00 | 4.37 |
| Other investments | 6.00 | 1.84 |
| Total | 100.00 % | |

Discount Rate A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022. A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 4.05 percent (Fidelity Index's "20-Year Municipal GO AA Index").

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2054. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2054, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 5.22 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (4.22 percent) or one-percentage-point higher (6.22 percent) than the current rate:

| | 1% Decrease (4.22%) | Current Discount Rate (5.22%) | 1% Increase (6.22%) |
|---|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net OPEB liability (asset) | \$1,542,266 | \$453,132 | (\$445,575) |

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

| | 1% Decrease | Current Health Care Cost Trend Rate Assumption | 1% Increase |
|---|-------------|--|-------------|
| City's proportionate share of the net OPEB liability | \$424,734 | \$453,132 | \$485,102 |

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee’s entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

| Valuation Date | January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022 | January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021 |
|----------------------------|--|--|
| Actuarial Cost Method | Entry Age Normal | Entry Age Normal |
| Investment Rate of Return | 7.5 percent | 7.5 percent |
| Projected Salary Increases | 3.75 percent to 10.5 percent | 3.75 percent to 10.5 percent |
| Payroll Growth | Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent | Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent |
| Single discount rate | 4.27 percent | 2.84 percent |
| Cost of Living Adjustments | 2.2 percent simple | 2.2 percent simple |

For the January 1, 2022 valuation, mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

For the January 1, 2022 valuation, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

The most recent experience study was completed for the five year period ended December 31, 2016.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as a baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2022 are summarized below:

| Asset Class | Target Allocation | Long Term Expected Real Rate of Return |
|---------------------------------|----------------------|---|
| Cash and Cash Equivalents | 0.00 % | 0.00 % |
| Domestic Equity | 18.60 | 4.80 |
| Non-US Equity | 12.40 | 5.50 |
| Private Markets | 10.00 | 7.90 |
| Core Fixed Income * | 25.00 | 2.50 |
| High Yield Fixed Income | 7.00 | 4.40 |
| Private Credit | 5.00 | 5.90 |
| U.S. Inflation Linked Bonds* | 15.00 | 2.00 |
| Midstream Energy Infrastructure | 5.00 | 5.90 |
| Real Assets | 8.00 | 5.90 |
| Gold | 5.00 | 3.60 |
| Private Real Estate | 12.00 | 5.30 |
| Commodities | 2.00 | 3.60 |
| Total | 125.00 % | |

* levered 2.5x

Note: Assumptions are geometric

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate For 2022, the total OPEB liability was calculated using the discount rate of 4.27 percent. For 2021, the total OPEB liability was calculated using the discount rate of 2.84 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 7.50 percent for 2022, and 7.50 percent for 2021. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 3.65 percent at December 31, 2022 and 2.05 percent at December 31, 2021, was blended with the long-term rate of 7.50 percent, which resulted in a blended discount rate of 4.27 percent for 2022 and 2.84 percent for 2021. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2035. The long-term expected rate of return on health care investments was applied to projected costs through 2035, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.27 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.27 percent), or one percentage point higher (5.27 percent) than the current rate.

| | 1% Decrease (3.27%) | Current Discount Rate (4.27%) | 1% Increase (5.27%) |
|---|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net OPEB liability | \$3,835,756 | \$3,114,941 | \$2,506,386 |

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

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, 2023 | Issued | (Retired) | Balance December 31, 2023 |
|---|-------------------------------|---------------------|----------------------|---------------------------------|
| Capital Projects Fund Notes Payable: | | | | |
| 4.000% Various Purpose | \$3,540,000 | \$0 | (\$3,540,000) | \$0 |
| 4.625% Various Purpose | 0 | 3,940,000 | 0 | 3,940,000 |
| Total Capital Projects Fund Notes Payable | <u>3,540,000</u> | <u>3,940,000</u> | <u>(3,540,000)</u> | <u>3,940,000</u> |
| Enterprise Fund Notes Payable: | | | | |
| 4.500% Horns Hill Sanitary Sewer | 0 | 455,000 | 0 | 455,000 |
| 2.000% Horns Hill Sanitary Sewer | 550,000 | 0 | (550,000) | 0 |
| 4.500% Stream Bank Protection | 0 | 505,000 | 0 | 505,000 |
| 2.000% Stream Bank Protection | 500,000 | 0 | (500,000) | 0 |
| 4.625% Water System Improvements | 0 | 3,085,000 | 0 | 3,085,000 |
| 4.000% Water System Improvements | 2,835,000 | 0 | (2,835,000) | 0 |
| 4.625% Tamarack 40 St. Stormwater | 0 | 2,515,000 | 0 | 2,515,000 |
| 4.000% Tamarack 40 St. Stormwater | 2,515,000 | 0 | (2,515,000) | 0 |
| Total Enterprise Fund Notes Payable | <u>6,400,000</u> | <u>6,560,000</u> | <u>(6,400,000)</u> | <u>6,560,000</u> |
| Total Notes Payable | <u>\$9,940,000</u> | <u>\$10,500,000</u> | <u>(\$9,940,000)</u> | <u>\$10,500,000</u> |

CITY OF NEWARK, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

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

Long-term debt and other long-term obligations of the City at December 31, 2023 were as follows:

| | | | Balance December 31, 2022 | Additions | Deductions | Balance December 31, 2023 | Amount Due Within One Year |
|--|-------------|------|---------------------------------|-------------|---------------|---------------------------------|----------------------------------|
| Governmental Activities Debt: | | | | | | | |
| General Obligation Bonds: | | | | | | | |
| East Main Street | | | | | | | |
| Improvement Refunding (TIF) | 1.5%-3.00% | 2028 | \$915,000 | \$0 | (\$140,000) | \$775,000 | \$145,000 |
| Police and Fire Facilities Refunding | 2.0%-4.00% | 2031 | 5,645,000 | 0 | (550,000) | 5,095,000 | 565,000 |
| Downtown Fire Station | 2.0%-4.00% | 2036 | 3,960,000 | 0 | (230,000) | 3,730,000 | 235,000 |
| Various Purpose Refunding | 2.0%-4.00% | 2031 | 520,000 | 0 | (55,000) | 465,000 | 65,000 |
| Deo Drive Improvement (TIF) | 3.75%-4.38% | 2027 | 290,000 | 0 | (80,000) | 210,000 | 85,000 |
| Landfill Reclamation Refunding | 2.0%-4.00% | 2031 | 655,000 | 0 | (65,000) | 590,000 | 70,000 |
| Various Purpose | 2.0%-3.25% | 2037 | 1,245,000 | 0 | (70,000) | 1,175,000 | 70,000 |
| Sidewalk and Parking Lot Improvement | 2.0%-3.0% | 2028 | 720,000 | 0 | (115,000) | 605,000 | 115,000 |
| Sharon Valleu Road Fire Station No. 5 | 4.25%-5.0% | 2047 | 2,940,000 | 0 | (40,000) | 2,900,000 | 70,000 |
| Horns Hill Waterworks Road Improvement | 4.25%-5.0% | 2042 | 1,600,000 | 0 | (40,000) | 1,560,000 | 55,000 |
| | | | 18,490,000 | 0 | (1,385,000) | 17,105,000 | 1,475,000 |
| Bond Premium | | | 637,931 | 0 | (55,731) | 582,200 | 0 |
| Total General Obligation Bonds | | | 19,127,931 | 0 | (1,440,731) | 17,687,200 | 1,475,000 |
| ODOT State Infrastructure Bank Loans: | | | | | | | |
| Newark-Mount Vernon Road | 3.00% | 2035 | 2,250,135 | 0 | (143,873) | 2,106,262 | 148,222 |
| Ohio and Manning Street Bridges and Bike Trail | 3.00% | 2028 | 1,272,046 | 0 | (216,060) | 1,055,986 | 222,590 |
| Total ODOT State Infrastructure Bank Loans | | | 3,522,181 | 0 | (359,933) | 3,162,248 | 370,812 |
| Ohio Public Works | | | | | | | |
| Commission Loans (OPWC): | | | | | | | |
| West Church Street Bridge | 0.00% | 2034 | 390,000 | 0 | (30,000) | 360,000 | 30,000 |
| West Main Street Improvements | 0.00% | 2022 | 20,000 | 0 | (20,000) | 0 | 0 |
| Sharon Valley Road/Evans Boulevard | 0.00% | 2028 | 111,000 | 0 | (18,500) | 92,500 | 18,500 |
| Country Club Dr/Sharon Valley Road | 0.00% | 2032 | 156,578 | 0 | (16,482) | 140,096 | 16,482 |
| Total OPWC Loans | | | 677,578 | 0 | (84,982) | 592,596 | 64,982 |
| Long Term Note Payable: | | | | | | | |
| Church Street Area Improvements | 2.00% | 2023 | 1,125,000 | 0 | (1,125,000) | 0 | 0 |
| Church Street Area Improvements | 4.50% | 2024 | 0 | 1,130,000 | 0 | 1,130,000 | 0 |
| Total Long Term Notes Payable | | | 1,125,000 | 1,130,000 | (1,125,000) | 1,130,000 | 0 |
| Installment Loans: | | | | | | | |
| 2016 Pumper Fire Truck | 3.06% | 2023 | 72,672 | 0 | (72,672) | 0 | 0 |
| LED Street Lights | 3.89% | 2025 | 170,713 | 0 | (54,347) | 116,366 | 56,855 |
| 2018 Pierce Ladder Fire Truck | 4.06% | 2025 | 295,192 | 0 | (93,743) | 201,449 | 98,305 |
| Scoreboard and Equipment | 3.83% | 2026 | 141,163 | 0 | (32,967) | 108,196 | 34,472 |
| EMS Vehicle | 4.37% | 2025 | 170,461 | 0 | (54,697) | 115,764 | 56,796 |
| 6 Police Cars | 4.25% | 2024 | 141,541 | 0 | (69,506) | 72,035 | 72,035 |
| 2 2020 Ford Explorers | 2.95% | 2024 | 61,235 | 0 | (30,174) | 31,061 | 31,061 |
| 2021 Pierce Fire Truck | 4.17% | 2031 | 1,267,366 | 0 | (118,954) | 1,148,412 | 123,782 |
| Various 2021 Vehicles | 3.12% | 2025 | 255,004 | 0 | (82,408) | 172,596 | 84,977 |
| 2023 Parks Equipment | 4.29-5.81% | 2025 | 0 | 227,285 | (75,758) | 151,527 | 79,628 |
| 2023 Street Equipment | 5.21-6.31% | 2026 | 0 | 379,250 | (60,005) | 319,245 | 100,396 |
| 2023 City Hall Vehicle | 6.40% | 2025 | 0 | 40,800 | (12,768) | 28,032 | 13,579 |
| 2023 Police Vehicles | 5.82% | 2026 | 0 | 137,875 | 0 | 137,875 | 43,370 |
| Total Installment Loans | | | 2,575,347 | 785,210 | (757,999) | 2,602,558 | 795,256 |
| Governmental Activities Other Long-Term Obligations: | | | | | | | |
| Worker's Compensation Retrospective Liability | | | 238,106 | 0 | (238,106) | 0 | 0 |
| Subscription Based Information Technology Arrangements (SBITA) | | | 0 | 71,730 | (22,421) | 49,309 | 23,878 |
| Accrued Pension Liability | | | 1,199,172 | 0 | (74,822) | 1,124,350 | 78,036 |
| Compensated Absences Payable | | | 3,881,886 | 2,077,875 | (1,893,245) | 4,066,516 | 2,057,358 |
| Total Governmental Activities | | | \$32,347,201 | \$4,064,815 | (\$5,997,239) | \$30,414,777 | \$4,865,322 |

CITY OF NEWARK, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

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

| | | | Balance December 31, 2022 | Additions | Deductions | Balance December 31, 2023 | Amount Due Within One Year |
|--|-------------|------|---------------------------------|-------------|---------------|---------------------------------|----------------------------------|
| Business-Type Activities Debt: | | | | | | | |
| General Obligation Bonds: | | | | | | | |
| Storm Water Improvement Refunding | 2.00%-4.00% | 2034 | \$1,890,000 | \$0 | (\$165,000) | \$1,725,000 | \$170,000 |
| Storm Water Improvement | 2.0%-4.0% | 2039 | 1,775,000 | 0 | (80,000) | 1,695,000 | 80,000 |
| Various Purpose | 1.00%-3.00% | 2032 | 2,620,000 | 0 | (235,000) | 2,385,000 | 240,000 |
| | | | 6,285,000 | 0 | (480,000) | 5,805,000 | 490,000 |
| Bond Premium | | | 172,929 | 0 | (14,141) | 158,788 | 0 |
| Total General Obligation Bonds | | | 6,457,929 | 0 | (494,141) | 5,963,788 | 490,000 |
| Revenue Bonds: | | | | | | | |
| Water System Improvement | 2.0%-5.0% | 2049 | 16,155,000 | 0 | (365,000) | 15,790,000 | 380,000 |
| Bond Premium | | | 1,049,152 | 0 | (38,858) | 1,010,294 | 0 |
| Total Revenue Bonds | | | 17,204,152 | 0 | (403,858) | 16,800,294 | 380,000 |
| Ohio Water Development | | | | | | | |
| Authority Loans (OWDA): | | | | | | | |
| Licking River Interceptor Construction | 3.25% | 2026 | 669,055 | 0 | (159,264) | 509,791 | 164,482 |
| Stormwater Utility Planning | 3.36% | 2028 | 43,628 | 0 | (43,628) | 0 | 0 |
| Wastewater Electrical Improvements | 0.61% | 2027 | 744,834 | 0 | (147,158) | 597,676 | 148,057 |
| Wastewater High Rate Treatment System | 4.67% | 2031 | 7,777,023 | 0 | (780,721) | 6,996,302 | 813,378 |
| CSO Sewer Separation | 3.36% | 2028 | 586,870 | 0 | (52,901) | 533,969 | 99,798 |
| Water Plant Generator | 3.53% | 2030 | 518,436 | 0 | (57,150) | 461,286 | 59,186 |
| CSO Sewer Separation | 3.25% | 2031 | 1,080,768 | 0 | (105,192) | 975,576 | 108,638 |
| Automated Meter Reading | 3.53% | 2031 | 1,302,542 | 0 | (103,229) | 1,199,313 | 107,157 |
| CSO Sewer Separation 1030 | 2.45% | 2033 | 1,449,177 | 0 | (122,610) | 1,326,567 | 125,633 |
| Raccoon Creek Interceptor | 2.64% | 2033 | 4,491,630 | 0 | (356,916) | 4,134,714 | 366,401 |
| Aeration System Modifications | 2.48% | 2034 | 1,355,596 | 0 | (103,227) | 1,252,369 | 105,802 |
| Downtown Sewer Separation | 2.01% | 2037 | 13,427,461 | 0 | (782,979) | 12,644,482 | 0 |
| Alternative Storm Water | 1.00% | 2032 | 2,440,880 | 0 | (246,178) | 2,194,702 | 248,646 |
| Anaerobic Digester Improvements | 2.01% | 2044 | 9,043,807 | 0 | (330,551) | 8,713,256 | 337,228 |
| Wastewater UV Disinfection and SCADA Upgrade | 0.00% | 2042 | 3,815,435 | 839,006 | (243,486) | 4,410,955 | 0 |
| Interceptor Siphon | 0.00% | 2046 | 2,271,653 | 15,098 | (126,880) | 2,159,871 | 0 |
| Fourth Street Sewer Separation | 0.00% | 2053 | 18,651,682 | 4,487,455 | (393,184) | 22,745,953 | 0 |
| Lead Service Line Replacement | 0.00% | 2043 | 0 | 745,732 | 0 | 745,732 | 0 |
| South Second Street Interceptor | 0.00% | 2047 | 436,149 | 844,035 | 0 | 1,280,184 | 0 |
| Total OWDA Loans | | | 70,106,626 | 6,931,326 | (4,155,254) | 72,882,698 | 2,684,406 |
| Ohio Public Works | | | | | | | |
| Commission Loans (OPWC): | | | | | | | |
| Licking River Interceptor Construction | 0.00% | 2027 | 142,162 | 0 | (28,433) | 113,729 | 28,433 |
| Sewer Improvements | 0.00% | 2022 | 2,156 | 0 | (2,156) | 0 | 0 |
| Idlewilde Park Sewer Phase I | 0.00% | 2022 | 4,890 | 0 | (3,259) | 1,631 | 1,631 |
| Idlewilde Park Sewer Phase II | 0.00% | 2024 | 100,689 | 0 | (33,561) | 67,128 | 33,561 |
| Channel Street/Postal Avenue Sewer | 0.00% | 2033 | 478,457 | 0 | (41,604) | 436,853 | 41,604 |
| Total OPWC Loans | | | 728,354 | 0 | (109,013) | 619,341 | 105,229 |
| ODOT State Infrastructure Bank Loan: | | | | | | | |
| Newark-Mount Vernon Road | 3.00% | | 2,537,386 | 0 | (162,240) | 2,375,146 | 167,144 |
| Business-Type Activities Other Long-Term Obligations: | | | | | | | |
| Subscription Based Information Technology Arrangements (SBITA) | | | 0 | 106,626 | (33,328) | 73,298 | 35,495 |
| Compensated Absences | | | 780,150 | 510,349 | (496,812) | 793,687 | 557,013 |
| Total Business-Type Activities | | | \$97,814,597 | \$7,548,301 | (\$5,854,646) | \$99,508,252 | \$4,419,287 |

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

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, 2023 was \$1,431,874 in principal and interest payments through the year 2035. Only the principal amount of \$1,124,350 is included in the Government-wide Statement of Net Position.

The City reports Ohio Department of Transportation State Infrastructure Bank Loans for improvements to Waterworks Road, Newark-Mount Vernon Road, Ohio and Manning Street Bridges, and bike trails. These loans carry an interest rate of 3%.

In 2023 the City issued a \$1,130,000 long-term note for improvements in the Church Street area. The note carries an interest rate of 4.5%. In March 2024 these notes were paid off with proceeds from a new note issuance; therefore, these notes payable are recorded as long-term obligations.

The Water System Improvement revenue bonds are payable from the net revenue derived from operations of the water utility and are secured by a pledge of and lien on such net revenues until the bond maturity date of 2049. In 2023 the Water Fund reported \$1,088,857 of net pledged revenues for coverage of a principal and interest debt service requirement of \$1,049,669.

Downtown Sewer Separation - In 2015 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 2.01%, 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, 2023, the City had received \$16,415,074 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2023, 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, 2023***

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

Wastewater UV Disinfection and SCADA Upgrade - In 2021 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 wastewater UV disinfection and SCADA upgrade project. The total amount is subject to change and has not been finalized. The interest rate on the loan is 0%, 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, 2023, the City had received \$4,410,955 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2023, the loan has not been finalized and there is no amortization schedule for the loan.

Fourth Street Sewer Separation - In 2019 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 at Fourth Street. The total amount is subject to change and has not been finalized. The interest rate on the loan is 0%, 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, 2023, the City had received \$22,745,953 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2023, the loan has not been finalized and there is no amortization schedule for the loan.

Interceptor Siphon - In 2020 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 interceptor siphon project. The total amount is subject to change and has not been finalized. The interest rate on the loan is 0%, 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, 2023, the City had received \$2,413,631 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2023, the loan has not been finalized and there is no amortization schedule for the loan.

South Second Street Interceptor - In 2022 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for the South Second Street interceptor project. The total amount is subject to change and has not been finalized. The interest rate on the loan is 0%, 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, 2023, the City had received \$1,280,184 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2023, the loan has not been finalized and there is no amortization schedule for the loan.

Lead Service Line Replacement - In 2023 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 water line replacement project. The total amount is subject to change and has not been finalized. The interest rate on the loan is 0%, per annum. This loan is payable from water distribution charges and is received by the City in increments as the project is completed. As of December 31, 2023, the City had received \$745,732 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2023, the loan has not been finalized and there is no amortization schedule for the loan.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

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

A summary of the City's future long-term debt funding requirements including principal and interest payments as of December 31, 2023 follows:

| Years | Governmental Activities | | | |
|---------------|--------------------------|--------------------|---------------------------|------------------|
| | General Obligation Bonds | | Accrued Pension Liability | |
| | Principal | Interest | Principal | Interest |
| 2024 | \$1,475,000 | \$617,613 | \$78,036 | \$46,964 |
| 2025 | 1,465,000 | 573,127 | 81,388 | 43,612 |
| 2026 | 1,515,000 | 523,314 | 84,882 | 40,118 |
| 2027 | 1,565,000 | 470,402 | 88,528 | 36,472 |
| 2028 | 1,560,000 | 420,306 | 92,332 | 32,668 |
| 2029-2033 | 5,170,000 | 1,429,014 | 524,662 | 100,338 |
| 2034-2038 | 2,450,000 | 704,729 | 174,522 | 7,352 |
| 2039-2043 | 1,180,000 | 329,880 | 0 | 0 |
| 2044-2047 | 725,000 | 83,478 | 0 | 0 |
| Totals | \$17,105,000 | \$5,151,863 | \$1,124,350 | \$307,524 |

| Years | Governmental Activities | | | |
|---------------|-------------------------|------------------|------------------|------------|
| | ODOT SIB Loans | | OPWC Loans | |
| | Principal | Interest | Principal | Interest |
| 2024 | \$370,812 | \$92,107 | \$64,982 | \$0 |
| 2025 | 382,018 | 80,900 | 64,982 | 0 |
| 2026 | 393,566 | 69,353 | 64,982 | 0 |
| 2027 | 405,462 | 57,457 | 64,982 | 0 |
| 2028 | 291,411 | 45,202 | 64,982 | 0 |
| 2029-2033 | 913,674 | 137,855 | 207,686 | 0 |
| 2034-2037 | 405,305 | 15,312 | 60,000 | 0 |
| Totals | \$3,162,248 | \$498,186 | \$592,596 | \$0 |

| Years | Installment Loans | |
|---------------|--------------------|------------------|
| | Principal | Interest |
| 2024 | \$795,256 | \$172,189 |
| 2025 | 712,937 | 79,171 |
| 2026 | 333,265 | 48,466 |
| 2027 | 140,061 | 31,730 |
| 2028 | 145,829 | 25,962 |
| 2029-2031 | 475,210 | 40,162 |
| Totals | \$2,602,558 | \$397,680 |

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

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

| Business-Type Activities | | | | | | |
|---------------------------------|--------------------------|--------------------|---------------------|---------------------|--|--|
| Years | General Obligation Bonds | | Revenue Bonds | | | |
| | Principal | Interest | Principal | Interest | | |
| 2024 | \$490,000 | \$182,710 | \$380,000 | \$672,806 | | |
| 2025 | 495,000 | 171,630 | 390,000 | 664,256 | | |
| 2026 | 515,000 | 159,950 | 400,000 | 652,069 | | |
| 2027 | 525,000 | 147,800 | 410,000 | 642,569 | | |
| 2028 | 540,000 | 131,525 | 425,000 | 626,169 | | |
| 2029-2033 | 2,360,000 | 381,550 | 2,390,000 | 2,862,445 | | |
| 2034-2038 | 740,000 | 108,450 | 2,990,000 | 2,270,345 | | |
| 2039-2043 | 140,000 | 5,600 | 3,375,000 | 1,475,845 | | |
| 2044-2048 | 0 | 0 | 4,115,000 | 635,331 | | |
| 2049 | 0 | 0 | 915,000 | 33,169 | | |
| Totals | \$5,805,000 | \$1,289,215 | \$15,790,000 | \$10,535,004 | | |

| Business-Type Activities | | | | | | |
|---------------------------------|---------------------|--------------------|------------------|------------|--------------------|------------------|
| Years | OWDA Loans | | OPWC Loans | | ODOT SIB Loans | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2024 | \$2,684,406 | \$686,367 | \$105,229 | \$0 | \$167,144 | \$70,010 |
| 2025 | 2,762,628 | 618,879 | 103,598 | 0 | 172,196 | 64,958 |
| 2026 | 2,843,483 | 549,200 | 70,037 | 0 | 177,401 | 59,753 |
| 2027 | 2,745,873 | 478,603 | 70,036 | 0 | 182,762 | 54,391 |
| 2028 | 2,674,626 | 410,013 | 41,604 | 0 | 188,286 | 48,868 |
| 2029-2033 | 10,099,928 | 1,092,224 | 208,028 | 0 | 1,030,315 | 155,453 |
| 2034-2038 | 2,211,623 | 409,876 | 20,809 | 0 | 457,042 | 17,266 |
| 2039-2043 | 2,369,872 | 183,518 | 0 | 0 | 0 | 0 |
| 2044 | 503,082 | 7,597 | 0 | 0 | 0 | 0 |
| Totals | \$28,895,521 | \$4,436,277 | \$619,341 | \$0 | \$2,375,146 | \$470,699 |

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

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

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 \$4,805,000 at December 31, 2023 are not included in the City’s outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In October 2017 the City refunded \$1,305,000 of Storm Water Improvement Bonds dated 2009, \$1,005,000 of Storm Water Improvement Bonds dated 2011, \$985,000 of Various Purpose Street Bonds dated 2010, and \$885,000 of Landfill Reclamation Bonds dated 2011 through the issuance of \$4,365,000 of General Obligation Bonds. The net proceeds of the 2017 Bonds were used to currently refund the 2010 Various Purpose Bonds. The remaining net proceeds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$2,315,000 at December 31, 2023 are not included in the City’s outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

NOTE 13 – SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The City has entered into multiple Subscription Based Information Technology Arrangements (SBITAs) for the right to use various software platforms. Cost and accumulated depreciation reported in Governmental Activities for SBITA assets is \$71,730 and \$23,910, respectively. Cost and accumulated depreciation reported in Business-Type Activities for SBITA assets is \$106,625 and \$35,542, respectively.

The related liability is included in the Governmental Activities and Business-Type Activities Long-Term Liabilities.

The following is a schedule of future SBITA payments as of December 31, 2023:

| Years | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | |
|--------|--------------------------------|----------------|---------------------------------|----------------|
| | SBITA | | SBITA | |
| | Principal | Interest | Principal | Interest |
| 2024 | \$23,878 | \$3,205 | \$35,495 | \$4,764 |
| 2025 | 25,431 | 1,653 | 37,803 | 2,457 |
| Totals | <u>\$49,309</u> | <u>\$4,858</u> | <u>\$73,298</u> | <u>\$7,221</u> |

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

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 is a participant in the Public Entities Pool of Ohio (“PEP Pool”). The PEP Pool was established in 1987 and is administered under contract by the York Risk Pooling Services, Inc. to provide Ohio municipalities with the most cost-effective, comprehensive coverage in the state.

The Pool’s general objectives are to provide for a joint or cooperative action by Members relative to their financial and administrative resources for the purpose of providing risk management services and risk-sharing facilities to the Members and to the Members’ employees, and to defend and protect any Member of the Pool against liability.

Members of the Pool may withdraw coverage upon 60 days written notice. 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.

Adequate and appropriate reinsurance is essential to protect the financial integrity of a group self-insurance program. PEP is a Member of a unique reinsurance pool known as American Public Entity Excess Pool (APEEP).

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 in any of the past three fiscal years.

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, 2023**

NOTE 14 - INSURANCE AND RISK MANAGEMENT (Continued)

B. Self Insurance (Continued)

A liability for unpaid claims cost of \$491,010 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. Claim payments are reported as a component of personal services.

Changes in the fund's claims liability in 2022 and 2023 were as follows:

| Fiscal Year | Beginning of Fiscal Year Liability | Current Year Claims and Changes in Estimates | Claims Payments | Balance at Fiscal Year End |
|-------------|--|---|--------------------|----------------------------------|
| 2022 | \$372,834 | \$6,702,145 | (\$6,714,542) | \$360,437 |
| 2023 | 360,437 | 6,987,573 | (6,857,000) | 491,010 |

C. BWC Individual Retrospective Rating Program

In prior years the City was enrolled in the Ohio BWC's Individual Retrospective Rating program. Each retrospective rated policy year carries a 10 year liability period. The Individual Retrospective Rating provided the City with an up-front premium discount in exchange for assuming dollar-for-dollar claims liability for any claim filed during the Retrospective Rating policy year.

The claims liability of \$71,065 reported in the General Fund at December 31, 2023 is based on the requirements of GASB Statement No. 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. Claim payments are reported as a component of personal services. Changes in the claims liability amount are as follows:

| Year | Beginning of Year Liability | Current Year Claims and Changes in Estimates | Claims Payments | End of Year Liability |
|------|-----------------------------------|---|--------------------|--------------------------|
| 2022 | \$5,191 | \$48,087 | (\$5,191) | \$48,087 |
| 2023 | 48,087 | 71,065 | (48,087) | 71,065 |

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 15 - SIGNIFICANT COMMITMENTS

A. Contractual Commitments

The City had the following significant contractual commitments at December 31, 2023:

| <u>Project</u> | <u>Remaining Contractual Commitment</u> | <u>Expected Date of Completion</u> |
|---|---|--|
| Street Maintenance | \$831,817 | 2024 |
| River Road - Reddington Road Sanitary Sewer - Design | 64,150 | 2024 |
| Professional Services - Levee and Flood Gate - Design | 60,420 | 2024 |
| Multi-use Path - Granville Road - Design | 78,525 | 2025 |
| Horns Hill Road Improvements | 1,614,354 | 2025 |
| Granville Road Improvements | 101,730 | 2024 |
| East Church Street Improvements | 104,794 | 2024 |
| Downtown Electric Utility Relocation - Burial | 405,000 | 2024 |
| Baker Boulevard Improvements | 350,000 | 2025 |
| | <u>\$3,610,790</u> | |

B. Encumbrance Commitments

At December 31, 2023 the City had encumbrance commitments in the Governmental Funds as follows:

| <u>Fund</u> | <u>Encumbrances</u> |
|-------------------------------|---------------------|
| General Fund | \$1,521,469 |
| American Rescue Plan Act Fund | 6,765,545 |
| Capital Improvement Fund | 22,474,686 |
| Other Governmental Funds | 1,214,098 |
| Total Governmental Funds | <u>\$31,975,798</u> |

NOTE 16 - CONTINGENCIES

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

NOTE 17 – DEFICIT FUND BALANCE

The fund deficit of \$1,086 in the Safety Grants nonmajor governmental fund resulted from accrued liabilities reported in the fund. A deficit does not exist on a cash basis. The General Fund provides transfers when cash is required, not when accruals occur.

NOTE 18 – SUBSEQUENT EVENT

In March 2024 the City issued \$1,135,000 of various purpose bond anticipation notes. The notes have an interest rate of 4.5% and mature March 20, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEWARK, OHIO

***Schedule of City's Proportionate Share of the Net Pension Liability
Last Ten Years***

Ohio Public Employees Retirement System

| Year | 2014 | 2015 | 2016 | 2017 |
|--|-------------|-------------|--------------|--------------|
| City's proportion of the net pension liability (asset) | 0.076378% | 0.076378% | 0.074871% | 0.073004% |
| City's proportionate share of the net pension liability (asset) | \$9,003,971 | \$9,212,040 | \$12,968,643 | \$16,578,043 |
| City's covered payroll | \$9,499,900 | \$9,381,292 | \$9,344,933 | \$9,126,483 |
| City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 94.78% | 98.20% | 138.78% | 181.65% |
| Plan fiduciary net position as a percentage of the total pension liability | 86.36% | 86.45% | 81.08% | 77.25% |

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

| Year | 2014 | 2015 | 2016 | 2017 |
|--|--------------|--------------|--------------|--------------|
| City's proportion of the net pension liability (asset) | 0.478326% | 0.478326% | 0.467618% | 0.467510% |
| City's proportionate share of the net pension liability (asset) | \$23,295,996 | \$24,779,302 | \$30,082,169 | \$29,611,621 |
| City's covered payroll | \$9,550,114 | \$9,387,938 | \$9,451,954 | \$9,644,293 |
| City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 243.93% | 263.95% | 318.26% | 307.04% |
| Plan fiduciary net position as a percentage of the total pension liability | 73.00% | 72.20% | 66.77% | 68.36% |

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

The schedule is reported as of the measurement date of the Net Pension Liability, which is the prior year end.

See notes to the required supplementary information

CITY OF NEWARK, OHIO

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| 0.069175% | 0.069409% | 0.068045% | 0.070820% | 0.071830% | 0.070708% |
| \$10,852,146 | \$19,009,713 | \$13,449,551 | \$10,486,897 | \$6,249,496 | \$20,887,170 |
| \$9,207,600 | \$9,376,750 | \$9,594,221 | \$9,938,957 | \$10,397,186 | \$10,888,693 |
| 117.86% | 202.73% | 140.18% | 105.51% | 60.11% | 191.82% |
| 84.66% | 74.70% | 82.17% | 86.88% | 92.62% | 75.74% |

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| 0.441969% | 0.438010% | 0.427888% | 0.431171% | 0.448827% | 0.437509% |
| \$27,125,647 | \$35,753,191 | \$28,824,823 | \$29,393,302 | \$28,040,115 | \$41,559,152 |
| \$9,540,968 | \$9,807,613 | \$10,155,025 | \$10,391,184 | \$11,291,020 | \$11,660,725 |
| 284.31% | 364.55% | 283.85% | 282.87% | 248.34% | 356.40% |
| 70.91% | 63.07% | 69.89% | 70.65% | 75.03% | 62.90% |

CITY OF NEWARK, OHIO**Schedule of City Pension Contributions
Last Ten Years****Ohio Public Employees Retirement System**

| Year | 2014 | 2015 | 2016 | 2017 |
|--|------------------|------------------|------------------|------------------|
| Contractually required contribution | \$1,125,755 | \$1,121,392 | \$1,095,178 | \$1,196,988 |
| Contributions in relation to the contractually required contribution | <u>1,125,755</u> | <u>1,121,392</u> | <u>1,095,178</u> | <u>1,196,988</u> |
| Contribution deficiency (excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| City's covered payroll | \$9,381,292 | \$9,344,933 | \$9,126,483 | \$9,207,600 |
| Contributions as a percentage of covered payroll | 12.00% | 12.00% | 12.00% | 13.00% |

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

| Year | 2014 | 2015 | 2016 | 2017 |
|--|------------------|------------------|------------------|------------------|
| Contractually required contribution | \$2,002,523 | \$2,012,953 | \$2,058,255 | \$2,041,586 |
| Contributions in relation to the contractually required contribution | <u>2,002,523</u> | <u>2,012,953</u> | <u>2,058,255</u> | <u>2,041,586</u> |
| Contribution deficiency (excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| City's covered payroll | \$9,387,938 | \$9,451,954 | \$9,644,293 | \$9,540,968 |
| Contributions as a percentage of covered payroll | 21.33% | 21.30% | 21.34% | 21.40% |

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

See notes to the required supplementary information

CITY OF NEWARK, OHIO

| <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|------------------|------------------|------------------|------------------|------------------|------------------|
| \$1,312,745 | \$1,343,191 | \$1,391,454 | \$1,455,606 | \$1,524,417 | \$1,600,212 |
| <u>1,312,745</u> | <u>1,343,191</u> | <u>1,391,454</u> | <u>1,455,606</u> | <u>1,524,417</u> | <u>1,600,212</u> |
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| \$9,376,750 | \$9,594,221 | \$9,938,957 | \$10,397,186 | \$10,888,693 | \$11,430,086 |
| 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% |

| <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|------------------|------------------|------------------|------------------|------------------|------------------|
| \$2,095,532 | \$2,170,355 | \$2,220,792 | \$2,421,917 | \$2,501,298 | \$2,783,768 |
| <u>2,095,532</u> | <u>2,170,355</u> | <u>2,220,792</u> | <u>2,421,917</u> | <u>2,501,298</u> | <u>2,783,768</u> |
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| \$9,807,613 | \$10,155,025 | \$10,391,184 | \$11,291,020 | \$11,660,725 | \$12,946,966 |
| 21.37% | 21.37% | 21.37% | 21.45% | 21.45% | 21.50% |

Schedule of City's Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability (Asset) Last Seven Years

Ohio Public Employees Retirement System

| Year | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|---|-------------|-------------|-------------|
| City's proportion of the net OPEB liability (asset) | 0.073607% | 0.070172% | 0.070356% |
| City's proportionate share of the net OPEB liability (asset) | \$7,434,554 | \$7,620,198 | \$9,172,760 |
| City's covered payroll | \$9,126,483 | \$9,207,600 | \$9,376,750 |
| City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll | 81.46% | 82.76% | 97.82% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 54.50% | 54.14% | 46.33% |

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

| Year | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|---|--------------|--------------|-------------|
| City's proportion of the net OPEB liability (asset) | 0.467510% | 0.441969% | 0.438010% |
| City's proportionate share of the net OPEB liability (asset) | \$22,191,654 | \$25,041,358 | \$3,988,755 |
| City's covered payroll | \$9,644,293 | \$9,540,968 | \$9,807,613 |
| City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll | 230.10% | 262.46% | 40.67% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 15.96% | 14.13% | 46.57% |

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 75 in 2018.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2017 is not available.

The schedule is reported as of the measurement date of the Net OPEB Liability, which is the prior year end.

See notes to the required supplementary information

CITY OF NEWARK, OHIO

| <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|-------------|---------------|---------------|--------------|
| 0.068992% | 0.071656% | 0.072940% | 0.071867% |
| \$9,529,586 | (\$1,276,613) | (\$2,284,595) | \$453,132 |
| \$9,594,221 | \$9,938,957 | \$10,397,186 | \$10,888,693 |
| 99.33% | (12.84%) | (21.97%) | 4.16% |
| 47.80% | 115.57% | 128.23% | 94.79% |

| <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|--------------|--------------|--------------|--------------|
| 0.427888% | 0.431171% | 0.448827% | 0.437509% |
| \$4,226,564 | \$4,568,326 | \$4,919,531 | \$3,114,941 |
| \$10,155,025 | \$10,391,184 | \$11,291,020 | \$11,660,725 |
| 41.62% | 43.96% | 43.57% | 26.71% |
| 47.08% | 45.42% | 46.86% | 52.59% |

CITY OF NEWARK, OHIO

***Schedule of City's Other Postemployment Benefit (OPEB) Contributions
Last Ten Years***

Ohio Public Employees Retirement System

| Year | 2014 | 2015 | 2016 | 2017 |
|--|----------------|----------------|----------------|---------------|
| Contractually required contribution | \$187,626 | \$186,899 | \$182,530 | \$92,076 |
| Contributions in relation to the contractually required contribution | <u>187,626</u> | <u>186,899</u> | <u>182,530</u> | <u>92,076</u> |
| Contribution deficiency (excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| City's covered payroll | \$9,381,292 | \$9,344,933 | \$9,126,483 | \$9,207,600 |
| Contributions as a percentage of covered payroll | 2.00% | 2.00% | 2.00% | 1.00% |

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

| Year | 2014 | 2015 | 2016 | 2017 |
|--|---------------|---------------|---------------|---------------|
| Contractually required contribution | \$46,940 | \$47,260 | \$48,221 | \$47,704 |
| Contributions in relation to the contractually required contribution | <u>46,940</u> | <u>47,260</u> | <u>48,221</u> | <u>47,704</u> |
| Contribution deficiency (excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| City's covered payroll | \$9,387,938 | \$9,451,954 | \$9,644,293 | \$9,540,968 |
| Contributions as a percentage of covered payroll | 0.50% | 0.50% | 0.50% | 0.50% |

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 75 in 2018.

See notes to the required supplementary information

CITY OF NEWARK, OHIO

| <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|-------------|-------------|-------------|--------------|--------------|--------------|
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| \$9,376,750 | \$9,594,221 | \$9,938,957 | \$10,397,186 | \$10,888,693 | \$11,430,086 |
| 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

| <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|---------------|---------------|---------------|---------------|---------------|---------------|
| \$49,038 | \$50,775 | \$51,956 | \$56,455 | \$58,304 | \$64,735 |
| <u>49,038</u> | <u>50,775</u> | <u>51,956</u> | <u>56,455</u> | <u>58,304</u> | <u>64,735</u> |
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| \$9,807,613 | \$10,155,025 | \$10,391,184 | \$11,291,020 | \$11,660,725 | \$12,946,966 |
| 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% |

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2023***

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2023.

Changes in assumptions:

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2017: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%
- Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality table.

2018: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2019: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 7.50% to 7.20%

2020: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 3.00% to 1.4% for post 1/7/13 retirees.

2021: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 1.4% to 0.5% for post 1/7/13 retirees.

2022: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 0.5% to 3.00% for post 1/7/13 retirees.
- Reduction in actuarial assumed rate of return from 7.20% to 6.90%.
- Pre-retirement mortality rates are based on Pub-2010 General Employee/Safety Employee mortality tables.
- Post-retirement mortality rates are based on PubG-2010 Retiree mortality tables.
- Post-retirement mortality rates for disabled retirees are based on PubNS-2010 Disabled Retiree mortality tables for all divisions.

2023: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2023***

NET PENSION LIABILITY (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2023.

Changes in assumptions:

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2018: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.25% to 8.00%
- Decrease salary increases from 3.75% to 3.25%
- Change in payroll growth from 3.75% to 3.25%
- Reduce DROP interest rate from 4.5% to 4.0%
- Reduce CPI-based COLA from 2.6% to 2.2%
- Inflation component reduced from 3.25% to 2.75%
- For the January 1, 2017, valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006
- For the January 1, 2017, valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006

2019-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2022: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%

2023: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table
- Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table
- Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table
- Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2023***

NET OPEB LIABILITY (ASSET)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the periods 2018-2021, and 2023.

2022: Group plans for non-Medicare retirees and re-employed retirees replaced with individual medical plans. OPERS will provide a subsidy or allowance via an HRA.

Changes in assumptions:

For 2018, the single discount rate changed from 4.23% to 3.85%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.85% to 3.96%.
- Reduction in actuarial assumed rate of return from 6.50% to 6.00%
- Change in health care cost trend rate from 7.5% to 10%
- The Municipal Bond Rate changed from 3.31% to 3.71%

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.96% to 3.16%.
- Change in health care cost trend rate from 10.0% to 10.5%
- The Municipal Bond Rate changed from 3.71% to 2.75%

2021: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.16% to 6.00%.
- Change in health care cost trend rate from 10.5% to 8.5%
- The Municipal Bond Rate changed from 2.75% to 2.00%

2022: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- Change in health care cost trend rate from 8.5% to 5.5%
- The Municipal Bond Rate changed from 2.00% to 1.84%
- Pre-retirement mortality rates are based on Pub-2010 General Employee/Safety Employee mortality tables.
- Post-retirement mortality rates are based on PubG-2010 Retiree mortality tables.
- Post-retirement mortality rates for disabled retirees are based on PubNS-2010 Disabled Retiree mortality tables for all divisions.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2023***

NET OPEB LIABILITY (ASSET) (Continued)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (Continued)

2023: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The Municipal Bond Rate changed from 1.84% to 4.05%
- The single discount rate changed from 6.00% to 5.22%.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms:

2018: There were no changes in benefit terms.

2019: The retiree health care model and the current self-insured health care plan were replaced with a stipend-based health care model.

2020 - 2023: There were no changes in benefit terms.

Changes in assumptions:

2018: The single discount rate changed from 3.79% to 3.24%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.24% to 4.66%.

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 4.66% to 3.56%.

2021: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.56% to 2.96%.
- The payroll growth rate changed from 2.75% to 3.25%.

2022: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 2.96% to 2.84%.
- The investment rate of return changed from 8.0% to 7.5%.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2023***

NET OPEB LIABILITY (ASSET) (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND (Continued)

2023: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 2.84% to 4.27%.
- Mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table
- Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table
- Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table
- Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table

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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.

Community Development Fund

To account for Federal grants administered through the State, which are designated for community and environmental improvements.

Special Improvement District Fund

To account for assessments which are designated for community improvements. (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.

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.

Safety Grants Fund

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

One Ohio Opioid Settlement Fund

To account for funds collected from drug manufacturers and distributors designated for resources to assist with community recovery, prevention and treatment.

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.

(Continued)

Nonmajor Governmental Funds (continued)

Special Revenue Funds (continued)

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.

Fire Damage Fund

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

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.

Coronavirus Relief Fund

This fund is used to account for Coronavirus Relief funds received through passage of the CARES Act. These funds can be used for necessary expenditures incurred due to the Covid-19 public health emergency. (The Balance Sheet is not presented because there are no assets or liabilities at year end).

Ohio Department of Natural Resources (ODNR) Grants Fund

This fund accounts for grants used for bike path improvements as well as improvements to City parks. (The Balance Sheet is not presented because there are no assets or liabilities at year end).

Mary E. Barnes Trust Fund

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

Brownfield Cleanup Fund

To account for monies from the Environmental Protection Agency to be used for brownfield assessment and cleanup planning.

Judicial Fund

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

(Continued)

Nonmajor Governmental Funds (continued)

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.

Capital Projects Funds

The Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those 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, 2023**

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Funds | Nonmajor Capital Projects Fund | Total Nonmajor Governmental Funds |
|--|--------------------------------------|--------------------------------|--------------------------------------|---|
| Assets: | | | | |
| Pooled Cash and Investments | \$ 5,747,837 | \$ 3,327,017 | \$ 447,016 | \$ 9,521,870 |
| Cash and Cash Equivalents in Segregated Accounts | 38,445 | 0 | 1,435 | 39,880 |
| Investments | 75,023 | 0 | 0 | 75,023 |
| Receivables: | | | | |
| Taxes | 769,614 | 732,000 | 0 | 1,501,614 |
| Accounts | 2,278 | 0 | 0 | 2,278 |
| Intergovernmental | 2,552,936 | 0 | 0 | 2,552,936 |
| Interest | 497 | 0 | 0 | 497 |
| Loans | 2,416,427 | 0 | 0 | 2,416,427 |
| Inventory of Supplies, at Cost | 422,305 | 0 | 0 | 422,305 |
| Restricted Assets: | | | | |
| Cash and Cash Equivalents | 937,131 | 0 | 0 | 937,131 |
| Investments | 258,720 | 0 | 0 | 258,720 |
| Investments with Fiscal Agent | 724,478 | 0 | 0 | 724,478 |
| Total Assets | \$ 13,945,691 | \$ 4,059,017 | \$ 448,451 | \$ 18,453,159 |
| Liabilities: | | | | |
| Accounts Payable | \$ 561,270 | \$ 0 | \$ 0 | \$ 561,270 |
| Accrued Wages and Benefits Payable | 152,115 | 0 | 0 | 152,115 |
| Intergovernmental Payable | 2,723 | 0 | 0 | 2,723 |
| Interfund Loans Payable | 3,126 | 0 | 0 | 3,126 |
| Total Liabilities | 719,234 | 0 | 0 | 719,234 |
| Deferred Inflows of Resources: | | | | |
| Unavailable Amounts | 2,378,325 | 0 | 0 | 2,378,325 |
| Property Tax Levy for Next Fiscal Year | 756,000 | 732,000 | 0 | 1,488,000 |
| Total Deferred Inflows of Resources | 3,134,325 | 732,000 | 0 | 3,866,325 |
| Fund Balance: | | | | |
| Nonspendable | 422,305 | 0 | 0 | 422,305 |
| Restricted | 9,670,913 | 1,860,075 | 448,451 | 11,979,439 |
| Assigned | 0 | 1,466,942 | 0 | 1,466,942 |
| Unassigned | (1,086) | 0 | 0 | (1,086) |
| Total Fund Balance | 10,092,132 | 3,327,017 | 448,451 | 13,867,600 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | \$ 13,945,691 | \$ 4,059,017 | \$ 448,451 | \$ 18,453,159 |

CITY OF NEWARK, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2023**

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Funds | Nonmajor Capital Projects Fund | Total Nonmajor Governmental Funds |
|--|--------------------------------------|--------------------------------|--------------------------------------|---|
| Revenues: | | | | |
| Taxes | \$ 536,604 | \$ 724,933 | \$ 0 | \$ 1,261,537 |
| Intergovernmental Revenues | 6,050,369 | 0 | 0 | 6,050,369 |
| Charges for Services | 6,827 | 0 | 0 | 6,827 |
| Investment Earnings | 122,417 | 0 | 0 | 122,417 |
| Special Assessments | 137,241 | 5,298 | 0 | 142,539 |
| Fines and Forfeitures | 410,914 | 0 | 20,857 | 431,771 |
| All Other Revenue | 202,521 | 0 | 0 | 202,521 |
| Total Revenues | 7,466,893 | 730,231 | 20,857 | 8,217,981 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | 1,480,565 | 0 | 0 | 1,480,565 |
| Public Health and Welfare Services | 217,016 | 0 | 0 | 217,016 |
| Community Environment | 1,196,887 | 0 | 0 | 1,196,887 |
| Transportation | 4,762,070 | 0 | 0 | 4,762,070 |
| General Government | 672,589 | 417,374 | 0 | 1,089,963 |
| Capital Outlay | 0 | 0 | 18,940 | 18,940 |
| Debt Service: | | | | |
| Principal Retirement | 84,982 | 1,744,933 | 0 | 1,829,915 |
| Interest and Fiscal Charges | 0 | 797,122 | 0 | 797,122 |
| Total Expenditures | 8,414,109 | 2,959,429 | 18,940 | 11,392,478 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (947,216) | (2,229,198) | 1,917 | (3,174,497) |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 400,000 | 3,061,876 | 0 | 3,461,876 |
| Total Other Financing Sources (Uses) | 400,000 | 3,061,876 | 0 | 3,461,876 |
| Net Change in Fund Balance | (547,216) | 832,678 | 1,917 | 287,379 |
| Fund Balance at Beginning of Year | 10,639,348 | 2,494,339 | 446,534 | 13,580,221 |
| Fund Balance End of Year | \$ 10,092,132 | \$ 3,327,017 | \$ 448,451 | \$ 13,867,600 |

CITY OF NEWARK, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2023**

| | Street Department | Cemetery | Community Development | Veterans Memorial Sidewalk |
|--|----------------------|---------------------|--------------------------|----------------------------------|
| Assets: | | | | |
| Pooled Cash and Investments | \$ 1,184,587 | \$ 143,584 | \$ 629,439 | \$ 2,906 |
| Cash and Cash Equivalents in Segregated Accounts | 0 | 0 | 0 | 0 |
| Investments | 0 | 0 | 0 | 75,023 |
| Receivables: | | | | |
| Taxes | 0 | 0 | 0 | 0 |
| Accounts | 2,278 | 0 | 0 | 0 |
| Intergovernmental | 1,316,247 | 0 | 0 | 0 |
| Interest | 0 | 497 | 0 | 0 |
| Loans | 0 | 0 | 2,416,427 | 0 |
| Inventory of Supplies, at Cost | 422,305 | 0 | 0 | 0 |
| Restricted Assets: | | | | |
| Cash and Cash Equivalents | 0 | 438,987 | 0 | 0 |
| Investments | 0 | 258,720 | 0 | 0 |
| Investments with Fiscal Agent | 0 | 551,032 | 0 | 0 |
| Total Assets | \$ 2,925,417 | \$ 1,392,820 | \$ 3,045,866 | \$ 77,929 |
| Liabilities: | | | | |
| Accounts Payable | \$ 275,051 | \$ 0 | \$ 85,351 | \$ 0 |
| Accrued Wages and Benefits Payable | 101,295 | 0 | 19,897 | 0 |
| Intergovernmental Payable | 0 | 0 | 0 | 0 |
| Interfund Loans Payable | 0 | 0 | 0 | 0 |
| Total Liabilities | 376,346 | 0 | 105,248 | 0 |
| Deferred Inflows of Resources: | | | | |
| Unavailable Amounts | 877,498 | 0 | 0 | 0 |
| Property Tax Levy for Next Fiscal Year | 0 | 0 | 0 | 0 |
| Total Deferred Inflows of Resources | 877,498 | 0 | 0 | 0 |
| Fund Balance: | | | | |
| Nonspendable | 422,305 | 0 | 0 | 0 |
| Restricted | 1,249,268 | 1,392,820 | 2,940,618 | 77,929 |
| Unassigned | 0 | 0 | 0 | 0 |
| Total Fund Balance | 1,671,573 | 1,392,820 | 2,940,618 | 77,929 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | \$ 2,925,417 | \$ 1,392,820 | \$ 3,045,866 | \$ 77,929 |

(Continued)

CITY OF NEWARK, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2023**

| | Police/Fire Pension | Safety Grants | One Ohio Opioid Settlement | State Highway |
|--|------------------------|-----------------|----------------------------------|-------------------|
| Assets: | | | | |
| Pooled Cash and Investments | \$ 0 | \$ 1 | \$ 84,285 | \$ 11,442 |
| Cash and Cash Equivalents in Segregated Accounts | 0 | 0 | 0 | 0 |
| Investments | 0 | 0 | 0 | 0 |
| Receivables: | | | | |
| Taxes | 769,614 | 0 | 0 | 0 |
| Accounts | 0 | 0 | 0 | 0 |
| Intergovernmental | 33,620 | 8,139 | 0 | 106,719 |
| Interest | 0 | 0 | 0 | 0 |
| Loans | 0 | 0 | 0 | 0 |
| Inventory of Supplies, at Cost | 0 | 0 | 0 | 0 |
| Restricted Assets: | | | | |
| Cash and Cash Equivalents | 0 | 0 | 0 | 0 |
| Investments | 0 | 0 | 0 | 0 |
| Investments with Fiscal Agent | 0 | 0 | 0 | 0 |
| Total Assets | \$ 803,234 | \$ 8,140 | \$ 84,285 | \$ 118,161 |
| Liabilities: | | | | |
| Accounts Payable | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Accrued Wages and Benefits Payable | 0 | 0 | 0 | 0 |
| Intergovernmental Payable | 0 | 0 | 0 | 0 |
| Interfund Loans Payable | 0 | 3,126 | 0 | 0 |
| Total Liabilities | 0 | 3,126 | 0 | 0 |
| Deferred Inflows of Resources: | | | | |
| Unavailable Amounts | 47,234 | 6,100 | 0 | 71,146 |
| Property Tax Levy for Next Fiscal Year | 756,000 | 0 | 0 | 0 |
| Total Deferred Inflows of Resources | 803,234 | 6,100 | 0 | 71,146 |
| Fund Balance: | | | | |
| Nonspendable | 0 | 0 | 0 | 0 |
| Restricted | 0 | 0 | 84,285 | 47,015 |
| Unassigned | 0 | (1,086) | 0 | 0 |
| Total Fund Balance | 0 | (1,086) | 84,285 | 47,015 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | \$ 803,234 | \$ 8,140 | \$ 84,285 | \$ 118,161 |

CITY OF NEWARK, OHIO

| <u>Law Enforcement</u> | <u>Landfill Reclamation</u> | <u>Court Computerization</u> | <u>Fire Damage</u> | <u>Permissive License Tax</u> | <u>Probation Grant</u> |
|------------------------|-----------------------------|------------------------------|--------------------|-------------------------------|------------------------|
| \$ 584,184 | \$ 4,808 | \$ 489,921 | \$ 136,657 | \$ 1,204,386 | \$ 3,285 |
| 3,960 | 0 | 12,403 | 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 | 329,898 | 672,575 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 498,144 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| <u>\$ 588,144</u> | <u>\$ 4,808</u> | <u>\$ 502,324</u> | <u>\$ 136,657</u> | <u>\$ 2,032,428</u> | <u>\$ 675,860</u> |
| \$ 7,171 | \$ 0 | \$ 0 | \$ 0 | \$ 105,727 | \$ 2,232 |
| 0 | 0 | 4,473 | 0 | 0 | 15,048 |
| 0 | 0 | 0 | 0 | 2,414 | 309 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| <u>7,171</u> | <u>0</u> | <u>4,473</u> | <u>0</u> | <u>108,141</u> | <u>17,589</u> |
| 0 | 0 | 0 | 0 | 718,076 | 658,271 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>718,076</u> | <u>658,271</u> |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 580,973 | 4,808 | 497,851 | 136,657 | 1,206,211 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| <u>580,973</u> | <u>4,808</u> | <u>497,851</u> | <u>136,657</u> | <u>1,206,211</u> | <u>0</u> |
| <u>\$ 588,144</u> | <u>\$ 4,808</u> | <u>\$ 502,324</u> | <u>\$ 136,657</u> | <u>\$ 2,032,428</u> | <u>\$ 675,860</u> |

(Continued)

CITY OF NEWARK, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2023**

| | Mary E. Barnes Trust | Brownfield Cleanup | Judicial | Total Nonmajor Special Revenue Funds |
|--|-------------------------|-----------------------|---------------------|--|
| Assets: | | | | |
| Pooled Cash and Investments | \$ 0 | \$ 0 | \$ 1,268,352 | \$ 5,747,837 |
| Cash and Cash Equivalents in Segregated Accounts | 0 | 0 | 22,082 | 38,445 |
| Investments | 0 | 0 | 0 | 75,023 |
| Receivables: | | | | |
| Taxes | 0 | 0 | 0 | 769,614 |
| Accounts | 0 | 0 | 0 | 2,278 |
| Intergovernmental | 0 | 85,738 | 0 | 2,552,936 |
| Interest | 0 | 0 | 0 | 497 |
| Loans | 0 | 0 | 0 | 2,416,427 |
| Inventory of Supplies, at Cost | 0 | 0 | 0 | 422,305 |
| Restricted Assets: | | | | |
| Cash and Cash Equivalents | 0 | 0 | 0 | 937,131 |
| Investments | 0 | 0 | 0 | 258,720 |
| Investments with Fiscal Agent | 173,446 | 0 | 0 | 724,478 |
| Total Assets | \$ 173,446 | \$ 85,738 | \$ 1,290,434 | \$ 13,945,691 |
| Liabilities: | | | | |
| Accounts Payable | \$ 0 | \$ 85,738 | \$ 0 | \$ 561,270 |
| Accrued Wages and Benefits Payable | 0 | 0 | 11,402 | 152,115 |
| Intergovernmental Payable | 0 | 0 | 0 | 2,723 |
| Interfund Loans Payable | 0 | 0 | 0 | 3,126 |
| Total Liabilities | 0 | 85,738 | 11,402 | 719,234 |
| Deferred Inflows of Resources: | | | | |
| Unavailable Amounts | 0 | 0 | 0 | 2,378,325 |
| Property Tax Levy for Next Fiscal Year | 0 | 0 | 0 | 756,000 |
| Total Deferred Inflows of Resources | 0 | 0 | 0 | 3,134,325 |
| Fund Balance: | | | | |
| Nonspendable | 0 | 0 | 0 | 422,305 |
| Restricted | 173,446 | 0 | 1,279,032 | 9,670,913 |
| Unassigned | 0 | 0 | 0 | (1,086) |
| Total Fund Balance | 173,446 | 0 | 1,279,032 | 10,092,132 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | \$ 173,446 | \$ 85,738 | \$ 1,290,434 | \$ 13,945,691 |

CITY OF NEWARK, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023**

| | Street Department | Cemetery | Community Development | Special Improvement District |
|--|----------------------|---------------------|--------------------------|------------------------------------|
| Revenues: | | | | |
| Taxes | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Intergovernmental Revenues | 2,727,930 | 0 | 1,025,916 | 0 |
| Charges for Services | 0 | 6,827 | 0 | 0 |
| Investment Earnings | 0 | 91,611 | 2,872 | 0 |
| Special Assessments | 0 | 0 | 0 | 137,241 |
| Fines and Forfeitures | 0 | 0 | 0 | 0 |
| All Other Revenue | 35,672 | 0 | 0 | 0 |
| Total Revenues | 2,763,602 | 98,438 | 1,028,788 | 137,241 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | 0 | 0 | 0 | 0 |
| Public Health and Welfare Services | 0 | 22,463 | 0 | 0 |
| Community Environment | 0 | 0 | 1,058,646 | 137,241 |
| Transportation | 3,855,434 | 0 | 0 | 0 |
| General Government | 0 | 0 | 0 | 0 |
| Debt Service: | | | | |
| Principal Retirement | 0 | 0 | 0 | 0 |
| Total Expenditures | 3,855,434 | 22,463 | 1,058,646 | 137,241 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,091,832) | 75,975 | (29,858) | 0 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 400,000 | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | 400,000 | 0 | 0 | 0 |
| Net Change in Fund Balance | (691,832) | 75,975 | (29,858) | 0 |
| Fund Balance at Beginning of Year | 2,363,405 | 1,316,845 | 2,970,476 | 0 |
| Fund Balance End of Year | \$ 1,671,573 | \$ 1,392,820 | \$ 2,940,618 | \$ 0 |

(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, 2023**

| | Veterans Memorial Sidewalk | Police/Fire Pension | Safety Grants | One Ohio Opioid Settlement |
|--|----------------------------------|------------------------|-------------------|----------------------------------|
| Revenues: | | | | |
| Taxes | \$ 0 | \$ 536,604 | \$ 0 | \$ 0 |
| Intergovernmental Revenues | 0 | 67,614 | 230,880 | 68,921 |
| Charges for Services | 0 | 0 | 0 | 0 |
| Investment Earnings | 187 | 0 | 0 | 0 |
| Special Assessments | 0 | 0 | 0 | 0 |
| Fines and Forfeitures | 0 | 0 | 0 | 0 |
| All Other Revenue | 425 | 0 | 0 | 0 |
| Total Revenues | 612 | 604,218 | 230,880 | 68,921 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | 0 | 657,381 | 227,273 | 0 |
| Public Health and Welfare Services | 0 | 0 | 0 | 0 |
| Community Environment | 0 | 0 | 0 | 0 |
| Transportation | 0 | 0 | 0 | 0 |
| General Government | 0 | 0 | 0 | 0 |
| Debt Service: | | | | |
| Principal Retirement | 0 | 0 | 0 | 0 |
| Total Expenditures | 0 | 657,381 | 227,273 | 0 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 612 | (53,163) | 3,607 | 68,921 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 0 | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | 0 | 0 | 0 | 0 |
| Net Change in Fund Balance | 612 | (53,163) | 3,607 | 68,921 |
| Fund Balance at Beginning of Year | 77,317 | 53,163 | (4,693) | 15,364 |
| Fund Balance End of Year | \$ 77,929 | \$ 0 | \$ (1,086) | \$ 84,285 |

CITY OF NEWARK, OHIO

| State Highway | Law Enforcement | Landfill Reclamation | Court Computerization | Fire Damage | Permissive License Tax |
|------------------|-------------------|----------------------|-----------------------|-------------------|------------------------|
| \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 221,182 | 20,186 | 0 | 0 | 0 | 1,046,021 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 74,570 | 0 | 179,469 | 0 | 0 |
| 0 | 707 | 0 | 22 | 148,719 | 16,837 |
| <u>221,182</u> | <u>95,463</u> | <u>0</u> | <u>179,491</u> | <u>148,719</u> | <u>1,062,858</u> |
| 0 | 90,326 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 213,293 | 0 | 0 | 0 | 0 | 693,343 |
| 0 | 0 | 0 | 291,863 | 131,625 | 0 |
| 0 | 0 | 0 | 0 | 0 | 84,982 |
| <u>213,293</u> | <u>90,326</u> | <u>0</u> | <u>291,863</u> | <u>131,625</u> | <u>778,325</u> |
| 7,889 | 5,137 | 0 | (112,372) | 17,094 | 284,533 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 7,889 | 5,137 | 0 | (112,372) | 17,094 | 284,533 |
| 39,126 | 575,836 | 4,808 | 610,223 | 119,563 | 921,678 |
| <u>\$ 47,015</u> | <u>\$ 580,973</u> | <u>\$ 4,808</u> | <u>\$ 497,851</u> | <u>\$ 136,657</u> | <u>\$ 1,206,211</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, 2023**

| | Probation Grant | Coronavirus Relief | ODNR Grants | Mary E. Barnes Trust |
|--|--------------------|-----------------------|--------------|-------------------------|
| Revenues: | | | | |
| Taxes | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Intergovernmental Revenues | 446,166 | 0 | 1,000 | 0 |
| Charges for Services | 0 | 0 | 0 | 0 |
| Investment Earnings | 0 | 0 | 0 | 27,747 |
| Special Assessments | 0 | 0 | 0 | 0 |
| Fines and Forfeitures | 0 | 0 | 0 | 0 |
| All Other Revenue | 74 | 0 | 0 | 0 |
| Total Revenues | 446,240 | 0 | 1,000 | 27,747 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | 502,956 | 0 | 0 | 2,629 |
| Public Health and Welfare Services | 0 | 0 | 0 | 0 |
| Community Environment | 0 | 0 | 1,000 | 0 |
| Transportation | 0 | 0 | 0 | 0 |
| General Government | 0 | 16 | 0 | 0 |
| Debt Service: | | | | |
| Principal Retirement | 0 | 0 | 0 | 0 |
| Total Expenditures | 502,956 | 16 | 1,000 | 2,629 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (56,716) | (16) | 0 | 25,118 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 0 | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | 0 | 0 | 0 | 0 |
| Net Change in Fund Balance | (56,716) | (16) | 0 | 25,118 |
| Fund Balance at Beginning of Year | 56,716 | 16 | 0 | 148,328 |
| Fund Balance End of Year | \$ 0 | \$ 0 | \$ 0 | \$ 173,446 |

CITY OF NEWARK, OHIO

| Brownfield Cleanup | Judicial | Total Nonmajor Special Revenue Funds |
|-----------------------|---------------------|--|
| \$ 0 | \$ 0 | \$ 536,604 |
| 194,553 | 0 | 6,050,369 |
| 0 | 0 | 6,827 |
| 0 | 0 | 122,417 |
| 0 | 0 | 137,241 |
| 0 | 156,875 | 410,914 |
| 0 | 65 | 202,521 |
| <u>194,553</u> | <u>156,940</u> | <u>7,466,893</u> |
| 0 | 0 | 1,480,565 |
| 194,553 | 0 | 217,016 |
| 0 | 0 | 1,196,887 |
| 0 | 0 | 4,762,070 |
| 0 | 249,085 | 672,589 |
| 0 | 0 | 84,982 |
| <u>194,553</u> | <u>249,085</u> | <u>8,414,109</u> |
| 0 | (92,145) | (947,216) |
| <u>0</u> | <u>0</u> | <u>400,000</u> |
| <u>0</u> | <u>0</u> | <u>400,000</u> |
| 0 | (92,145) | (547,216) |
| <u>0</u> | <u>1,371,177</u> | <u>10,639,348</u> |
| <u>\$ 0</u> | <u>\$ 1,279,032</u> | <u>\$ 10,092,132</u> |

CITY OF NEWARK, OHIO

**Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2023**

| | Debt Service | Tax Increment Financing | Total Nonmajor Debt Service Funds |
|--|---------------------|----------------------------|---|
| Assets: | | | |
| Pooled Cash and Investments | \$ 1,466,942 | \$ 1,860,075 | \$ 3,327,017 |
| Receivables: | | | |
| Taxes | 0 | 732,000 | 732,000 |
| Total Assets | <u>\$ 1,466,942</u> | <u>\$ 2,592,075</u> | <u>\$ 4,059,017</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 | 732,000 | 732,000 |
| Total Deferred Inflows of Resources | <u>0</u> | <u>732,000</u> | <u>732,000</u> |
| Fund Balance: | | | |
| Restricted | 0 | 1,860,075 | 1,860,075 |
| Assigned | 1,466,942 | 0 | 1,466,942 |
| Total Fund Balance | <u>1,466,942</u> | <u>1,860,075</u> | <u>3,327,017</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | <u>\$ 1,466,942</u> | <u>\$ 2,592,075</u> | <u>\$ 4,059,017</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, 2023**

| | Debt Service | Tax Increment Financing | Total Nonmajor Debt Service Funds |
|--|---------------------|----------------------------|---|
| Revenues: | | | |
| Taxes | \$ 0 | \$ 724,933 | \$ 724,933 |
| Special Assessments | 5,298 | 0 | 5,298 |
| Total Revenues | <u>5,298</u> | <u>724,933</u> | <u>730,231</u> |
| Expenditures: | | | |
| Current: | | | |
| General Government | 3,250 | 414,124 | 417,374 |
| Debt Service: | | | |
| Principal Retirement | 1,524,933 | 220,000 | 1,744,933 |
| Interest and Fiscal Charges | 757,438 | 39,684 | 797,122 |
| Total Expenditures | <u>2,285,621</u> | <u>673,808</u> | <u>2,959,429</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (2,280,323) | 51,125 | (2,229,198) |
| Other Financing Sources (Uses): | | | |
| Transfers In | 2,751,579 | 310,297 | 3,061,876 |
| Total Other Financing Sources (Uses) | <u>2,751,579</u> | <u>310,297</u> | <u>3,061,876</u> |
| Net Change in Fund Balance | 471,256 | 361,422 | 832,678 |
| Fund Balance at Beginning of Year | 995,686 | 1,498,653 | 2,494,339 |
| Fund Balance End of Year | <u>\$ 1,466,942</u> | <u>\$ 1,860,075</u> | <u>\$ 3,327,017</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, 2023**

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|-------------------|-------------------|---|
| Revenues: | | | | |
| Taxes | \$ 28,236,669 | \$ 28,236,669 | \$ 32,794,528 | \$ 4,557,859 |
| Intergovernmental Revenues | 2,261,453 | 2,261,453 | 2,334,455 | 73,002 |
| Charges for Services | 3,230,675 | 3,230,675 | 3,919,911 | 689,236 |
| Licenses, Permits and Fees | 139,400 | 139,400 | 58,746 | (80,654) |
| Investment Earnings | 360,240 | 360,240 | 2,754,503 | 2,394,263 |
| Fines and Forfeitures | 1,142,510 | 1,142,510 | 1,191,635 | 49,125 |
| All Other Revenue | 92,950 | 92,950 | 394,358 | 301,408 |
| Total Revenues | <u>35,463,897</u> | <u>35,463,897</u> | <u>43,448,136</u> | <u>7,984,239</u> |
| Expenditures: | | | | |
| Security of Persons and Property: | | | | |
| Impound Lot: | | | | |
| Personal Services | 91,392 | 91,114 | 89,340 | 1,774 |
| Materials and Supplies | 655 | 652 | 652 | 0 |
| Contractual Services | 88,344 | 78,225 | 64,235 | 13,990 |
| Total Impound Lot | <u>180,391</u> | <u>169,991</u> | <u>154,227</u> | <u>15,764</u> |
| Police: | | | | |
| Personal Services | 8,327,719 | 9,109,798 | 8,773,921 | 335,877 |
| Materials and Supplies | 382,959 | 366,629 | 331,304 | 35,325 |
| Contractual Services | 806,930 | 810,190 | 732,914 | 77,276 |
| Other Expenditures | 150 | 150 | 150 | 0 |
| Capital Outlay | 128,701 | 141,450 | 139,991 | 1,459 |
| Total Police | <u>9,646,459</u> | <u>10,428,217</u> | <u>9,978,280</u> | <u>449,937</u> |
| Fire: | | | | |
| Personal Services | 10,185,191 | 10,301,995 | 10,152,374 | 149,621 |
| Materials and Supplies | 1,014,373 | 981,101 | 978,324 | 2,777 |
| Contractual Services | 821,109 | 746,263 | 731,408 | 14,855 |
| Other Expenditures | 1,000 | 6,461 | 6,339 | 122 |
| Capital Outlay | 75,470 | 86,426 | 85,821 | 605 |
| Total Fire | <u>12,097,143</u> | <u>12,122,246</u> | <u>11,954,266</u> | <u>167,980</u> |
| Total Security of Persons and Property | <u>21,923,993</u> | <u>22,720,454</u> | <u>22,086,773</u> | <u>633,681</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, 2023**

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-------------------------------|--------------------|--------------|-----------|---|
| Leisure Time Activities: | | | | |
| Parks and Cemetery: | | | | |
| Personal Services | 755,666 | 849,357 | 650,650 | 198,707 |
| Materials and Supplies | 205,035 | 265,581 | 153,425 | 112,156 |
| Contractual Services | 300,249 | 281,998 | 271,516 | 10,482 |
| Other Expenditures | 1,500 | 2,875 | 2,590 | 285 |
| Total Parks and Cemetery | 1,262,450 | 1,399,811 | 1,078,181 | 321,630 |
| Hollander Pool: | | | | |
| Materials and Supplies | 4,000 | 4,000 | 0 | 4,000 |
| Contractual Services | 80,766 | 54,500 | 45,197 | 9,303 |
| Total Hollander Pool | 84,766 | 58,500 | 45,197 | 13,303 |
| Babe Ruth Baseball: | | | | |
| Materials and Supplies | 5,300 | 2,776 | 2,476 | 300 |
| Contractual Services | 73,779 | 74,368 | 74,184 | 184 |
| Total Babe Ruth Baseball | 79,079 | 77,144 | 76,660 | 484 |
| Horns Hill Park: | | | | |
| Contractual Services | 15,000 | 15,000 | 15,000 | 0 |
| Total Horns Hill Park | 15,000 | 15,000 | 15,000 | 0 |
| Total Leisure Time Activities | 1,441,295 | 1,550,455 | 1,215,038 | 335,417 |
| Community Environment: | | | | |
| CDBG: | | | | |
| Personal Services | 30,000 | 41,467 | 23,455 | 18,012 |
| Total CDBG | 30,000 | 41,467 | 23,455 | 18,012 |
| Code Administration: | | | | |
| Personal Services | 352,800 | 380,266 | 376,772 | 3,494 |
| Materials and Supplies | 11,951 | 11,043 | 7,515 | 3,528 |
| Contractual Services | 584,852 | 241,237 | 231,635 | 9,602 |
| Other Expenditures | 500 | 500 | 133 | 367 |
| Capital Outlay | 19,196 | 13,375 | 3,145 | 10,230 |
| Total Code Administration | 969,299 | 646,421 | 619,200 | 27,221 |
| Total Community Environment | 999,299 | 687,888 | 642,655 | 45,233 |

(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, 2023***

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|------------------------|--------------------|--------------|-----------|---|
| General Government: | | | | |
| City Council: | | | | |
| Personal Services | 121,874 | 122,292 | 121,336 | 956 |
| Total City Council | 121,874 | 122,292 | 121,336 | 956 |
| Clerk of Council: | | | | |
| Personal Services | 64,825 | 68,281 | 68,279 | 2 |
| Materials and Supplies | 522 | 595 | 595 | 0 |
| Contractual Services | 19,207 | 25,360 | 25,360 | 0 |
| Total Clerk of Council | 84,554 | 94,236 | 94,234 | 2 |
| Mayor: | | | | |
| Personal Services | 225,550 | 231,705 | 231,123 | 582 |
| Materials and Supplies | 800 | 750 | 655 | 95 |
| Contractual Services | 33,800 | 33,682 | 27,367 | 6,315 |
| Capital Outlay | 3,000 | 3,000 | 0 | 3,000 |
| Total Mayor | 263,150 | 269,137 | 259,145 | 9,992 |
| Auditor: | | | | |
| Personal Services | 753,630 | 556,528 | 487,278 | 69,250 |
| Materials and Supplies | 6,672 | 5,186 | 5,185 | 1 |
| Contractual Services | 217,494 | 218,360 | 203,587 | 14,773 |
| Other Expenditures | 245,607 | 420,000 | 321,489 | 98,511 |
| Capital Outlay | 13,552 | 8,093 | 7,519 | 574 |
| Total Auditor | 1,236,955 | 1,208,167 | 1,025,058 | 183,109 |
| Law Director: | | | | |
| Personal Services | 1,224,275 | 1,254,381 | 1,245,250 | 9,131 |
| Materials and Supplies | 9,613 | 9,361 | 8,361 | 1,000 |
| Contractual Services | 25,269 | 24,919 | 22,564 | 2,355 |
| Total Law Director | 1,259,157 | 1,288,661 | 1,276,175 | 12,486 |
| Clerk of Courts: | | | | |
| Personal Services | 1,397,298 | 1,459,116 | 1,378,094 | 81,022 |
| Materials and Supplies | 28,779 | 26,993 | 20,993 | 6,000 |
| Contractual Services | 119,546 | 113,311 | 98,724 | 14,587 |
| Other Expenditures | 2,750 | 2,750 | 0 | 2,750 |
| Total Clerk of Courts | 1,548,373 | 1,602,170 | 1,497,811 | 104,359 |

(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, 2023***

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|----------------------------|--------------------|--------------|-----------|---|
| Civil Service: | | | | |
| Personal Services | 436 | 2,935 | 2,462 | 473 |
| Materials and Supplies | 558 | 389 | 389 | 0 |
| Contractual Services | 75,673 | 84,885 | 83,334 | 1,551 |
| Capital Outlay | 787 | 0 | 0 | 0 |
| Total Civil Service | 77,454 | 88,209 | 86,185 | 2,024 |
| Workers Compensation: | | | | |
| Personal Services | 73,700 | 63,087 | 63,087 | 0 |
| Total Workers Compensation | 73,700 | 63,087 | 63,087 | 0 |
| Judiciary: | | | | |
| Personal Services | 868,024 | 906,681 | 894,369 | 12,312 |
| Materials and Supplies | 23,442 | 22,515 | 19,938 | 2,577 |
| Contractual Services | 157,716 | 170,068 | 166,356 | 3,712 |
| Other Expenditures | 1,000 | 1,000 | 0 | 1,000 |
| Total Judiciary | 1,050,182 | 1,100,264 | 1,080,663 | 19,601 |
| Personnel: | | | | |
| Personal Services | 276,972 | 276,588 | 248,164 | 28,424 |
| Materials and Supplies | 1,087 | 1,058 | 1,058 | 0 |
| Contractual Services | 182,915 | 228,572 | 221,077 | 7,495 |
| Capital Outlay | 2,500 | 2,500 | 2,500 | 0 |
| Total Personnel | 463,474 | 508,718 | 472,799 | 35,919 |
| Adult Probation: | | | | |
| Personal Services | 645,043 | 683,376 | 643,263 | 40,113 |
| Materials and Supplies | 17,173 | 18,009 | 17,884 | 125 |
| Contractual Services | 39,185 | 40,138 | 38,395 | 1,743 |
| Capital Outlay | 0 | 522 | 522 | 0 |
| Total Adult Probation | 701,401 | 742,045 | 700,064 | 41,981 |

(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, 2023***

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------|--------------------|--------------|-----------|---|
| Service Department: | | | | |
| Personal Services | 224,492 | 229,172 | 229,143 | 29 |
| Materials and Supplies | 18,470 | 50,318 | 50,318 | 0 |
| Contractual Services | 3,137,282 | 3,456,283 | 3,454,436 | 1,847 |
| Capital Outlay | 317,578 | 612,850 | 612,850 | 0 |
| Total Service Department | 3,697,822 | 4,348,623 | 4,346,747 | 1,876 |
| Engineer: | | | | |
| Personal Services | 817,125 | 828,565 | 710,124 | 118,441 |
| Materials and Supplies | 10,494 | 13,165 | 12,949 | 216 |
| Contractual Services | 69,534 | 377,774 | 374,402 | 3,372 |
| Capital Outlay | 13,173 | 12,000 | 10,000 | 2,000 |
| Total Engineer | 910,326 | 1,231,504 | 1,107,475 | 124,029 |
| Custodial: | | | | |
| Personal Services | 235,316 | 246,833 | 246,588 | 245 |
| Materials and Supplies | 1,900 | 2,114 | 990 | 1,124 |
| Contractual Services | 211,865 | 197,917 | 197,506 | 411 |
| Other Expenditures | 150 | 150 | 125 | 25 |
| Capital Outlay | 0 | 1,229 | 1,229 | 0 |
| Total Custodial | 449,231 | 448,243 | 446,438 | 1,805 |
| Income Tax: | | | | |
| Personal Services | 1,041,643 | 1,082,051 | 1,010,220 | 71,831 |
| Materials and Supplies | 14,422 | 12,721 | 8,721 | 4,000 |
| Contractual Services | 140,822 | 114,810 | 58,643 | 56,167 |
| Other Expenditures | 600,000 | 600,000 | 570,625 | 29,375 |
| Capital Outlay | 60,000 | 50,000 | 13,826 | 36,174 |
| Total Income Tax | 1,856,887 | 1,859,582 | 1,662,035 | 197,547 |

(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, 2023***

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|--------------|---------------|---|
| Safety Director: | | | | |
| Personal Services | 186,420 | 191,046 | 190,985 | 61 |
| Materials and Supplies | 666 | 619 | 519 | 100 |
| Contractual Services | 610,317 | 608,012 | 553,232 | 54,780 |
| Other Expenditures | 5,000 | 5,100 | 3,681 | 1,419 |
| Capital Outlay | 2,000 | 2,000 | 0 | 2,000 |
| Total Safety Director | 804,403 | 806,777 | 748,417 | 58,360 |
| Total General Government | 14,598,943 | 15,781,715 | 14,987,669 | 794,046 |
| Total Expenditures | 38,963,530 | 40,740,512 | 38,932,135 | 1,808,377 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (3,499,633) | (5,276,615) | 4,516,001 | 9,792,616 |
| Other Financing Sources (Uses): | | | | |
| Sale of Capital Assets | 53,000 | 53,000 | 4,263 | (48,737) |
| Transfers In | 1,421,050 | 1,421,050 | 1,970,981 | 549,931 |
| Transfers Out | (5,638,152) | (6,658,766) | (6,658,766) | 0 |
| Advances In | 0 | 0 | 7,712 | 7,712 |
| Advances Out | 0 | (3,126) | (3,126) | 0 |
| Total Other Financing Sources (Uses) | (4,164,102) | (5,187,842) | (4,678,936) | 508,906 |
| Net Change in Fund Balance | (7,663,735) | (10,464,457) | (162,935) | 10,301,522 |
| Fund Balance at Beginning of Year - Restated | 9,003,276 | 9,003,276 | 9,003,276 | 0 |
| Prior Year Encumbrances | 1,596,139 | 1,596,139 | 1,596,139 | 0 |
| Fund Balance at End of Year | \$ 2,935,680 | \$ 134,958 | \$ 10,436,480 | \$ 10,301,522 |

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund – American Rescue Plan Act Fund
For the Year Ended December 31, 2023***

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|--------------|--------------|---|
| Revenues: | | | | |
| Intergovernmental Revenues | \$ 0 | \$ 520,000 | \$ 619,640 | \$ 99,640 |
| Total Revenues | 0 | 520,000 | 619,640 | 99,640 |
| Expenditures: | | | | |
| General Government: | | | | |
| Materials and Supplies | 81,658 | 81,658 | 81,658 | 0 |
| Contractual Services | 3,153,472 | 3,253,472 | 3,253,472 | 0 |
| Capital Outlay | 8,512,048 | 9,014,584 | 8,965,280 | 49,304 |
| Total General Government | 11,747,178 | 12,349,714 | 12,300,410 | 49,304 |
| Security of Persons and Property: | | | | |
| Personal Services | 0 | 532,748 | 532,748 | 0 |
| Total Security of Persons and Property | 0 | 532,748 | 532,748 | 0 |
| Total Expenditures | 11,747,178 | 12,882,462 | 12,833,158 | 49,304 |
| Net Change in Fund Balance | (11,747,178) | (12,362,462) | (12,213,518) | 148,944 |
| Fund Balance at Beginning of Year | 789,194 | 789,194 | 789,194 | 0 |
| Prior Year Encumbrances | 11,747,178 | 11,747,178 | 11,747,178 | 0 |
| Fund Balance at End of Year | \$ 789,194 | \$ 173,910 | \$ 322,854 | \$ 148,944 |

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 – Capital Improvement Fund
For the Year Ended December 31, 2023***

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------|-----------------------|---|
| Revenues: | | | |
| Intergovernmental Revenues | \$ 2,850,000 | \$ 500,000 | \$ (2,350,000) |
| Investment Earnings | 12,200 | 28,778 | 16,578 |
| All Other Revenue | 96,000 | 101,220 | 5,220 |
| Total Revenues | <u>2,958,200</u> | <u>629,998</u> | <u>(2,328,202)</u> |
| Expenditures: | | | |
| Capital Outlay | 26,584,027 | 26,500,234 | 83,793 |
| Debt Service: | | | |
| Principal Retirement | 4,665,000 | 4,665,000 | 0 |
| Interest and Fiscal Charges | 204,800 | 191,247 | 13,553 |
| Total Expenditures | <u>31,453,827</u> | <u>31,356,481</u> | <u>97,346</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (28,495,627) | (30,726,483) | (2,230,856) |
| Other Financing Sources (Uses): | | | |
| Note Issuance | 4,665,000 | 5,070,000 | 405,000 |
| Loan Issuance | 17,010,000 | 0 | (17,010,000) |
| Transfers In | 1,485,223 | 2,017,088 | 531,865 |
| Transfers Out | (218,438) | (218,262) | 176 |
| Premium on Debt Issuance | 40,700 | 27,728 | (12,972) |
| Total Other Financing Sources (Uses) | <u>22,982,485</u> | <u>6,896,554</u> | <u>(16,085,931)</u> |
| Net Change in Fund Balance | (5,513,142) | (23,829,929) | (18,316,787) |
| Fund Balance at Beginning of Year | 3,793,273 | 3,793,273 | 0 |
| Prior Year Encumbrances | 2,228,753 | 2,228,753 | 0 |
| Fund Balance at End of Year | <u>\$ 508,884</u> | <u>\$(17,807,903)</u> | <u>\$(18,316,787)</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, 2023***

| STREET DEPARTMENT FUND | | | |
|--|-------------------|-------------------|---|
| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| Revenues: | | | |
| Intergovernmental Revenues | \$ 2,625,286 | \$ 2,724,555 | \$ 99,269 |
| All Other Revenue | 47,500 | 37,868 | (9,632) |
| Total Revenues | <u>2,672,786</u> | <u>2,762,423</u> | <u>89,637</u> |
| Expenditures: | | | |
| Transportation: | | | |
| Personal Services | 2,244,053 | 2,028,394 | 215,659 |
| Materials and Supplies | 569,311 | 568,520 | 791 |
| Contractual Services | 1,939,778 | 1,939,478 | 300 |
| Other Expenditures | 1,744 | 1,743 | 1 |
| Capital Outlay | 25,000 | 25,000 | 0 |
| Total Expenditures | <u>4,779,886</u> | <u>4,563,135</u> | <u>216,751</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (2,107,100) | (1,800,712) | 306,388 |
| Other Financing Sources (Uses): | | | |
| Transfers In | 613,293 | 1,013,293 | 400,000 |
| Total Other Financing Sources (Uses) | <u>613,293</u> | <u>1,013,293</u> | <u>400,000</u> |
| Net Change in Fund Balance | (1,493,807) | (787,419) | 706,388 |
| Fund Balance at Beginning of Year | 682,950 | 682,950 | 0 |
| Prior Year Encumbrances | 971,141 | 971,141 | 0 |
| Fund Balance at End of Year | <u>\$ 160,284</u> | <u>\$ 866,672</u> | <u>\$ 706,388</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, 2023***

| | CEMETERY FUND | | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------|-------------------|---|
| | Final Budget | Actual | |
| Revenues: | | | |
| Charges for Services | \$ 3,500 | \$ 6,827 | \$ 3,327 |
| Investment Earnings | 2,680 | 6,568 | 3,888 |
| Total Revenues | <u>6,180</u> | <u>13,395</u> | <u>7,215</u> |
| Expenditures: | | | |
| Total Expenditures | <u>0</u> | <u>0</u> | <u>0</u> |
| Net Change in Fund Balance | 6,180 | 13,395 | 7,215 |
| Fund Balance at Beginning of Year | 827,896 | 827,896 | 0 |
| Fund Balance at End of Year | <u>\$ 834,076</u> | <u>\$ 841,291</u> | <u>\$ 7,215</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, 2023***

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|--------------|--------------|---|
| Revenues: | | | |
| Intergovernmental Revenues | \$ 1,295,703 | \$ 1,025,916 | \$ (269,787) |
| Investment Earnings | 1,150 | 2,872 | 1,722 |
| All Other Revenue | 62,556 | 171,519 | 108,963 |
| Total Revenues | 1,359,409 | 1,200,307 | (159,102) |
| Expenditures: | | | |
| Community Environment: | | | |
| Personal Services | 421,206 | 358,540 | 62,666 |
| Materials and Supplies | 170,760 | 169,760 | 1,000 |
| Contractual Services | 1,108,850 | 781,288 | 327,562 |
| Other Expenditures | 900 | 646 | 254 |
| Total Expenditures | 1,701,716 | 1,310,234 | 391,482 |
| Net Change in Fund Balance | (342,307) | (109,927) | 232,380 |
| Fund Balance at Beginning of Year | 542,094 | 542,094 | 0 |
| Prior Year Encumbrances | 81,620 | 81,620 | 0 |
| Fund Balance at End of Year | \$ 281,407 | \$ 513,787 | \$ 232,380 |

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, 2023***

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|----------------|----------------|---|
| SPECIAL IMPROVEMENT DISTRICT FUND | | | |
| Revenues: | | | |
| Special Assessments | \$ 137,241 | \$ 137,241 | \$ 0 |
| Total Revenues | <u>137,241</u> | <u>137,241</u> | <u>0</u> |
| Expenditures: | | | |
| Community Environment: | | | |
| Contractual Services | 4,504 | 4,504 | 0 |
| Other Expenditures | 132,737 | 132,737 | 0 |
| Total Expenditures | <u>137,241</u> | <u>137,241</u> | <u>0</u> |
| Net Change in Fund Balance | 0 | 0 | 0 |
| Fund Balance at Beginning of Year | 0 | 0 | 0 |
| Fund Balance at End of Year | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|------------------|---|
| Revenues: | | | |
| Investment Earnings | \$ 20 | \$ 375 | \$ 355 |
| All Other Revenue | 300 | 425 | 125 |
| Total Revenues | <u>320</u> | <u>800</u> | <u>480</u> |
| Expenditures: | | | |
| General Government: | | | |
| Contractual Services | 500 | 0 | 500 |
| Total Expenditures | <u>500</u> | <u>0</u> | <u>500</u> |
| Net Change in Fund Balance | (180) | 800 | 980 |
| Fund Balance at Beginning of Year | 77,129 | 77,129 | 0 |
| Fund Balance at End of Year | <u>\$ 76,949</u> | <u>\$ 77,929</u> | <u>\$ 980</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, 2023***

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|----------------|----------------|---|
| Revenues: | | | |
| Taxes | \$ 534,408 | \$ 536,604 | \$ 2,196 |
| Intergovernmental Revenues | 73,288 | 67,614 | (5,674) |
| Total Revenues | <u>607,696</u> | <u>604,218</u> | <u>(3,478)</u> |
| Expenditures: | | | |
| Security of Persons and Property: | | | |
| Personal Services | 652,516 | 649,372 | 3,144 |
| Contractual Services | 8,317 | 8,009 | 308 |
| Total Expenditures | <u>660,833</u> | <u>657,381</u> | <u>3,452</u> |
| Net Change in Fund Balance | (53,137) | (53,163) | (26) |
| Fund Balance at Beginning of Year | 53,163 | 53,163 | 0 |
| Fund Balance at End of Year | <u>\$ 26</u> | <u>\$ 0</u> | <u>\$ (26)</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, 2023***

| SAFETY GRANTS FUND | | | |
|--|------------------|----------------|---|
| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| Revenues: | | | |
| Intergovernmental Revenues | \$ 343,375 | \$ 231,858 | \$ (111,517) |
| Total Revenues | <u>343,375</u> | <u>231,858</u> | <u>(111,517)</u> |
| Expenditures: | | | |
| Security of Persons and Property: | | | |
| Personal Services | 25,064 | 12,734 | 12,330 |
| Materials and Supplies | 214,539 | 214,539 | 0 |
| Total Expenditures | <u>239,603</u> | <u>227,273</u> | <u>12,330</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 103,772 | 4,585 | (99,187) |
| Other Financing Sources (Uses): | | | |
| Advances In | 0 | 3,126 | 3,126 |
| Advances Out | (7,712) | (7,712) | 0 |
| Total Other Financing Sources (Uses) | <u>(7,712)</u> | <u>(4,586)</u> | <u>3,126</u> |
| Net Change in Fund Balance | 96,060 | (1) | (96,061) |
| Fund Balance at Beginning of Year | (136,110) | (136,110) | 0 |
| Prior Year Encumbrances | 136,112 | 136,112 | 0 |
| Fund Balance at End of Year | <u>\$ 96,062</u> | <u>\$ 1</u> | <u>\$ (96,061)</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, 2023***

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|------------------|---|
| Revenues: | | | |
| Intergovernmental Revenues | \$ 15,364 | \$ 68,921 | \$ 53,557 |
| Total Revenues | <u>15,364</u> | <u>68,921</u> | <u>53,557</u> |
| Expenditures: | | | |
| Total Expenditures | <u>0</u> | <u>0</u> | <u>0</u> |
| Net Change in Fund Balance | 15,364 | 68,921 | 53,557 |
| Fund Balance at Beginning of Year | <u>15,364</u> | <u>15,364</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 30,728</u> | <u>\$ 84,285</u> | <u>\$ 53,557</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, 2023***

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|------------------|---|
| Revenues: | | | |
| Intergovernmental Revenues | \$ 213,293 | \$ 220,910 | \$ 7,617 |
| Total Revenues | <u>213,293</u> | <u>220,910</u> | <u>7,617</u> |
| Expenditures: | | | |
| Total Expenditures | <u>0</u> | <u>0</u> | <u>0</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 213,293 | 220,910 | 7,617 |
| Other Financing Sources (Uses): | | | |
| Transfers Out | <u>(213,293)</u> | <u>(213,293)</u> | <u>0</u> |
| Total Other Financing Sources (Uses) | <u>(213,293)</u> | <u>(213,293)</u> | <u>0</u> |
| Net Change in Fund Balance | 0 | 7,617 | 7,617 |
| Fund Balance at Beginning of Year | <u>3,825</u> | <u>3,825</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 3,825</u> | <u>\$ 11,442</u> | <u>\$ 7,617</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, 2023***

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------|-------------------|---|
| Revenues: | | | |
| Intergovernmental Revenues | \$ 25,000 | \$ 20,186 | \$ (4,814) |
| Fines and Forfeitures | 69,000 | 76,406 | 7,406 |
| All Other Revenue | 0 | 707 | 707 |
| Total Revenues | <u>94,000</u> | <u>97,299</u> | <u>3,299</u> |
| Expenditures: | | | |
| Security of Persons and Property: | | | |
| Personal Services | 4,840 | 0 | 4,840 |
| Contractual Services | 120,410 | 105,409 | 15,001 |
| Total Expenditures | <u>125,250</u> | <u>105,409</u> | <u>19,841</u> |
| Net Change in Fund Balance | (31,250) | (8,110) | 23,140 |
| Fund Balance at Beginning of Year | 560,580 | 560,580 | 0 |
| Prior Year Encumbrances | 9,460 | 9,460 | 0 |
| Fund Balance at End of Year | <u>\$ 538,790</u> | <u>\$ 561,930</u> | <u>\$ 23,140</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, 2023***

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-----------------|-----------------|---|
| Revenues: | | | |
| Total Revenues | \$ 0 | \$ 0 | \$ 0 |
| Expenditures: | | | |
| Total Expenditures | 0 | 0 | 0 |
| Net Change in Fund Balance | 0 | 0 | 0 |
| Fund Balance at Beginning of Year | 4,808 | 4,808 | 0 |
| Fund Balance at End of Year | <u>\$ 4,808</u> | <u>\$ 4,808</u> | <u>\$ 0</u> |

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------|-------------------|---|
| Revenues: | | | |
| Fines and Forfeitures | \$ 168,300 | \$ 179,624 | \$ 11,324 |
| All Other Revenue | 0 | 22 | 22 |
| Total Revenues | <u>168,300</u> | <u>179,646</u> | <u>11,346</u> |
| Expenditures: | | | |
| General Government: | | | |
| Personal Services | 109,963 | 107,196 | 2,767 |
| Materials and Supplies | 10,183 | 4,822 | 5,361 |
| Contractual Services | 198,229 | 153,193 | 45,036 |
| Capital Outlay | 111,327 | 51,877 | 59,450 |
| Total Expenditures | <u>429,702</u> | <u>317,088</u> | <u>112,614</u> |
| Net Change in Fund Balance | (261,402) | (137,442) | 123,960 |
| Fund Balance at Beginning of Year | 538,874 | 538,874 | 0 |
| Prior Year Encumbrances | 63,031 | 63,031 | 0 |
| Fund Balance at End of Year | <u>\$ 340,503</u> | <u>\$ 464,463</u> | <u>\$ 123,960</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, 2023***

| | FIRE DAMAGE FUND | | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------|-------------------|---|
| | Final Budget | Actual | |
| Revenues: | | | |
| All Other Revenue | \$ 175,000 | \$ 148,719 | \$ (26,281) |
| Total Revenues | <u>175,000</u> | <u>148,719</u> | <u>(26,281)</u> |
| Expenditures: | | | |
| General Government: | | | |
| Other Expenditures | 175,000 | 131,625 | 43,375 |
| Total Expenditures | <u>175,000</u> | <u>131,625</u> | <u>43,375</u> |
| Net Change in Fund Balance | 0 | 17,094 | 17,094 |
| Fund Balance at Beginning of Year | <u>119,563</u> | <u>119,563</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 119,563</u> | <u>\$ 136,657</u> | <u>\$ 17,094</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, 2023***

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------|-------------------|---|
| Revenues: | | | |
| Intergovernmental Revenues | \$ 1,000,000 | \$ 1,042,797 | \$ 42,797 |
| All Other Revenue | 0 | 16,837 | 16,837 |
| Total Revenues | <u>1,000,000</u> | <u>1,059,634</u> | <u>59,634</u> |
| Expenditures: | | | |
| Transportation: | | | |
| Contractual Services | 1,353,235 | 1,353,235 | 0 |
| Debt Service: | | | |
| Principal Retirement | 84,982 | 84,982 | 0 |
| Total Expenditures | <u>1,438,217</u> | <u>1,438,217</u> | <u>0</u> |
| Net Change in Fund Balance | (438,217) | (378,583) | 59,634 |
| Fund Balance at Beginning of Year | 585,701 | 585,701 | 0 |
| Prior Year Encumbrances | 448,860 | 448,860 | 0 |
| Fund Balance at End of Year | <u>\$ 596,344</u> | <u>\$ 655,978</u> | <u>\$ 59,634</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, 2023***

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|-------------------|---|
| Revenues: | | | |
| Intergovernmental Revenues | \$ 480,998 | \$ 431,862 | \$ (49,136) |
| All Other Revenue | 0 | 74 | 74 |
| Total Revenues | <u>480,998</u> | <u>431,936</u> | <u>(49,062)</u> |
| Expenditures: | | | |
| Security of Persons and Property: | | | |
| Personal Services | 277,542 | 276,373 | 1,169 |
| Materials and Supplies | 119,796 | 118,181 | 1,615 |
| Contractual Services | 91,052 | 91,052 | 0 |
| Capital Outlay | 21,585 | 21,585 | 0 |
| Total Expenditures | <u>509,975</u> | <u>507,191</u> | <u>2,784</u> |
| Net Change in Fund Balance | (28,977) | (75,255) | (46,278) |
| Fund Balance at Beginning of Year | 54,895 | 54,895 | 0 |
| Prior Year Encumbrances | 15,282 | 15,282 | 0 |
| Fund Balance at End of Year | <u>\$ 41,200</u> | <u>\$ (5,078)</u> | <u>\$ (46,278)</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, 2023***

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|--------------|-------------|---|
| Revenues: | | | |
| All Other Revenue | \$ 1 | \$ 0 | \$ (1) |
| Total Revenues | <u>1</u> | <u>0</u> | <u>(1)</u> |
| Expenditures: | | | |
| General Government: | | | |
| Capital Outlay | 17 | 16 | 1 |
| Total Expenditures | <u>17</u> | <u>16</u> | <u>1</u> |
| Net Change in Fund Balance | (16) | (16) | 0 |
| Fund Balance at Beginning of Year | 16 | 16 | 0 |
| Fund Balance at End of Year | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|--------------|--------------|---|
| Revenues: | | | |
| Intergovernmental Revenues | \$ 1,000 | \$ 1,000 | \$ 0 |
| Total Revenues | <u>1,000</u> | <u>1,000</u> | <u>0</u> |
| Expenditures: | | | |
| Community Environment: | | | |
| Materials and Supplies | 1,000 | 1,000 | 0 |
| Total Expenditures | <u>1,000</u> | <u>1,000</u> | <u>0</u> |
| Net Change in Fund Balance | 0 | 0 | 0 |
| Fund Balance at Beginning of Year | 0 | 0 | 0 |
| Fund Balance at End of Year | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-------------------------------------|----------------|---------------------|---|
| Revenues: | | | |
| Intergovernmental Revenues | \$ 278,085 | \$ 108,815 | \$ (169,270) |
| Total Revenues | <u>278,085</u> | <u>108,815</u> | <u>(169,270)</u> |
| Expenditures: | | | |
| Public Health and Welfare Services: | | | |
| Contractual Services | <u>277,401</u> | <u>277,401</u> | <u>0</u> |
| Total Expenditures | <u>277,401</u> | <u>277,401</u> | <u>0</u> |
| Net Change in Fund Balance | 684 | (168,586) | (169,270) |
| Fund Balance at Beginning of Year | (684) | (684) | 0 |
| Prior Year Encumbrances | 684 | 684 | 0 |
| Fund Balance at End of Year | <u>\$ 684</u> | <u>\$ (168,586)</u> | <u>\$ (169,270)</u> |

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

| | JUDICIAL FUND | | Variance with Final Budget Positive (Negative) |
|-----------------------------------|---------------------|---------------------|---|
| | Final Budget | Actual | |
| Revenues: | | | |
| Fines and Forfeitures | \$ 125,000 | \$ 144,949 | \$ 19,949 |
| All Other Revenue | 0 | 65 | 65 |
| Total Revenues | <u>125,000</u> | <u>145,014</u> | <u>20,014</u> |
| Expenditures: | | | |
| General Government: | | | |
| Personal Services | 283,915 | 241,752 | 42,163 |
| Materials and Supplies | 19,000 | 10,000 | 9,000 |
| Contractual Services | 68,498 | 1,647 | 66,851 |
| Capital Outlay | 4,000 | 500 | 3,500 |
| Total Expenditures | <u>375,413</u> | <u>253,899</u> | <u>121,514</u> |
| Net Change in Fund Balance | (250,413) | (108,885) | 141,528 |
| Fund Balance at Beginning of Year | 1,360,263 | 1,360,263 | 0 |
| Prior Year Encumbrances | 10,216 | 10,216 | 0 |
| Fund Balance at End of Year | <u>\$ 1,120,066</u> | <u>\$ 1,261,594</u> | <u>\$ 141,528</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, 2023***

| | DEBT SERVICE FUND | | Variance with Final Budget Positive (Negative) |
|--|-------------------|--------------|---|
| | Final Budget | Actual | |
| Revenues: | | | |
| Special Assessments | \$ 0 | \$ 5,298 | \$ 5,298 |
| Total Revenues | 0 | 5,298 | 5,298 |
| Expenditures: | | | |
| General Government: | | | |
| Contractual Services | 4,251 | 3,251 | 1,000 |
| Debt Service: | | | |
| Principal Retirement | 1,522,373 | 1,522,282 | 91 |
| Interest and Fiscal Charges | 760,095 | 760,089 | 6 |
| Total Expenditures | 2,286,719 | 2,285,622 | 1,097 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (2,286,719) | (2,280,324) | 6,395 |
| Other Financing Sources (Uses): | | | |
| Transfers In | 2,595,020 | 2,751,579 | 156,559 |
| Total Other Financing Sources (Uses) | 2,595,020 | 2,751,579 | 156,559 |
| Net Change in Fund Balance | 308,301 | 471,255 | 162,954 |
| Fund Balance at Beginning of Year | 994,485 | 994,485 | 0 |
| Prior Year Encumbrances | 1,201 | 1,201 | 0 |
| Fund Balance at End of Year | \$ 1,303,987 | \$ 1,466,941 | \$ 162,954 |

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, 2023***

| TAX INCREMENT FINANCING FUND | | | |
|--|---------------------|---------------------|---|
| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| Revenues: | | | |
| Taxes | \$ 751,000 | \$ 724,933 | \$ (26,067) |
| Total Revenues | <u>751,000</u> | <u>724,933</u> | <u>(26,067)</u> |
| Expenditures: | | | |
| General Government: | | | |
| Contractual Services | 10,185 | 10,095 | 90 |
| Other Expenditures | 413,781 | 404,029 | 9,752 |
| Debt Service: | | | |
| Principal Retirement | 220,000 | 220,000 | 0 |
| Interest and Fiscal Charges | 39,684 | 39,684 | 0 |
| Total Expenditures | <u>683,650</u> | <u>673,808</u> | <u>9,842</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 67,350 | 51,125 | (16,225) |
| Other Financing Sources (Uses): | | | |
| Transfers In | 310,297 | 310,297 | 0 |
| Total Other Financing Sources (Uses) | <u>310,297</u> | <u>310,297</u> | <u>0</u> |
| Net Change in Fund Balance | 377,647 | 361,422 | (16,225) |
| Fund Balance at Beginning of Year | 1,498,653 | 1,498,653 | 0 |
| Fund Balance at End of Year | <u>\$ 1,876,300</u> | <u>\$ 1,860,075</u> | <u>\$ (16,225)</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, 2023***

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------|-------------------|---|
| Revenues: | | | |
| Fines and Forfeitures | \$ 13,111 | \$ 20,880 | \$ 7,769 |
| Total Revenues | <u>13,111</u> | <u>20,880</u> | <u>7,769</u> |
| Expenditures: | | | |
| Capital Outlay | 60,000 | 19,645 | 40,355 |
| Total Expenditures | <u>60,000</u> | <u>19,645</u> | <u>40,355</u> |
| Net Change in Fund Balance | (46,889) | 1,235 | 48,124 |
| Fund Balance at Beginning of Year | 445,076 | 445,076 | 0 |
| Fund Balance at End of Year | <u>\$ 398,187</u> | <u>\$ 446,311</u> | <u>\$ 48,124</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.

Custodial Funds

Municipal Court Fund

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

Law Library Fund

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

Joint Economic Development District Fund (JEDD)

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 Net Position
Custodial Funds
December 31, 2023**

| | Municipal Court | Law Library | JEDD | Total Custodial Funds |
|---------------------------|--------------------|--------------|------------------|--------------------------|
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 323,197 | \$ 0 | \$ 1,083,667 | \$ 1,406,864 |
| Receivables: | | | | |
| Taxes | 0 | 0 | 2,455,392 | 2,455,392 |
| Accounts | 0 | 3,901 | 0 | 3,901 |
| Total Assets | <u>323,197</u> | <u>3,901</u> | <u>3,539,059</u> | <u>3,866,157</u> |
| Liabilities: | | | | |
| Intergovernmental Payable | 0 | 0 | 3,539,059 | 3,539,059 |
| Due to Others | 0 | 3,901 | 0 | 3,901 |
| Total Liabilities | <u>0</u> | <u>3,901</u> | <u>3,539,059</u> | <u>3,542,960</u> |
| Net Position: | | | | |
| Restricted For: | | | | |
| Court Bonds | 323,197 | 0 | 0 | 323,197 |
| Total Net Position | <u>\$ 323,197</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 323,197</u> |

CITY OF NEWARK, OHIO

**Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended December 31, 2023**

| | Municipal Court | Law Library | JEDD | Total Fiduciary Funds |
|--|--------------------|---------------|------------------|--------------------------|
| Additions: | | | | |
| Fines and Forfeiture Collections for other Governments | \$ 2,810,805 | \$ 58,042 | \$ 0 | \$ 2,868,847 |
| Income Tax Collections for other Governments | 0 | 0 | 3,261,850 | 3,261,850 |
| Total Additions | <u>2,810,805</u> | <u>58,042</u> | <u>3,261,850</u> | <u>6,130,697</u> |
| Deductions: | | | | |
| Distribution of Fines and Forfeitures to other Governments | 2,769,747 | 58,042 | 0 | 2,827,789 |
| Distribution of Income Taxes to other Governments | 0 | 0 | 3,261,850 | 3,261,850 |
| Total Deductions | <u>2,769,747</u> | <u>58,042</u> | <u>3,261,850</u> | <u>6,089,639</u> |
| Change in Net Position | 41,058 | 0 | 0 | 41,058 |
| Net Position at Beginning of Year | <u>282,139</u> | <u>0</u> | <u>0</u> | <u>282,139</u> |
| Net Position End of Year | <u>\$ 323,197</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 323,197</u> |



STATISTICAL SECTION



STATISTICAL TABLES

This part of the City’s annual comprehensive 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 annual comprehensive financial reports for the relevant year. | |

City of Newark

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

| | * | | | * |
|---|---------------------|---------------------|---------------------|---------------------|
| | 2014 | 2015 | 2016 | 2017 |
| Governmental Activities: | | | | |
| Net Investment in Capital Assets | \$44,958,995 | \$45,289,248 | \$45,753,020 | \$46,518,880 |
| Restricted | 12,518,066 | 11,989,270 | 13,304,726 | 14,563,247 |
| Unrestricted | (25,664,425) | (26,854,936) | (28,209,247) | (55,772,637) |
| Total Governmental Activities Net Position | <u>\$31,812,636</u> | <u>\$30,423,582</u> | <u>\$30,848,499</u> | <u>\$5,309,490</u> |
| Business-type Activities: | | | | |
| Net Investment in Capital Assets | \$23,473,836 | \$23,666,267 | \$25,890,917 | \$27,363,677 |
| Unrestricted | 3,827,754 | 5,201,729 | 6,246,617 | 5,817,214 |
| Total Business-type Activities Net Position | <u>\$27,301,590</u> | <u>\$28,867,996</u> | <u>\$32,137,534</u> | <u>\$33,180,891</u> |
| Primary Government: | | | | |
| Net Investment in Capital Assets | \$68,432,831 | \$68,955,515 | \$71,643,937 | \$73,882,557 |
| Restricted | 12,518,066 | 11,989,270 | 13,304,726 | 14,563,247 |
| Unrestricted | (21,836,671) | (21,653,207) | (21,962,630) | (49,955,423) |
| Total Primary Government Net Position | <u>\$59,114,226</u> | <u>\$59,291,578</u> | <u>\$62,986,033</u> | <u>\$38,490,381</u> |

*Restated

Source: City Auditor's Office

City of Newark

| * | | | | | * | | |
|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|--|--|
| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | | |
| \$48,075,929 | \$49,125,155 | \$51,221,557 | \$58,547,237 | \$63,519,450 | \$70,344,843 | | |
| 14,502,647 | 16,535,236 | 15,108,328 | 14,738,392 | 16,278,758 | 14,477,202 | | |
| <u>(59,022,702)</u> | <u>(41,692,001)</u> | <u>(39,973,254)</u> | <u>(29,413,085)</u> | <u>(25,711,644)</u> | <u>(26,161,272)</u> | | |
| <u>\$3,555,874</u> | <u>\$23,968,390</u> | <u>\$26,356,631</u> | <u>\$43,872,544</u> | <u>\$54,086,564</u> | <u>\$58,660,773</u> | | |
| | | | | | | | |
| \$30,027,197 | \$28,948,271 | \$30,699,918 | \$36,307,178 | \$39,963,556 | \$48,699,388 | | |
| 5,377,583 | 6,827,639 | 6,996,493 | 7,959,050 | 11,166,497 | 10,388,558 | | |
| <u>\$35,404,780</u> | <u>\$35,775,910</u> | <u>\$37,696,411</u> | <u>\$44,266,228</u> | <u>\$51,130,053</u> | <u>\$59,087,946</u> | | |
| | | | | | | | |
| \$78,103,126 | \$78,073,426 | \$81,921,475 | \$94,854,415 | \$103,483,006 | \$119,044,231 | | |
| 14,502,647 | 16,535,236 | 15,108,328 | 14,738,392 | 16,278,758 | 14,477,202 | | |
| <u>(53,645,119)</u> | <u>(34,864,362)</u> | <u>(32,976,761)</u> | <u>(21,454,035)</u> | <u>(14,545,147)</u> | <u>(15,772,714)</u> | | |
| <u>\$38,960,654</u> | <u>\$59,744,300</u> | <u>\$64,053,042</u> | <u>\$88,138,772</u> | <u>\$105,216,617</u> | <u>\$117,748,719</u> | | |

City of Newark

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

| | 2014 | 2015 | 2016 |
|---|---------------------|---------------------|---------------------|
| Expenses | | | |
| Governmental Activities: | | | |
| Security of Persons and Property | \$18,014,306 | \$18,199,966 | \$20,139,086 |
| Leisure Time Activities | 864,731 | 919,417 | 788,906 |
| Community Environment | 1,614,911 | 1,531,206 | 1,119,922 |
| Public Health and Welfare Services | 186,078 | 45,062 | 43,762 |
| Transportation | 3,852,334 | 4,351,212 | 3,836,428 |
| General Government | 10,588,687 | 10,609,273 | 10,559,036 |
| Interest and Fiscal Charges | 822,031 | 735,303 | 961,639 |
| <i>Total Governmental Activities Expenses</i> | <u>35,943,078</u> | <u>36,391,439</u> | <u>37,448,779</u> |
| Business-type Activities: | | | |
| Water | 6,019,772 | 6,402,011 | 5,852,349 |
| Sewer | 7,370,520 | 6,158,986 | 6,491,673 |
| Storm Water | 1,844,358 | 2,693,249 | 2,542,355 |
| <i>Total Business-type Activities Expenses</i> | <u>15,234,650</u> | <u>15,254,246</u> | <u>14,886,377</u> |
| <i>Total Primary Government Expenses</i> | <u>\$51,177,728</u> | <u>\$51,645,685</u> | <u>\$52,335,156</u> |
| Program Revenues | | | |
| Governmental Activities: | | | |
| Charges for Services | | | |
| Security of Persons and Property | \$3,153,173 | \$3,120,520 | \$3,149,170 |
| Community Environment | 101,985 | 163,450 | 121,929 |
| Public Health and Welfare Services | 157,337 | 144,829 | 162,113 |
| Transportation | 1,709 | 0 | 0 |
| General Government | 718,048 | 711,005 | 709,967 |
| Operating Grants and Contributions | 4,471,047 | 4,307,895 | 4,752,661 |
| Capital Grants and Contributions | 54,406 | 414,045 | 995,426 |
| <i>Total Governmental Activities Program Revenues</i> | <u>8,657,705</u> | <u>8,861,744</u> | <u>9,891,266</u> |

City of Newark

| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$20,158,136 | \$22,014,630 | \$2,251,413 | \$21,712,225 | \$20,388,448 | \$20,946,340 | \$26,817,842 |
| 805,323 | 764,096 | 885,748 | 889,707 | 709,835 | 930,189 | 1,220,988 |
| 2,035,280 | 1,591,011 | 1,395,136 | 1,116,844 | 1,275,008 | 1,199,495 | 1,898,035 |
| 20,948 | 101,517 | 125,607 | 25,934 | 32,098 | 29,078 | 217,016 |
| 3,848,797 | 4,560,561 | 4,433,534 | 3,703,225 | 4,111,421 | 4,612,892 | 5,692,765 |
| 11,740,626 | 12,669,608 | 12,795,333 | 16,550,653 | 9,868,895 | 14,305,997 | 17,857,924 |
| 813,720 | 691,034 | 830,501 | 807,438 | 757,487 | 980,668 | 1,051,589 |
| <u>39,422,830</u> | <u>42,392,457</u> | <u>22,717,272</u> | <u>44,806,026</u> | <u>37,143,192</u> | <u>43,004,659</u> | <u>54,756,159</u> |
| 6,289,615 | 5,908,173 | 7,742,185 | 7,191,579 | 4,493,994 | 5,919,670 | 8,114,720 |
| 6,573,165 | 7,481,125 | 8,372,152 | 7,619,736 | 6,937,457 | 7,559,020 | 8,936,187 |
| 2,275,143 | 2,849,000 | 2,786,131 | 2,479,263 | 1,957,102 | 2,184,763 | 3,053,630 |
| <u>15,137,923</u> | <u>16,238,298</u> | <u>18,900,468</u> | <u>17,290,578</u> | <u>13,388,553</u> | <u>15,663,453</u> | <u>20,104,537</u> |
| <u>\$54,560,753</u> | <u>\$58,630,755</u> | <u>\$41,617,740</u> | <u>\$62,096,604</u> | <u>\$50,531,745</u> | <u>\$58,668,112</u> | <u>\$74,860,696</u> |
| \$3,316,630 | \$3,424,525 | \$3,321,786 | \$3,020,090 | \$3,346,950 | \$3,424,262 | \$3,761,586 |
| 284,510 | 183,207 | 260,608 | 385,530 | 351,557 | 379,790 | 550,410 |
| 154,577 | 131,922 | 184,084 | 127,366 | 195,134 | 147,182 | 204,040 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 858,659 | 982,271 | 1,327,430 | 861,378 | 2,671,926 | 1,436,382 | 1,172,367 |
| 5,667,002 | 4,147,863 | 5,668,797 | 8,813,090 | 6,653,830 | 9,685,795 | 10,953,213 |
| 1,274,404 | 1,881,272 | 464,133 | 404,649 | 5,999,528 | 4,263,612 | 2,701,172 |
| <u>11,555,782</u> | <u>10,751,060</u> | <u>11,226,838</u> | <u>13,612,103</u> | <u>19,218,925</u> | <u>19,337,023</u> | <u>19,342,788</u> |

(Continued)

City of Newark

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

| | 2014 | 2015 | 2016 |
|---|----------------|----------------|----------------|
| Business-type Activities: | | | |
| Charges for Services | | | |
| Water | 6,212,924 | 6,294,557 | 6,656,234 |
| Sewer | 7,419,978 | 7,653,112 | 8,374,932 |
| Storm Water | 2,769,820 | 2,871,602 | 2,853,724 |
| Operating Grants and Contributions | 0 | 0 | 0 |
| Capital Grants and Contributions | 0 | 0 | 507,805 |
| <i>Total Business-type Activities Program Revenues</i> | 16,402,722 | 16,819,271 | 18,392,695 |
| <i>Total Primary Government Program Revenues</i> | 25,060,427 | 25,681,015 | 28,283,961 |
| Net (Expense)/Revenue | | | |
| Governmental Activities | (27,285,373) | (27,529,695) | (27,557,513) |
| Business-type Activities | 1,168,072 | 1,565,025 | 3,506,318 |
| <i>Total Primary Government Net (Expense)/Revenue</i> | (\$26,117,301) | (\$25,964,670) | (\$24,051,195) |
| General Revenues and Other Changes in Net Position | | | |
| Governmental Activities: | | | |
| Property Taxes Levied for: | | | |
| General Purposes | \$2,100,858 | \$2,040,628 | \$2,055,097 |
| Special Purposes | 416,520 | 404,872 | 408,316 |
| Capital Purposes | 428,807 | 594,079 | 446,815 |
| Income Taxes | 20,092,754 | 20,454,357 | 22,318,619 |
| Other Local Taxes | 420,782 | 514,057 | 515,033 |
| Intergovernmental, Unrestricted | 1,542,244 | 1,566,000 | 1,482,292 |
| Investment Earnings | 149,711 | 67,376 | 169,378 |
| Miscellaneous | 867,854 | 499,272 | 349,426 |
| Transfers | (5,376) | 0 | 237,454 |
| <i>Total Governmental Activities</i> | 26,014,154 | 26,140,641 | 27,982,430 |
| Business-type Activities: | | | |
| Investment Earnings | 901 | 1,381 | 674 |
| Transfers | 5,376 | 0 | (237,454) |
| <i>Total Business-type Activities</i> | 6,277 | 1,381 | (236,780) |
| <i>Total Primary Government</i> | \$26,020,431 | \$26,142,022 | \$27,745,650 |
| Change in Net Position | | | |
| Governmental Activities | (\$1,271,219) | (\$1,389,054) | \$424,917 |
| Business-type Activities | 1,174,349 | 1,566,406 | 3,269,538 |
| <i>Total Primary Government Change in Net Position</i> | (\$96,870) | \$177,352 | \$3,694,455 |

Source: City Auditor's Office

City of Newark

| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 6,797,182 | 6,577,349 | 6,661,518 | 6,703,923 | 6,949,831 | 7,455,080 | 7,455,890 |
| 8,404,935 | 8,616,054 | 9,166,248 | 9,275,469 | 8,948,560 | 10,143,988 | 11,125,276 |
| 2,998,433 | 3,021,441 | 3,123,460 | 3,231,687 | 3,277,872 | 3,375,165 | 3,366,375 |
| 0 | 0 | 0 | 0 | 0 | 0 | 37,500 |
| 422,221 | 247,343 | 310,099 | 0 | 660,146 | 1,546,038 | 6,034,860 |
| <u>18,622,771</u> | <u>18,462,187</u> | <u>19,261,325</u> | <u>19,211,079</u> | <u>19,836,409</u> | <u>22,520,271</u> | <u>28,019,901</u> |
| <u>30,178,553</u> | <u>29,213,247</u> | <u>30,488,163</u> | <u>32,823,182</u> | <u>39,055,334</u> | <u>41,857,294</u> | <u>47,362,689</u> |
| (27,867,048) | (31,641,397) | (11,490,434) | (31,193,923) | (17,924,267) | (23,667,636) | (35,413,371) |
| 3,484,848 | 2,223,889 | 360,857 | 1,920,501 | 6,447,856 | 6,856,818 | 7,915,364 |
| <u>(\$24,382,200)</u> | <u>(\$29,417,508)</u> | <u>(\$11,129,577)</u> | <u>(\$29,273,422)</u> | <u>(\$11,476,411)</u> | <u>(\$16,810,818)</u> | <u>(\$27,498,007)</u> |
| \$2,053,021 | \$2,229,854 | \$2,257,252 | \$2,330,831 | \$2,614,159 | \$2,614,914 | \$2,701,792 |
| 407,838 | 443,700 | 448,718 | 458,528 | 519,786 | 520,428 | 537,970 |
| 1,394,237 | 851,596 | 782,020 | 736,369 | 704,667 | 745,238 | 724,933 |
| 22,471,820 | 23,055,696 | 24,146,929 | 23,273,642 | 26,323,603 | 28,153,154 | 29,588,501 |
| 652,430 | 416,577 | 530,187 | 360,632 | 693,166 | 586,689 | 626,148 |
| 1,515,622 | 1,552,058 | 1,720,775 | 3,705,128 | 2,105,938 | 2,220,594 | 2,132,603 |
| 224,875 | 399,347 | 1,035,914 | 521,433 | 98,937 | (123,713) | 2,978,659 |
| 653,133 | 917,461 | 981,155 | 2,195,601 | 2,501,453 | 699,572 | 696,974 |
| 0 | 0 | 0 | 0 | (121,529) | 0 | 0 |
| <u>29,372,976</u> | <u>29,866,289</u> | <u>31,902,950</u> | <u>33,582,164</u> | <u>35,440,180</u> | <u>35,416,876</u> | <u>39,987,580</u> |
| 0 | 0 | 10,273 | 0 | 432 | 7,007 | 42,529 |
| 0 | 0 | 0 | 0 | 121,529 | 0 | 0 |
| <u>0</u> | <u>0</u> | <u>10,273</u> | <u>0</u> | <u>121,961</u> | <u>7,007</u> | <u>42,529</u> |
| <u>\$29,372,976</u> | <u>\$29,866,289</u> | <u>\$31,913,223</u> | <u>\$33,582,164</u> | <u>\$35,562,141</u> | <u>\$35,423,883</u> | <u>\$40,030,109</u> |
| \$1,505,928 | (\$1,775,108) | \$20,412,516 | \$2,388,241 | \$17,515,913 | \$11,749,240 | \$4,574,209 |
| 3,484,848 | 2,223,889 | 371,130 | 1,920,501 | 6,569,817 | 6,863,825 | 7,957,893 |
| <u>\$4,990,776</u> | <u>\$448,781</u> | <u>\$20,783,646</u> | <u>\$4,308,742</u> | <u>\$24,085,730</u> | <u>\$18,613,065</u> | <u>\$12,532,102</u> |

City of Newark

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

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|------------------------------------|---------------------|--------------------|---------------------|---------------------|
| General Fund | | | | |
| Nonspendable | \$121,858 | \$132,563 | \$266,770 | \$196,622 |
| Assigned | 1,365,840 | 1,720,745 | 3,636,716 | 4,188,425 |
| Unassigned | <u>1,230,500</u> | <u>1,840,280</u> | <u>998,691</u> | <u>2,080,002</u> |
| <i>Total General Fund</i> | <u>2,718,198</u> | <u>3,693,588</u> | <u>4,902,177</u> | <u>6,465,049</u> |
| | | | | |
| All Other Governmental Funds | | | | |
| Nonspendable | \$257,886 | \$346,364 | \$388,325 | \$493,257 |
| Restricted | 11,722,819 | 10,932,039 | 11,083,187 | 10,997,736 |
| Committed | 0 | 0 | 0 | 0 |
| Assigned | 0 | 0 | 0 | 0 |
| Unassigned | <u>(2,422,355)</u> | <u>(6,272,292)</u> | <u>(860,510)</u> | <u>(239,683)</u> |
| Total All Other Governmental Funds | <u>9,558,350</u> | <u>5,006,111</u> | <u>10,611,002</u> | <u>11,251,310</u> |
| | | | | |
| <i>Total Governmental Funds</i> | <u>\$12,276,548</u> | <u>\$8,699,699</u> | <u>\$15,513,179</u> | <u>\$17,716,359</u> |

*Restated

Source: City Auditor's Office

City of Newark

| * | | | | * | |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| \$567,872 | \$196,397 | \$214,474 | \$268,945 | \$272,594 | \$261,478 |
| 4,118,113 | 4,245,375 | 5,672,814 | 7,935,929 | 7,229,732 | 8,613,297 |
| 2,061,352 | 4,501,888 | 5,393,540 | 3,563,117 | 4,011,963 | 3,963,748 |
| <u>6,747,337</u> | <u>8,943,660</u> | <u>11,280,828</u> | <u>11,767,991</u> | <u>11,514,289</u> | <u>12,838,523</u> |
| \$419,950 | \$402,970 | \$553,593 | \$430,759 | \$367,936 | \$422,305 |
| 12,286,132 | 13,778,854 | 12,796,182 | 12,382,322 | 14,183,418 | 11,979,439 |
| 0 | 0 | 0 | 579,638 | 1,427,649 | 1,122,305 |
| 0 | 0 | 0 | 0 | 0 | 1,466,942 |
| (88,785) | (9,737) | (1,893,740) | 0 | (4,693) | (480,088) |
| <u>12,617,297</u> | <u>14,172,087</u> | <u>11,456,035</u> | <u>13,392,719</u> | <u>15,974,310</u> | <u>14,510,903</u> |
| <u>\$19,364,634</u> | <u>\$23,115,747</u> | <u>\$22,736,863</u> | <u>\$25,160,710</u> | <u>\$27,488,599</u> | <u>\$27,349,426</u> |

City of Newark

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

| | 2014 | 2015 | 2016 | 2017 |
|--|-------------------|-------------------|-------------------|-------------------|
| Revenues: | | | | |
| Taxes | \$23,321,413 | \$24,195,781 | \$25,361,800 | \$26,134,290 |
| Intergovernmental Revenues | 6,188,662 | 6,167,868 | 6,940,541 | 7,443,663 |
| Charges for Services | 2,141,130 | 2,150,036 | 2,053,101 | 2,190,529 |
| Licenses, Permits and Fees | 83,409 | 76,249 | 100,507 | 91,611 |
| Investment Earnings | 146,950 | 74,259 | 154,274 | 224,875 |
| Special Assessments | 6,828 | 50 | 2 | 0 |
| Fines and Forfeitures | 1,884,913 | 1,898,252 | 1,828,543 | 2,228,701 |
| All Other Revenue | 867,854 | 499,272 | 349,426 | 653,133 |
| Total Revenue | 34,641,159 | 35,061,767 | 36,788,194 | 38,966,802 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | 17,441,213 | 16,720,295 | 17,259,586 | 18,107,047 |
| Public Health and Welfare Services | 186,078 | 45,062 | 43,762 | 20,948 |
| Leisure Time Activities | 746,428 | 698,450 | 697,623 | 700,726 |
| Community Environment | 1,569,877 | 1,322,320 | 1,165,793 | 2,013,552 |
| Transportation | 2,059,898 | 2,876,635 | 2,928,693 | 2,829,130 |
| General Government | 10,641,150 | 9,846,419 | 10,125,574 | 10,750,798 |
| Capital Outlay | 2,205,873 | 5,843,235 | 1,684,548 | 2,712,621 |
| Debt Service: | | | | |
| Principal Retirement | 685,592 | 1,099,074 | 2,917,820 | 2,321,987 |
| Interest and Fiscal Charges | 732,569 | 623,997 | 789,126 | 835,862 |
| Total Expenditures | 36,268,678 | 39,075,487 | 37,612,525 | 40,292,671 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,627,519) | (4,013,720) | (824,331) | (1,325,869) |

City of Newark

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$27,775,775 | \$27,971,640 | \$27,131,599 | \$30,457,569 | \$32,446,952 | \$33,934,469 |
| 5,797,645 | 7,115,744 | 13,022,032 | 14,505,030 | 15,521,066 | 13,619,731 |
| 2,399,404 | 2,731,696 | 2,550,831 | 4,417,917 | 3,676,913 | 3,938,611 |
| 79,200 | 104,293 | 79,863 | 103,659 | 151,726 | 58,446 |
| 161,137 | 1,263,097 | 532,460 | 98,937 | (131,973) | 2,949,994 |
| 0 | 112,807 | 236,502 | 113,724 | 112,470 | 142,539 |
| 2,340,202 | 2,060,184 | 1,440,207 | 1,811,493 | 1,581,283 | 1,623,408 |
| 917,461 | 986,655 | 2,195,601 | 2,501,453 | 699,572 | 696,974 |
| <u>39,470,824</u> | <u>42,346,116</u> | <u>47,189,095</u> | <u>54,009,782</u> | <u>54,058,009</u> | <u>56,964,172</u> |
| 18,651,001 | 18,894,251 | 19,200,672 | 20,338,601 | 20,863,196 | 23,542,780 |
| 101,517 | 125,607 | 25,934 | 32,098 | 29,078 | 217,016 |
| 734,646 | 751,255 | 781,253 | 908,520 | 998,411 | 1,137,532 |
| 1,507,747 | 1,289,201 | 1,024,999 | 1,570,091 | 1,343,086 | 1,845,044 |
| 2,801,536 | 3,080,745 | 3,844,875 | 4,221,291 | 3,184,594 | 4,767,339 |
| 11,015,426 | 11,291,358 | 15,112,048 | 13,306,697 | 18,064,377 | 18,413,613 |
| 3,907,035 | 2,801,641 | 5,593,917 | 9,844,038 | 7,129,509 | 4,323,149 |
| 1,450,940 | 3,251,688 | 3,247,215 | 3,518,891 | 3,677,444 | 3,735,335 |
| 731,432 | 865,392 | 804,410 | 839,365 | 917,262 | 1,112,740 |
| <u>40,901,280</u> | <u>42,351,138</u> | <u>49,635,323</u> | <u>54,579,592</u> | <u>56,206,957</u> | <u>59,094,548</u> |
| (1,430,456) | (5,022) | (2,446,228) | (569,810) | (2,148,948) | (2,130,376) |

(Continued)

City of Newark

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

| | 2014 | 2015 | 2016 | 2017 |
|--|----------------------|----------------------|--------------------|--------------------|
| Other Financing Sources (Uses): | | | | |
| Sale of Capital Assets | 48,375 | 46,971 | 46,350 | 54,650 |
| Other Financing Sources - Capital Leases | 0 | 291,575 | 465,000 | 453,494 |
| Other Financing Sources - SBITA | 0 | 0 | 0 | 0 |
| Installment Loan Issuance | 0 | 0 | 0 | 0 |
| State Infrastructure Bank Loan | 0 | 0 | 0 | 0 |
| Premium on Bond Issuance | 182,694 | 0 | 554,488 | 97,015 |
| General Obligation Bonds Issued | 0 | 0 | 5,200,000 | 1,550,000 |
| Refunding General Obligation Bonds Issued | 7,930,000 | 0 | 1,710,000 | 1,895,000 |
| Long Term Note Issuance | 0 | 0 | 0 | 0 |
| Payment to Refunded Bond Escrow Agent | (7,945,049) | 0 | 0 | (936,200) |
| OPWC Loan Issuance | 0 | 0 | 3,277 | 381,723 |
| Transfers In | 2,628,597 | 2,377,818 | 2,269,546 | 2,560,274 |
| Transfers Out | (2,633,973) | (2,377,818) | (2,786,806) | (2,560,274) |
| Total Other Financing Sources (Uses) | <u>210,644</u> | <u>338,546</u> | <u>7,461,855</u> | <u>3,495,682</u> |
| Net Change in Fund Balance | <u>(\$1,416,875)</u> | <u>(\$3,675,174)</u> | <u>\$6,637,524</u> | <u>\$2,169,813</u> |
| Debt Service as a Percentage of Noncapital Expenditures | 4.16% | 5.10% | 10.75% | 8.75% |

Source: City Auditor's Office

City of Newark

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 54,766 | 72,573 | 46,704 | 85,986 | 63,876 | 4,263 |
| 1,292,500 | 903,695 | 389,596 | 1,716,480 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 71,730 |
| 0 | 0 | 0 | 0 | 0 | 785,210 |
| 1,084,411 | 821,527 | 335,770 | 269,983 | 0 | 0 |
| 0 | 16,544 | 0 | 0 | 118,362 | 0 |
| 0 | 1,040,000 | 0 | 0 | 4,540,000 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 1,125,000 | 1,125,000 | 1,125,000 | 1,125,000 | 1,125,000 | 1,130,000 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 164,819 | 0 |
| 3,221,094 | 3,300,021 | 3,485,846 | 7,088,965 | 4,482,164 | 5,478,964 |
| (3,601,788) | (3,547,543) | (3,485,846) | (7,210,494) | (4,482,164) | (5,478,964) |
| <u>3,175,983</u> | <u>3,731,817</u> | <u>1,897,070</u> | <u>3,075,920</u> | <u>6,012,057</u> | <u>1,991,203</u> |
| <u>\$1,745,527</u> | <u>\$3,726,795</u> | <u>(\$549,158)</u> | <u>\$2,506,110</u> | <u>\$3,863,109</u> | <u>(\$139,173)</u> |
| 5.87% | 10.86% | 9.43% | 10.06% | 10.01% | 9.62% |

City of Newark

Income Tax Revenues by Source, Governmental Funds Last Ten Years

| Tax year | 2014 | 2015 | 2016 | 2017 | 2018 |
|---------------------|--------------|--------------|--------------|--------------|--------------|
| Income Tax Rate | 1.75% | 1.75% | 1.75% | 1.75% | 1.75% |
| Total Tax Collected | \$19,872,041 | \$20,403,273 | \$22,185,993 | \$22,420,314 | \$22,942,923 |
| Income Tax Receipts | | | | | |
| Withholding | 15,751,140 | 16,173,959 | 17,181,295 | 17,423,474 | 17,935,810 |
| Percentage | 79.26% | 79.28% | 77.44% | 77.71% | 78.18% |
| Corporate | 1,494,229 | 1,484,316 | 1,827,124 | 2,084,361 | 2,106,287 |
| Percentage | 7.52% | 7.27% | 8.24% | 9.30% | 9.18% |
| Individuals | 2,626,672 | 2,744,998 | 3,177,574 | 2,912,479 | 2,900,826 |
| Percentage | 13.22% | 13.45% | 14.32% | 12.99% | 12.64% |

Source: City Income Tax Department

City of Newark

| 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------|--------------|--------------|--------------|--------------|
| 1.75% | 1.75% | 1.75% | 1.75% | 1.75% |
| \$23,699,303 | \$22,996,119 | \$25,687,092 | \$27,778,327 | \$29,410,089 |
| 18,437,894 | 18,578,668 | 19,332,579 | 20,921,624 | 22,603,363 |
| 77.80% | 80.79% | 75.26% | 75.31% | 76.86% |
| 2,026,222 | 1,442,647 | 3,282,028 | 3,505,112 | 3,262,774 |
| 8.55% | 6.27% | 12.78% | 12.62% | 11.09% |
| 3,235,187 | 2,974,804 | 3,072,485 | 3,351,591 | 3,543,952 |
| 13.65% | 12.94% | 11.96% | 12.07% | 12.05% |



City of Newark

Income Tax Statistics Current Year and Nine Years Ago

Calendar Year 2023

| <u>Income Tax Filers</u> | <u>Number of Filers</u> | <u>Percent of Total</u> | <u>Taxable Income</u> | <u>Percent of Income</u> | <u>Income Tax Collections</u> | <u>Percent of Income</u> |
|--------------------------|-------------------------|-------------------------|-----------------------|--------------------------|-------------------------------|--------------------------|
| Top Ten | 10 | 0.07% | \$33,537,685 | 3.69% | \$586,909 | 3.69% |
| All Others | 13,653 | 99.93% | 875,372,715 | 96.31% | 15,319,023 | 96.31% |
| Total | 13,663 | 100.00% | 908,910,400 | 100.00% | \$15,905,932 | 100.00% |

Calendar Year 2014

| <u>Income Tax Filers</u> | <u>Number of Filers</u> | <u>Percent of Total</u> | <u>Taxable Income</u> | <u>Percent of Income</u> | <u>Income Tax Collections</u> | <u>Percent of Income</u> |
|--------------------------|-------------------------|-------------------------|-----------------------|--------------------------|-------------------------------|--------------------------|
| Top Ten | 10 | 0.07% | \$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% |

Source: City Income Tax Department

City of Newark

Ratios of Outstanding Debt By Type Last Ten Years

| | 2014 | 2015 | 2016 | 2017 |
|--|---------------------|---------------------|---------------------|---------------------|
| Governmental Activities ⁽¹⁾ | | | | |
| General Obligation Bonds Payable | \$14,873,212 | \$14,182,321 | \$19,153,042 | \$19,841,317 |
| Ohio Public Works Commission Loan Payable | 600,000 | 585,000 | 558,277 | 910,000 |
| Installment Loans | 905,528 | 802,766 | 835,963 | 1,018,577 |
| ODOT State Infrastructure Bank Loans | 1,371,388 | 1,082,314 | 784,505 | 2,556,436 |
| Long Term Note Payable | 0 | 0 | 0 | 0 |
| Business-type Activities ⁽¹⁾ | | | | |
| General Obligation Bonds Payable | \$12,332,636 | \$10,796,376 | \$9,244,510 | \$7,902,115 |
| Revenue Bonds Payable | 0 | 0 | 0 | 0 |
| Ohio Water Development Authority Loans Payable | 33,729,939 | 37,218,169 | 39,331,720 | 47,169,828 |
| Ohio Public Works Commission Loans Payable | 1,562,166 | 1,450,991 | 1,339,816 | 1,228,641 |
| ODOT State Infrastructure Bank Loans | 0 | 0 | 0 | 2,344,115 |
| Total Primary Government | <u>\$65,374,869</u> | <u>\$66,117,937</u> | <u>\$71,247,833</u> | <u>\$82,971,029</u> |
| Population ⁽²⁾ | | | | |
| City of Newark | 47,537 | 47,537 | 47,537 | 47,537 |
| Outstanding Debt Per Capita | \$1,375 | \$1,391 | \$1,499 | \$1,745 |
| Income ⁽³⁾ | | | | |
| Personal (in thousands) | \$1,897,962 | \$1,983,576 | \$2,006,870 | \$2,006,870 |
| Percentage of Personal Income | 3.44% | 3.33% | 3.55% | 4.13% |

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 2022, for the presentation of 2023 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

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$18,832,762 | \$18,595,751 | \$17,175,357 | \$15,794,963 | \$19,127,931 | \$17,687,200 |
| 830,750 | 742,250 | 698,000 | 609,500 | 677,578 | 592,596 |
| 2,088,567 | 2,474,647 | 2,297,278 | 3,406,678 | 2,575,347 | 2,602,558 |
| 3,229,157 | 3,775,111 | 3,969,881 | 3,871,553 | 3,522,181 | 3,162,248 |
| 1,125,000 | 1,125,000 | 1,125,000 | 1,125,000 | 1,125,000 | 1,130,000 |
| \$6,194,630 | \$7,820,352 | \$7,406,211 | \$6,937,070 | \$6,457,929 | \$5,963,788 |
| 0 | 18,045,726 | 17,991,868 | 17,603,010 | 17,204,152 | 16,800,294 |
| 49,099,957 | 54,911,784 | 57,337,035 | 61,365,474 | 70,106,626 | 72,882,698 |
| 1,117,466 | 1,006,291 | 950,704 | 839,529 | 728,354 | 619,341 |
| 2,776,277 | 2,716,778 | 2,922,466 | 2,694,866 | 2,537,386 | 2,375,146 |
| <u>\$85,294,566</u> | <u>\$111,213,690</u> | <u>\$111,873,800</u> | <u>\$114,247,643</u> | <u>\$124,062,484</u> | <u>\$123,815,869</u> |
| 47,537 | 47,537 | 50,943 | 51,257 | 50,943 | 50,763 |
| \$1,794 | \$2,340 | \$2,196 | \$2,229 | \$2,435 | \$2,439 |
| \$2,006,870 | \$2,006,870 | \$2,006,870 | \$1,549,757 | \$1,418,508 | \$1,563,044 |
| 4.25% | 5.54% | 5.57% | 7.37% | 8.75% | 7.92% |

City of Newark

Ratios of General Bonded Debt Outstanding Last Ten Years

| Year | 2014 | 2015 | 2016 | 2017 |
|--|-----------------|-----------------|-----------------|-----------------|
| Population (1) | 47,537 | 47,537 | 47,537 | 47,537 |
| Personal Income (2) | \$1,897,962,262 | \$1,983,576,399 | \$2,006,869,529 | \$2,006,869,529 |
| General Bonded Debt | | | | |
| General Obligation Bonds | \$27,205,848 | \$24,978,697 | \$28,397,552 | \$27,743,432 |
| Resources Available to Pay Principal | \$1,585,501 | \$1,368,476 | \$1,207,458 | \$1,118,394 |
| Net General Bonded Debt | \$25,620,347 | \$23,610,221 | \$27,190,094 | \$26,625,038 |
| Ratio of Net Bonded Debt to Personal Income | 1.35% | 1.19% | 1.35% | 1.33% |
| Net Bonded Debt per Capita | \$538.96 | \$496.67 | \$571.98 | \$560.09 |

Sources:

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

(2) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2022, for the presentation of 2023 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

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 47,537 | 47,537 | 50,943 | 51,257 | 50,943 | 50,763 |
| \$2,006,869,529 | \$2,006,869,529 | \$2,006,870,000 | \$1,549,755,395 | \$1,418,507,835 | \$1,563,043,533 |
| \$25,027,392 | \$26,416,103 | \$24,581,568 | \$22,732,033 | \$25,585,860 | \$23,650,988 |
| \$1,017,064 | \$1,073,881 | \$1,350,793 | \$966,465 | \$995,686 | \$1,466,942 |
| \$24,010,328 | \$25,342,222 | \$23,230,775 | \$21,765,568 | \$24,590,174 | \$22,184,046 |
| 1.20% | 1.26% | 1.16% | 1.40% | 1.73% | 1.42% |
| \$505.09 | \$533.11 | \$456.02 | \$424.64 | \$482.70 | \$437.01 |



City of Newark

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2023*

| <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 | \$25,174,602 | 100.00% | \$25,174,602 |
| Overlapping: | | | |
| Granville School District | 14,475,000 | 9.56% | 1,383,810 |
| Licking Valley School District | 1,850,000 | 3.34% | 61,790 |
| North Fork School District | 1,793,800 | 4.77% | 85,564 |
| Newark City Schools | 31,424,804 | 92.86% | 29,181,073 |
| Licking County | 21,345,000 | 17.62% | 3,760,989 |
| | | Subtotal | <u>34,473,226</u> |
| | | Total | <u><u>\$59,647,828</u></u> |

Source: Licking County Auditor

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

City of Newark

*Debt Limitations
Last Ten Years*

| Collection Year | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|--|---------------------|---------------------|---------------------|---------------------|
| <u>Total Debt</u> | | | | |
| Net Assessed Valuation | \$799,885,660 | \$770,883,080 | \$776,258,520 | \$843,197,460 |
| Legal Debt Limitation (%) (1) | 10.50% | 10.50% | 10.50% | 10.50% |
| Legal Debt Limitation (\$) (1) | 83,987,994 | 80,942,723 | 81,507,145 | 88,535,733 |
| City Debt Outstanding (2) | 19,329,991 | 19,008,515 | 18,372,230 | 18,086,000 |
| Less: Applicable Debt Service Fund Amounts | <u>(1,585,501)</u> | <u>(1,368,476)</u> | <u>(1,207,458)</u> | <u>(1,118,394)</u> |
| Net Indebtedness Subject to Limitation | <u>17,744,490</u> | <u>17,640,039</u> | <u>17,164,772</u> | <u>16,967,606</u> |
| Overall Legal Debt Margin | <u>\$66,243,504</u> | <u>\$63,302,684</u> | <u>\$64,342,373</u> | <u>\$71,568,127</u> |
| | | | | |
| Debt Margin as a Percentage of Debt Limit | 78.87% | 78.21% | 78.94% | 80.84% |
| <u>Unvoted Debt</u> | | | | |
| Net Assessed Valuation | \$799,885,660 | \$770,883,080 | \$776,258,520 | \$843,197,460 |
| Legal Debt Limitation (%) (1) | 5.50% | 5.50% | 5.50% | 5.50% |
| Legal Debt Limitation (\$) (1) | 43,993,711 | 42,398,569 | 42,694,219 | 46,375,860 |
| City Debt Outstanding (2) | 19,329,991 | 19,008,515 | 18,372,230 | 18,086,000 |
| Less: Applicable Debt Service Fund Amounts | <u>(1,585,501)</u> | <u>(1,368,476)</u> | <u>(1,207,458)</u> | <u>(1,118,394)</u> |
| Net Indebtedness Subject to Limitation | <u>17,744,490</u> | <u>17,640,039</u> | <u>17,164,772</u> | <u>16,967,606</u> |
| Overall Legal Debt Margin | <u>\$26,249,221</u> | <u>\$24,758,530</u> | <u>\$25,529,447</u> | <u>\$29,408,254</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

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| \$845,262,340 | \$854,318,216 | \$984,634,740 | \$995,719,300 | \$1,007,972,690 | \$1,372,064,650 |
| 10.50% | 10.50% | 10.50% | 10.50% | 10.50% | 10.50% |
| 88,752,546 | 89,703,413 | 103,386,648 | 104,550,527 | 105,837,132 | 144,066,788 |
| 18,350,000 | 20,120,000 | 18,950,000 | 21,330,000 | 21,950,000 | 21,190,000 |
| (1,017,064) | (1,073,881) | (1,350,793) | (966,465) | (995,686) | (1,466,942) |
| <u>17,332,936</u> | <u>19,046,119</u> | <u>17,599,207</u> | <u>20,363,535</u> | <u>20,954,314</u> | <u>19,723,058</u> |
| <u>\$71,419,610</u> | <u>\$70,657,294</u> | <u>\$85,787,441</u> | <u>\$84,186,992</u> | <u>\$84,882,818</u> | <u>\$124,343,730</u> |
| 80.47% | 78.77% | 82.98% | 80.52% | 80.20% | 86.31% |
| \$845,262,340 | \$854,318,216 | \$984,634,740 | \$995,719,300 | \$1,007,972,690 | \$1,372,064,650 |
| 5.50% | 5.50% | 5.50% | 5.50% | 5.50% | 5.50% |
| 46,489,429 | 46,987,502 | 54,154,911 | 54,764,562 | 55,438,498 | 75,463,556 |
| 18,350,000 | 20,120,000 | 18,950,000 | 21,330,000 | 21,950,000 | 21,190,000 |
| (1,017,064) | (1,073,881) | (1,350,793) | (966,465) | (995,686) | (1,466,942) |
| <u>17,332,936</u> | <u>19,046,119</u> | <u>17,599,207</u> | <u>20,363,535</u> | <u>20,954,314</u> | <u>19,723,058</u> |
| <u>\$29,156,493</u> | <u>\$27,941,383</u> | <u>\$36,555,704</u> | <u>\$34,401,027</u> | <u>\$34,484,184</u> | <u>\$55,740,498</u> |

City of Newark

Pledged Revenue Coverage Last Ten Years

| | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|-----------|-----------|-----------|-----------|-----------|
| Special Assessment Bonds (1) | | | | | |
| Special Assessment Collections | \$6,529 | \$0 | \$0 | \$0 | \$0 |
| Debt Service | | | | | |
| Principal | 5,132 | 0 | 0 | 0 | 0 |
| Interest | 244 | 0 | 0 | 0 | 0 |
| Coverage | 1.21 | 0.00 | 0.00 | 0.00 | 0.00 |
| Tax Increment Financing (TIF) (2) | | | | | |
| Payment in Lieu of Taxes | \$25,587 | \$69,405 | \$0 | \$0 | \$808,083 |
| Debt Service | | | | | |
| Principal | 100,000 | 105,000 | 120,000 | 125,000 | 125,000 |
| Interest | 84,932 | 80,932 | 87,640 | 46,550 | 44,050 |
| Coverage | 0.14 | 0.37 | 0.00 | 0.00 | 4.78 |
| Tax Increment Financing (TIF) (3) | | | | | |
| Payment in Lieu of Taxes | \$111,712 | \$112,753 | \$114,903 | \$102,364 | \$157,075 |
| Debt Service | | | | | |
| Principal | 55,000 | 55,000 | 60,000 | 65,000 | 65,000 |
| Interest | 35,428 | 33,366 | 31,304 | 29,054 | 26,454 |
| Coverage | 1.24 | 1.28 | 1.26 | 1.09 | 1.72 |
| Water System Revenue Bonds (4) | | | | | |
| Gross Revenues | \$0 | \$0 | \$0 | \$0 | \$0 |
| Direct Operating Expenses | 0 | 0 | 0 | 0 | 0 |
| Net Revenue Available for Debt Service | 0 | 0 | 0 | 0 | 0 |
| Annual Debt Service Requirement | 0 | 0 | 0 | 0 | 0 |
| Coverage | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

(1) Morgan Manor Sewer, Business-type Activities, Retired in 2014

(2) East Main Street Improvement, Governmental Activities

(3) Deo Drive Improvement, Governmental Activities

(4) Water System Improvement Revenue Bonds

Source: City Auditor's Office

City of Newark

| 2019 | 2020 | 2021 | 2022 | 2023 |
|---------|----------|-------------|-------------|-------------|
| \$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 |
| \$0 | \$17,738 | \$5,826 | \$5,845 | \$5,632 |
| 130,000 | 130,000 | 135,000 | 140,000 | 140,000 |
| 41,550 | 39,600 | 35,700 | 31,650 | 27,450 |
| 0.00 | 0.10 | 0.03 | 0.03 | 0.03 |
| \$0 | \$0 | \$0 | \$0 | \$0 |
| 65,000 | 70,000 | 75,000 | 75,000 | 80,000 |
| 23,854 | 21,254 | 18,384 | 15,309 | 12,234 |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| \$0 | \$0 | \$6,950,142 | \$7,458,627 | \$7,476,148 |
| 0 | 0 | 2,857,950 | 4,285,761 | 6,387,291 |
| 0 | 0 | 4,092,192 | 3,172,866 | 1,088,857 |
| 0 | 0 | 1,053,244 | 1,051,869 | 1,049,669 |
| 0.00 | 0.00 | 3.89 | 3.02 | 1.04 |

City of Newark

Demographic and Economic Statistics Last Ten Years

| Calendar Year | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|-------------|-------------|-------------|-------------|-------------|
| Population (1) | | | | | |
| City of Newark | 47,537 | 47,537 | 47,537 | 47,537 | 47,537 |
| Licking County | 166,492 | 166,492 | 166,492 | 166,492 | 166,492 |
| Income (2) (a) | | | | | |
| Total Personal (in thousands) | \$1,897,962 | \$1,983,576 | \$2,006,870 | \$2,006,870 | \$2,006,870 |
| Per Capita | \$39,926 | \$41,727 | \$42,217 | \$42,217 | \$42,217 |
| Unemployment Rate (3) | | | | | |
| Federal | 5.6% | 5.3% | 4.9% | 4.1% | 3.8% |
| State | 5.1% | 4.9% | 4.9% | 4.3% | 4.5% |
| Licking County | 4.1% | 4.2% | 4.3% | 3.8% | 3.9% |
| Civilian Work Force Estimates (3) | | | | | |
| State | 5,726,000 | 5,731,000 | 5,788,000 | 5,778,000 | 5,783,000 |
| Licking County | 87,900 | 88,400 | 87,900 | 90,300 | 90,600 |

Sources:

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

(2) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2022, for the presentation of 2023 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

| 2019 | 2020 | 2021 | 2022 | 2023 |
|-------------|-------------|-------------|-------------|-------------|
| 47,537 | 50,943 | 51,257 | 50,943 | 50,763 |
| 166,492 | 176,862 | 180,401 | 181,359 | 183,201 |
| \$2,006,870 | \$2,006,870 | \$1,549,757 | \$1,418,508 | \$1,563,044 |
| \$42,217 | \$39,394 | \$30,235 | \$27,845 | \$30,791 |
| 3.5% | 4.7% | 5.3% | 3.4% | 3.6% |
| 4.1% | 4.6% | 5.1% | 4.2% | 3.5% |
| 3.8% | 5.9% | 4.0% | 3.0% | 3.1% |
| 5,783,000 | 5,783,000 | 5,737,546 | 5,741,277 | 5,787,000 |
| 90,600 | 90,600 | 90,142 | 92,216 | 92,600 |



City of Newark

Principal Employers Current Year and Nine Years Ago

| Employer | Nature of Business | 2023 | |
|--------------------------------------|---------------------------|---------------------|------|
| | | Number of Employees | Rank |
| Licking Memorial Hospital | Hospital | 1,900 | 1 |
| Licking County Government | Government | 1,065 | 2 |
| Newark City Schools | Education | 800 | 3 |
| OSUN/COTC | Education | 550 | 4 |
| Owens Corning | Fiberglass Insulation | 500 | 5 |
| Anomatic Corporation | Metal Finishers | 400 | 6 |
| City of Newark | Government | 360 | 7 |
| CTEC | Education | 312 | 8 |
| Universal Veneer | Wood Veneer Manufacturing | 210 | 9 |
| PNB | Banking Headquarters | 150 | 10 |
| Total | | 6,247 | |
| Total Employment within the City (1) | | N/A | |

| 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 | | 10,092 | |
| Total Employment within the City (1) | | N/A | |

(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

| | 2014 | 2015 | 2016 | 2017 | 2018 |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Governmental Activities | | | | | |
| General Government | | | | | |
| Finance | 19.00 | 18.00 | 18.00 | 16.00 | 16.00 |
| Legal/Court | 50.00 | 46.00 | 42.00 | 40.00 | 40.00 |
| Administration | 29.00 | 27.00 | 26.00 | 26.00 | 26.00 |
| Maintenance | 16.00 | 16.00 | 16.00 | 16.00 | 16.00 |
| Security of Persons and Property | | | | | |
| Police | 104.00 | 96.00 | 77.00 | 77.00 | 77.00 |
| Fire | 88.00 | 87.00 | 80.00 | 80.00 | 79.00 |
| Transportation | | | | | |
| Street | 28.00 | 25.00 | 25.00 | 24.00 | 23.00 |
| Leisure Time Activities | | | | | |
| Recreation/Seniors | 14.00 | 14.00 | 12.00 | 12.00 | 12.00 |
| Community Environment | | | | | |
| Community Development | 5.00 | 4.00 | 4.00 | 3.00 | 3.00 |
| Business-Type Activities | | | | | |
| Utilities | | | | | |
| Water | 46.00 | 41.00 | 41.00 | 41.00 | 41.00 |
| Sewer | 29.00 | 26.00 | 26.00 | 26.00 | 26.00 |
| Storm Water | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| <i>Total Employees</i> | <u>471.00</u> | <u>433.00</u> | <u>400.00</u> | <u>394.00</u> | <u>392.00</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>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|---------------|---------------|---------------|---------------|---------------|
| 16.00 | 15.00 | 17.00 | 20.00 | 21.00 |
| 40.00 | 40.00 | 56.00 | 47.00 | 59.00 |
| 26.00 | 26.00 | 20.00 | 22.00 | 19.00 |
| 16.00 | 16.00 | 3.00 | 3.00 | 3.00 |
| 79.00 | 79.00 | 79.00 | 82.00 | 85.00 |
| 79.00 | 79.00 | 80.00 | 80.00 | 86.00 |
| 23.00 | 23.00 | 25.00 | 24.00 | 25.00 |
| 12.00 | 12.00 | 7.00 | 7.00 | 8.00 |
| 30.00 | 30.00 | 11.00 | 11.00 | 13.00 |
| 3.00 | 3.00 | 4.00 | 4.00 | 4.00 |
| 41.00 | 41.00 | 40.00 | 41.00 | 38.00 |
| 26.00 | 26.00 | 20.00 | 21.00 | 21.00 |
| 3.00 | 3.00 | 2.00 | 2.00 | 2.00 |
| <u>394.00</u> | <u>393.00</u> | <u>364.00</u> | <u>364.00</u> | <u>384.00</u> |

City of Newark

Operating Indicators by Function Last Ten Years

| | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|--------|--------|--------|--------|--------|
| Governmental Activities | | | | | |
| General Government | | | | | |
| Court | | | | | |
| Number of Traffic Cases | 4,002 | 4,121 | 4,020 | 4,101 | 4,109 |
| Licenses and Permits | | | | | |
| Number of Building Permits | 452 | 370 | 401 | 486 | 384 |
| Security of Persons and Property | | | | | |
| Police | | | | | |
| Number of Citations Issued | 2,725 | 2,814 | 2,874 | 2,922 | 3,004 |
| Number of Arrests | 1,915 | 2,019 | 2,088 | 2,093 | 2,111 |
| Fire | | | | | |
| Number of Fire Calls | 5,411 | 5,466 | 5,461 | 5,516 | 5,501 |
| Number of EMS Runs | 7,501 | 7,618 | 7,701 | 7,814 | 7,995 |
| Transportation | | | | | |
| Street | | | | | |
| Number of Streets Resurfaced | 39 | 32 | 34 | 32 | 31 |
| Business-Type Activities | | | | | |
| Water | | | | | |
| Number of Service Connections | 20,902 | 20,911 | 20,901 | 20,920 | 20,923 |
| Water Main Breaks | 39 | 44 | 58 | 61 | 70 |
| Daily Average Consumption (thousands of gallons) | 9.3M | 9.4M | 9.4M | 9.4M | 9.4M |
| Sewer | | | | | |
| Number of Service Connections | 18,999 | 19,122 | 19,119 | 19,206 | 19,214 |
| Daily Average Sewage Treatment (thousands of gallons) | 8.9M | 8.9M | 8.9M | 8.9M | 8.9M |

Source: City Auditor's Office

City of Newark

| <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|-------------|-------------|-------------|-------------|-------------|
| 4,379 | 8,246 | 10,920 | 12,274 | 10,443 |
| 401 | 239 | 519 | 2,762 | 138 |
| 3,696 | 3,701 | 988 | 1,050 | 799 |
| 2,121 | 2,129 | 1,287 | 1,497 | 1,278 |
| 4,870 | 4,819 | 2,224 | 2,515 | 2,544 |
| 8,225 | 8,345 | 10,150 | 10,070 | 9,938 |
| 31 | 31 | 57 | 65 | 93 |
| 20,923 | 20,923 | 18,896 | 18,916 | 18,969 |
| 60 | 71 | 35 | 40 | 31 |
| 9.4M | 9.4M | 6.5M | 7.4M | 4.4M |
| 19,214 | 19,214 | 17,193 | 17,411 | 17,508 |
| 8.9M | 8.9M | 7.6M | 7.5M | 7.1M |

City of Newark

Capital Asset Statistics by Function Last Ten Years

| | 2014 | 2015 | 2016 | 2017 | 2018 |
|----------------------------------|-------|-------|-------|-------|-------|
| 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 | 24 | 24 | 24 | 25 | 26 |
| Fire | | | | | |
| Stations | 4 | 4 | 4 | 4 | 4 |
| Vehicles | 22 | 23 | 23 | 23 | 23 |
| Transportation | | | | | |
| Street | | | | | |
| Streets (lane miles) | 228 | 228 | 228 | 228 | 228 |
| Traffic Signals | 3,348 | 3,351 | 3,351 | 3,354 | 3,355 |
| Vehicles | 42 | 42 | 42 | 43 | 43 |
| Leisure Time Activities | | | | | |
| Recreation/Seniors | | | | | |
| 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) | 204 | 205 | 205 | 205 | 205 |
| Number of Hydrants | 291 | 292 | 292 | 292 | 292 |
| Sewer | | | | | |
| Sewer lines (Miles) | 194 | 194 | 194 | 195 | 195 |
| Lift Stations | 10 | 10 | 10 | 10 | 10 |
| Storm Water Drainage | | | | | |
| Storm Drains (Miles) | 119 | 120 | 120 | 121 | 121 |
| Number of Catch Basins | 4,533 | 4,536 | 4,536 | 4,540 | 4,549 |

Source: City Auditor's Office

City of Newark

| 2019 | 2020 | 2021 | 2022 | 2023 |
|-------|-------|-------|-------|-------|
| 459 | 459 | 903 | 903 | 903 |
| 29 | 29 | 35 | 35 | 35 |
| 1 | 1 | 1 | 1 | 1 |
| 26 | 26 | 36 | 54 | 56 |
| 4 | 5 | 5 | 4 | 4 |
| 23 | 23 | 23 | 15 | 11 |
| 228 | 228 | 502 | 502 | 515 |
| 3,355 | 3,355 | 1,802 | 69 | 69 |
| 43 | 43 | 48 | 43 | 48 |
| 16 | 16 | 42 | 42 | 24 |
| 39 | 39 | 23 | 23 | 21 |
| 14 | 14 | 14 | 14 | 17 |
| 1 | 1 | 1 | 1 | 1 |
| 12 | 12 | 12 | 12 | 6 |
| 205 | 205 | 265 | 265 | 248 |
| 292 | 292 | 2,083 | 2,149 | 2,143 |
| 195 | 195 | 224 | 209 | 209 |
| 10 | 10 | 23 | 19 | 20 |
| 121 | 121 | 141 | 146 | 152 |
| 4,549 | 4,549 | 9,348 | 6,180 | 6,419 |



OHIO AUDITOR OF STATE KEITH FABER



CITY OF NEWARK

LICKING COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 8/22/2024

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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www.ohioauditor.gov