

**CITY OF NEWARK
LICKING COUNTY**

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2007



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the City of Newark, Licking County, prepared by Wolfe, Wilson & Phillips, Inc., for the audit period January 1, 2007 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 11, 2008

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**CITY OF NEWARK
LICKING COUNTY
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2007**

Federal Grantor/ Sub-Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Disbursements
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u>				
(Direct Award)				
Community Development Block Grant	B-07-MC-39-0004	14.218	\$ 1,159,253	\$ 1,123,404
Lead Based Paint Hazard Control	OHLHB-0370-07	14.900	-	2,296
(pass through Ohio Department of Development) HOME Investment Partnership Program	A-C-03-293-2	14.239	<u>212,385</u>	<u>125,174</u>
Total U.S. Department of Housing and Urban Development			1,371,638	1,250,874
<u>U.S. DEPARTMENT OF TRANSPORTATION:</u>				
Pass through Ohio Department of Transportation				
Highway Planning and Construction	PID 22979	20.205	600,000	600,000
Federal Transit Capital/Operating Grant	OH-90-X527-00	20.507	<u>748,047</u>	<u>750,547</u>
Total U.S. Department of Transportation			1,348,047	1,350,547
<u>U.S. DEPARTMENT OF JUSTICE:</u>				
Pass through Ohio Department of Justice				
Bulletproof Vest Grant	4023743	16.607	19,573	19,573
Local Law Enforcement Block Grant	VARIOUS	16.592	13,740	13,703
COPS in Schools	VARIOUS	16.710	32,756	32,756
Edward Bryne Memorial Justice Assistance Grant	VARIOUS	16.738	76,975	51,591
Edward Bryne Memorial Grant	VARIOUS	16.579	<u>-</u>	<u>2,588</u>
Total U.S. Department of Justice			143,044	120,211
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>				
Pass through Ohio Department of Health				
Immunization Action Plan	K095	93.268	51,032	54,185
HIV Grant	n/a	93.940	44,150	70,403
Dental Sealant Plan	J940	93.994	14,060	64,200
Public Health Infrastructure	J321/K552	93.283	<u>97,853</u>	<u>51,641</u>
Total U.S. Department of Health and Human Services			<u>207,095</u>	<u>240,429</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u>				
Direct Award				
Disaster Assistance Grant (FEMA)	n/a	97.036	<u>6,658</u>	<u>10,516</u>
Total U.S. Department of Homeland Security			<u>6,658</u>	<u>10,516</u>
Total Federal Awards Expenditures			<u>\$ 3,076,482</u>	<u>\$ 2,972,577</u>

See notes to Schedule of Federal Awards Expenditures.

**CITY OF NEWARK
LICKING COUNTY**

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - MATCHING REQUIREMENTS

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Newark as of and for the year ended December 31, 2007, and have issued our report thereon dated May 29, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purposes described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Newark's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that we must report under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance which we have reported to management of City of Newark in a separate letter dated May 29, 2008.

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

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
May 29, 2008

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

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

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

Compliance

We have audited the compliance of City of Newark with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2007. City of Newark's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Newark's management. Our responsibility is to express an opinion on the City of Newark's compliance based on our audit.

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

In our opinion, City of Newark complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2007.

Internal Control Over Compliance

The management of City of Newark is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered City of Newark's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Newark's internal control over compliance.

Internal Control Over Compliance (Continued)

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of noncompliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the City's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned cost as item 2007-01 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the City's internal control. We did not consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness.

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

Schedule of Federal Award Expenditures

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregated remaining fund information of City of Newark as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 29, 2008. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of federal award expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
May 29, 2008

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

**CITY OF NEWARK
DECEMBER 31, 2007**

1. AUDITOR'S RESULTS

<i>(d)(1)(I)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	NO
<i>(d)(1)(II)</i>	Were there any other significant deficiencies In internal control reported at the financial statement level (GAGAS)?	NO
<i>(d)(1)(iii)</i>	Was there any reported non-compliance at the financial statement level (GAGAS)?	NO
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	NO
<i>(d)(1)(iv)</i>	Were there any other significant deficiencies In internal control reported for major federal programs?	Yes
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under section .510?	NO
<i>(d)(1)(vii)</i>	Major Programs (List):	Transit #20.507 Highway Planning #20.205
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B	Type A: >\$300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

NONE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
OMB CIRCULAR A – 133 SECTION .505

CITY OF NEWARK
DECEMBER 31, 2007

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

FINDING NUMBER 2007-01

Grant Title – Highway Planning and Construction
CFDA #20.205
Federal Agency – U.S. Department of Transportation
Pass Through Agency – Ohio Department of Transportation

Significant Deficiency – Reporting

Auditor of State Bulletin 2000-08 provides the recommended accounting treatment for on-behalf of grants. When a local government enters into an on-behalf-of program agreement with another local government or the State (or the federal government, if applicable), whereby the local government or its residents are the beneficiaries under the agreement, the cash value of the program received under the agreement should be recorded as memorandum receipts and disbursements in the year on-behalf-of disbursements are made.

The City was awarded a Highway Planning and Construction grant and approximately \$600,000 of this grant was paid by the Ohio Department of Transportation directly to the contractor on-behalf-of the City. The financial activity was not reflected on the Schedule of Federal Award Expenditures. We adjusted the Schedule to reflect this activity.

Not recording this on-behalf-of grant activity on the Schedule of Federal Award Expenditures could result in an understatement of revenue and expenditures which in turn could result in inaccurate reporting to the grantor agency.

We recommend the City be aware of the receiving on-behalf-of grant from the State and Federal government, that the guidance of Auditor of State Bulletin 2000-08 is followed so the proper accounting treatment can be applied to the transaction.

Client Response: We will follow the guidance of Auditor of State Bulletin 2000-08 and make City employees who are responsible for grants to notify the City Auditor's office if on-behalf-of grants are received so that they came to recorded correctly.

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City of Newark Ohio

Comprehensive

Annual Financial Report



For the year ended
December 31, 2007





COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2007

Prepared by the Auditor's Office

Stephen E. Johnson
City Auditor



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LICKING COUNTY, OHIO

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INTRODUCTORY SECTION





CITY OF NEWARK

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

phone (740) 349-6608

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May 29, 2008

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

We are pleased to submit for your review the Comprehensive Annual Financial Report of the City of Newark, Ohio for the fiscal year ended December 31, 2007. The report has been prepared in accordance with generally accepted accounting principles established by statements of the Governmental Accounting Standards Board (GASB), other authoritative pronouncements and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

INTRODUCTION

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

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

The Reporting Entity:

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

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

***Letter of Transmittal
For the Year Ended December 31, 2007***

Historical Information:

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

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

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

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

Form of Government:

Statutory

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

***Letter of Transmittal
For the Year Ended December 31, 2007***

City Charter

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

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

Location:

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

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2007***

Municipal Services:

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

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

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

ECONOMIC OUTLOOK

Local Economy:

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

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

***Letter of Transmittal
For the Year Ended December 31, 2007***

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

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

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

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

The Owens Corning Corporation remains the largest employer and the largest industry in Newark. The Newark facility is the "worlds largest fiberglass manufacturing facility." It employs 1,400 people and fills roughly 50,000 orders per day. The plant is situated on 250 acres within the city and incorporates 70 buildings with approximately 40 acres under roof. Owens Corning's Research and Technology Center is in nearby Granville and employs over 600 researchers and their support staff. During the fall of 2000, Owens Corning went into bankruptcy. While the City is optimistic, the bankruptcy's impact is unknown.

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

***Letter of Transmittal
For the Year Ended December 31, 2007***

Unemployment Rates:

The 2007 unemployment rate for Licking County of 6.2% was very close to the State average. The Ohio Bureau of Employment Services does not maintain statistics for the City of Newark, but unemployment within the City was estimated to be 5.9%.

Employee Relations:

The City of Newark negotiates contracts with five employee bargaining units. These groups consist of Local 109 of the International Association of Firefighters, Lodge 12 of the Licking County Fraternal Order of Police, the American Federation of State, County and Municipal Employees (AFSCME) Local 2963, Ohio Council 8, AFL-CIO, certain other non-uniform employees of the City and employees in management and supervisory service. Current contracts with union employees cover the years 2007 through 2009.

MAJOR INITIATIVE

During 2007, continuing efforts were made to upgrade services and improve the quality of life for the citizens of Newark through the following projects:

Infrastructure Improvements

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

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

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

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

Further development along the State Route 16 corridor is also taking place as a result of the Longaberger project. A beautification project involving Longaberger properties, construction of golf courses and a highway widening project were completed.

***Letter of Transmittal
For the Year Ended December 31, 2007***

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

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

Parks and Recreation

Throughout 2007, activities were provided at the City's youth center and community meeting hall in the newly renovated Everett Pool House. The building was remodeled to provide a meeting center for youth and adults who live on the near east side. It has been a very successful improvement project and has been well received by the near east side residents. In addition, Denman Park was rebuilt and new playground equipment installed. Also included in the renovation was a new road and entrance to the park. Improvements have been made at Hollander Pool on the City's north side, including a waterslide. The City entered into a management agreement with the Newark-Licking County YMCA for Hollander Pool operations. Major renovations were made to the City's ice arena including new mechanicals. The funding for the one million dollar project came from private donations. The facility has been leased to the Newark Sport and Event Commission and remains open to the public.

City-Wide Initiatives

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

Long-Term Financial Planning

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

***Letter of Transmittal
For the Year Ended December 31, 2007***

FINANCIAL INFORMATION

Internal Control, Budgetary Control and the Accounting System:

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

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

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

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

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2007***

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

OTHER INFORMATION

Independent Audit:

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

Awards:

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Newark, Ohio for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2006. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards in state and local government financial reporting. To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents satisfy all program standards. The report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements respective to the reporting entity.

A Certificate of Achievement is valid for a period of one year only. The City of Newark has received a Certificate of Achievement for sixteen consecutive years (1991 - 2006). We believe this current report continues to conform to the Certificate of Achievement for Excellence in Financial Reporting program requirements and are submitting it to the GFOA.

Public Disclosure

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

***Letter of Transmittal
For the Year Ended December 31, 2007***

Acknowledgments:

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

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

We would also like to extend a special thank you to Joe Dooley for his imaginative portrayal of the graphics contained within this publication.

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

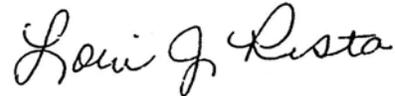
Respectfully,



Stephen E. Johnson
City Auditor



Jacqueline S. Prince
Accounting Manager



Lori J. Resta
Deputy City Auditor

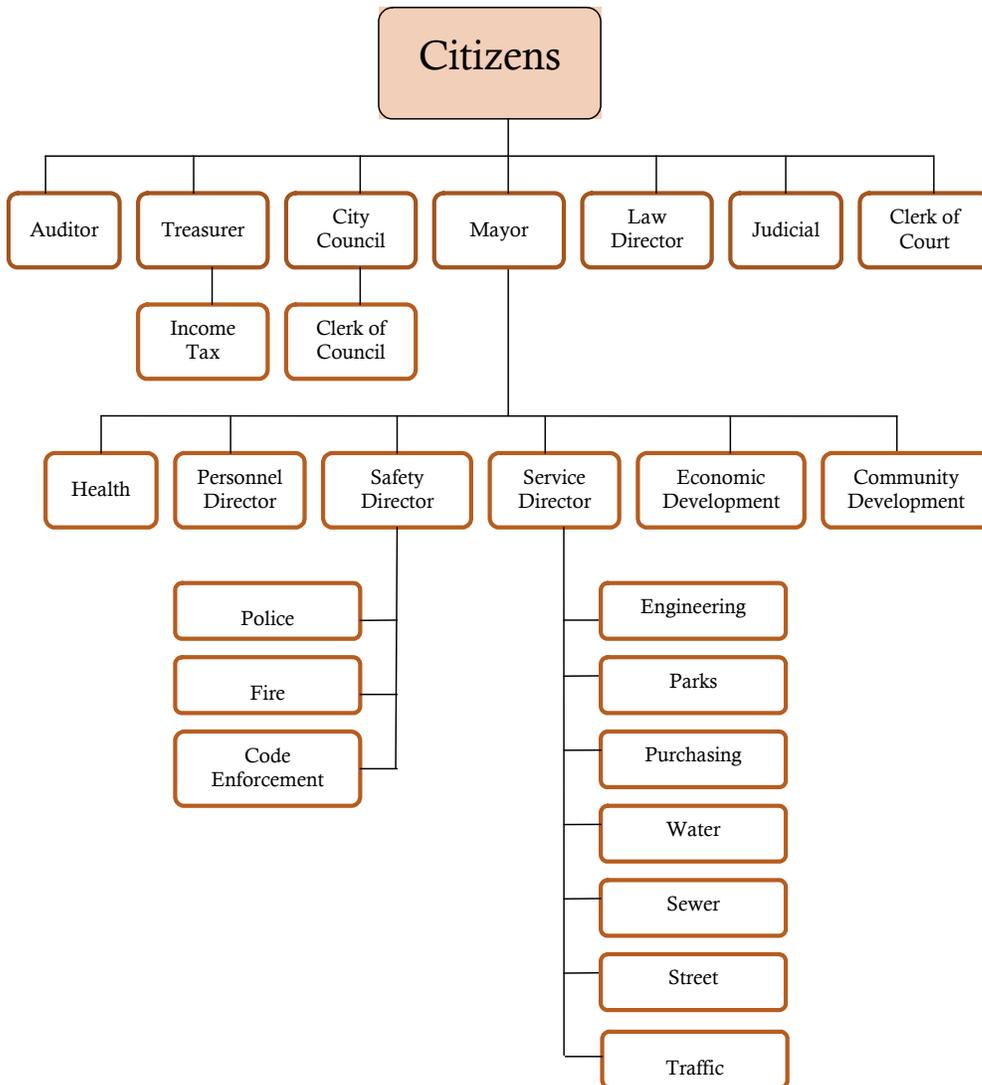
CITY OF NEWARK, OHIO

***List of Principal Officials
For the Year Ended December 31, 2007***

<u>NAME</u>	<u>TITLE</u>	<u>TERM OF OFFICE</u>	<u>SURETY DATA *</u>
Bruce Bain	Mayor	01/01/04 to 12/31/07	
Stephen E. Johnson	Auditor	01/01/04 to 12/31/07	\$5,000 01/01/04 to 12/31/07
Michael F. Higgins	Judge	01/01/02 to 12/31/07	
W. David Branstool	Judge	01/01/06 to 12/31/12	
Douglas Sassen	Law Director	01/01/04 to 12/31/07	
Robert Lehman	Treasurer	01/01/05 to 12/31/09	\$30,000 01/01/05 to 12/31/09
Marc D. Guthrie	President of Council	01/01/08 to 12/31/11	
Ryan T. Bubb	Council-at-Large	01/01/08 to 12/31/11	
Irene Kennedy	Council-at-Large	01/01/08 to 12/31/11	
David R. Rhodes	Council-at-Large	01/01/08 to 12/31/11	
Clyde Edgar Houdeshell	Council 1st Ward	01/01/06 to 12/31/09	
Shirley Stare	Council 2nd Ward	01/01/06 to 12/31/09	
Rick Henderson	Council 3rd Ward	01/01/06 to 12/31/09	
John Uibel	Council 4th Ward	01/01/06 to 12/31/09	
Don Ellington	Council 5th Ward	01/01/06 to 12/31/09	
Douglas Marmie	Council 6th Ward	01/01/06 to 12/31/09	
Carol Floyd	Council 7th Ward	01/01/06 to 12/31/09	
Larry Brown	Clerk of Court	01/01/02 to 12/31/07	\$10,000 01/01/02 to 12/31/07

* - Ohio Casualty Insurance Company

***City Organizational Chart
For the Year Ended December 31, 2007***



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

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Newark
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

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



Charles S. Cox

President

Jeffrey R. Emer

Executive Director



FINANCIAL SECTION



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

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

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of The City of Newark as of and for the year ended December 31, 2007, which collectively comprise the City's financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Newark as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund, Income Tax Fund and Community Development fund, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 29, 2008, on our consideration of the City of Newark's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

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



Zanesville, Ohio
May 29, 2008

This discussion and analysis of the City of Newark's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2007. 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 2007 are as follows:

- ❑ In total, net assets increased \$3,273,870. Net assets of governmental activities increased \$2,792,614, which represents a 5% increase from 2006. Net assets of business-type activities increased \$481,256 or 2% from 2006.
- ❑ General revenues accounted for \$29,511,643 in revenue or 53% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$26,074,542, or 47% of total revenues of \$55,586,185.
- ❑ The City had \$39,820,731 in expenses related to governmental activities; only \$12,361,207 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$29,417,824 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$32,144,370 in revenues and other financing sources and \$30,496,473 in expenditures and other financing uses. The general fund's fund balance increased from \$1,854,668 to \$3,565,843.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

These statements are as follows:

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

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

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

***Management's Discussion and Analysis
For the Year Ended December 31, 2007***

Unaudited

Proprietary Funds – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match. The proprietary fund financial statements provide separate information for the Water, Sewer, and Storm Water funds, each of which are considered major funds.

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a summary of the City's net assets for 2007 compared to 2006.

	Governmental Activities		Business-type Activities		Total	
		Restated		Restated		
	2007	2006	2007	2006	2007	2006
Current and other assets	\$29,509,556	\$27,552,801	\$9,288,099	\$9,725,278	\$38,797,655	\$37,278,079
Capital assets, Net	62,322,148	61,391,063	36,914,201	35,099,606	99,236,349	96,490,669
Total assets	91,831,704	88,943,864	46,202,300	44,824,884	138,034,004	133,768,748
Long-term debt outstanding	22,719,220	22,372,965	20,682,565	19,395,208	43,401,785	41,768,173
Other liabilities	7,962,053	8,213,082	677,405	1,068,602	8,639,458	9,281,684
Total liabilities	30,681,273	30,586,047	21,359,970	20,463,810	52,041,243	51,049,857
Net assets						
Invested in capital assets, net of related debt	42,336,454	41,290,546	17,699,290	16,668,836	60,035,744	57,959,382
Restricted	10,651,987	10,001,298	0	0	10,651,987	10,001,298
Unrestricted	8,161,990	7,065,973	7,143,040	7,692,238	15,305,030	14,758,211
Total net assets	\$61,150,431	\$58,357,817	\$24,842,330	\$24,361,074	\$85,992,761	\$82,718,891

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**Management's Discussion and Analysis
For the Year Ended December 31, 2007**

Unaudited

Changes in Net Assets – The following table shows the changes in net assets for the fiscal year 2007 compared with 2006:

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues						
Program Revenues:						
Charges for Services and Sales	\$5,098,038	\$4,951,341	\$13,713,335	\$12,480,528	\$18,811,373	\$17,431,869
Operating Grants and Contributions	6,773,027	5,054,184	0	0	6,773,027	5,054,184
Capital Grants and Contributions	490,142	470,643	0	258,709	490,142	729,352
Total Program Revenues	12,361,207	10,476,168	13,713,335	12,739,237	26,074,542	23,215,405
General Revenues:						
Property Taxes	3,048,521	3,395,618	0	0	3,048,521	3,395,618
Income Taxes	20,312,181	19,802,040	0	0	20,312,181	19,802,040
Other Local Taxes	433,007	360,964	0	0	433,007	360,964
Intergovernmental, Unrestricted	3,794,607	3,634,841	0	0	3,794,607	3,634,841
Investment Earnings	1,077,750	880,326	93,819	97,179	1,171,569	977,505
Miscellaneous	751,758	1,500,256	0	0	751,758	1,500,256
Total General Revenues	29,417,824	29,574,045	93,819	97,179	29,511,643	29,671,224
Total Revenues	41,779,031	40,050,213	13,807,154	12,836,416	55,586,185	52,886,629
Program Expenses						
Security of Persons and Property	18,150,460	17,480,448	0	0	18,150,460	17,480,448
Leisure Time Activities	524,374	765,014	0	0	524,374	765,014
Community Environment	2,921,535	3,167,222	0	0	2,921,535	3,167,222
Public Health and Welfare Services	2,375,792	2,395,607	0	0	2,375,792	2,395,607
Transportation	5,927,546	4,323,012	0	0	5,927,546	4,323,012
General Government	9,020,333	7,467,121	0	0	9,020,333	7,467,121
Interest and Fiscal Charges	900,691	973,340	0	0	900,691	973,340
Water	0	0	7,006,340	6,269,588	7,006,340	6,269,588
Sewer	0	0	5,161,535	5,226,934	5,161,535	5,226,934
Storm Water	0	0	323,709	574,598	323,709	574,598
Total Expenses	39,820,731	36,571,764	12,491,584	12,071,120	52,312,315	48,642,884
Change in Net Assets before transfers	1,958,300	3,478,449	1,315,570	765,296	3,273,870	4,243,745
Transfers	834,314	264,680	(834,314)	(264,680)	0	0
Total Change in Net Assets	2,792,614	3,743,129	481,256	500,616	3,273,870	4,243,745
Beginning Net Assets - Restated	58,357,817	54,614,688	24,361,074	23,860,458	82,718,891	78,475,146
Ending Net Assets	\$61,150,431	\$58,357,817	\$24,842,330	\$24,361,074	\$85,992,761	\$82,718,891

***Management's Discussion and Analysis
For the Year Ended December 31, 2007***

Unaudited

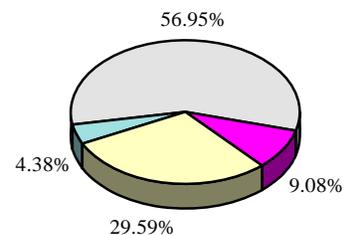
Governmental Activities

Net assets of the City's governmental activities increased \$2,792,614. This represents a 5% change from 2006. Operating grants and contributions increased due to increases in community development block grants. Income tax receipts increased due to a change in the required frequency of employee withholding payments. Property taxes decreased due to the phase out of the personal property tax while all other revenue decreased due to an escrow refund in 2006 that was not repeated in 2007. Increases in overtime pay contributed to the increase in security of persons and property. Costs for maintenance, supplies and salaries contributed to the increase in transportation. Increases in utilities costs within the service department as well as costs within the safety director department contributed to the increase in general government.

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

Income taxes and property taxes made up 49% and 7% respectively of revenues for governmental activities for the City in fiscal year 2007. The City's reliance upon tax revenues is demonstrated by the following graph indicating 57% of total revenues from general tax revenues:

Revenue Sources	2007	Percent of Total
General Tax Revenues	\$23,793,709	56.95%
Intergovernmental, Unrestricted	3,794,607	9.08%
Program Revenues	12,361,207	29.59%
General Other	1,829,508	4.38%
Total Revenue	<u>\$41,779,031</u>	<u>100.00%</u>



Business-Type Activities

Net assets of the business-type activities increased \$481,256. This represents a 2% change from the previous year. Charges for services and sales increased 10% due mostly to storm water charges.

**Management's Discussion and Analysis
For the Year Ended December 31, 2007**

Unaudited

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$9,576,994, which is an increase from last year's balance of \$9,263,910. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2007 and 2006:

	Fund Balance December 31, 2007	Fund Balance December 31, 2006	Increase (Decrease)
General	\$3,565,843	\$1,854,668	\$1,711,175
Income Tax	1,631,181	2,911,059	(1,279,878)
Community Development	589,460	521,405	68,055
Capital Improvement	(12,133)	341,088	(353,221)
Other Governmental	3,802,643	3,635,690	166,953
Total	\$9,576,994	\$9,263,910	\$313,084

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

	2007 Revenues	2006 Revenues	Increase (Decrease)
Taxes	\$2,743,211	\$2,632,066	\$111,145
Intergovernmental Revenues	4,854,177	4,519,198	334,979
Charges for Services	1,015,895	439,551	576,344
Licenses, Permits and Fees	1,331,168	1,539,461	(208,293)
Investment Earnings	946,503	750,967	195,536
Fines and Forfeitures	1,767,750	1,639,519	128,231
All Other Revenue	188,792	117,733	71,059
Total	\$12,847,496	\$11,638,495	\$1,209,001

General Fund revenues in 2007 increased \$1,209,001 or approximately 10% when compared with the previous year. Intergovernmental revenues increased more than 7% due to an increase in estate taxes received. Licenses, Permits and Fees decreased substantially due to a decrease in building permits issued. In 2007 the City began charging for ambulance runs, which resulted in the increase in charges for services.

	2007 Expenditures	2006 Expenditures	Increase (Decrease)
Security of Persons and Property	\$17,808,390	\$16,733,331	\$1,075,059
Public Health and Welfare Services	2,156,454	2,125,257	31,197
Community Environment	1,460,367	1,319,428	140,939
General Government	7,546,337	6,515,519	1,030,818
Total	\$28,971,548	\$26,693,535	\$2,278,013

***Management's Discussion and Analysis
For the Year Ended December 31, 2007***

Unaudited

General Fund expenditures increased \$2,278,013 or approximately 9% from the prior year. Security of Persons and Property increased 6% due to increases in overtime pay. Increases in utility costs in the service department contributed to the increase in general government.

	2007	2006	Increase
	Other Financing Sources (Uses)	Other Financing Sources (Uses)	(Decrease)
Sale of Capital Assets	\$15,719	\$20,349	(\$4,630)
Transfers In	19,281,155	17,634,342	1,646,813
Transfers Out	(1,524,925)	(1,597,730)	72,805
Total	<u>\$17,771,949</u>	<u>\$16,056,961</u>	<u>\$1,714,988</u>

Income Tax Fund – The City's Income Tax Fund balance decreased \$1,279,878, or more than 40%. This was the result of an increase in amounts transferred out to other funds.

Community Development Fund – The Community Development Fund balance increased approximately 13% from the previous year. Grant receipts and expenditures in this fund both decreased, resulting in an increase in fund balance that was consistent with the previous year.

Capital Improvement Fund - The City's Capital Improvement Fund reported a significant decrease in fund balance due to machinery and equipment purchases within the street department.

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

During the course of fiscal year 2007 the City amended its General Fund budget several times, none significant.

For the General Fund, final budget revenue of \$11.6 million was slightly higher than original budget estimates of \$11.2 million. Budget basis revenue of \$12.7 was higher than final budget revenue due to increases in intergovernmental revenue and charges for services. Higher than expected estate taxes caused the increase in intergovernmental revenue and ambulance run receipts caused the increase in charges for services.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2007 the City had \$99,236,349 net of accumulated depreciation invested in land, construction in progress, buildings, improvements, infrastructure, equipment and vehicles. Of this total, \$62,322,148 was related to governmental activities and \$36,914,201 to the business-type activities. The following table shows fiscal year 2007 and 2006 balances:

	Governmental Activities		Increase (Decrease)
	2007	Restated 2006	
Land	\$16,277,390	\$15,790,512	\$486,878
Construction In Progress	1,192,500	162,985	1,029,515
Buildings	18,115,507	18,115,507	0
Improvements Other than Buildings	5,385,345	5,385,345	0
Infrastructure	53,856,609	51,735,593	2,121,016
Machinery and Equipment	14,295,174	14,136,358	158,816
Less: Accumulated Depreciation	(46,800,377)	(43,935,237)	(2,865,140)
Totals	\$62,322,148	\$61,391,063	\$931,085

Improvements to Mount Vernon Road and Evans Boulevard contributed to the increase in infrastructure while the increase in construction in progress was the result of lighting improvements throughout the City.

	Business-Type Activities		Increase (Decrease)
	2007	Restated 2006	
Land	\$170,500	\$170,500	\$0
Construction in Progress	3,788,236	591,571	3,196,665
Buildings and Improvements	28,791,763	28,791,763	0
Infrastructure	12,823,226	11,871,298	951,928
Machinery and Equipment	31,925,438	31,972,147	(46,709)
Less: Accumulated Depreciation	(40,584,962)	(38,297,673)	(2,287,289)
Totals	\$36,914,201	\$35,099,606	\$1,814,595

The increase in construction in progress can be attributed to electrical upgrades at the waste water treatment plant. 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, 2007**

Unaudited

Debt

At December 31, 2007, the City had \$22.4 million in General Obligation bonds outstanding, \$1.9 million due within one year. The following table summarizes the City's debt outstanding as of December 31, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Governmental Activities:		
General Obligation Bonds	\$14,115,868	\$14,409,991
Special Assessment Bonds	0	25,000
Capital Leases	3,255,703	2,464,526
Accrued Pension Liability	2,014,158	2,052,336
Compensated Absences	3,333,491	3,421,112
Total Governmental Activities	<u>22,719,220</u>	<u>22,372,965</u>
Business-Type Activities:		
General Obligation Bonds	\$8,252,069	\$9,069,717
Special Assessment Bonds	35,900	41,028
OWDA Loans	10,754,578	9,006,413
OPWC Loans	554,439	568,655
Capital Leases	418,364	43,517
Compensated Absences	667,215	665,878
Total Business-Type Activities	<u>20,682,565</u>	<u>19,395,208</u>
Totals	<u><u>\$43,401,785</u></u>	<u><u>\$41,768,173</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, 2007, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 11.

ECONOMIC FACTORS

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

A Tax Increment Finance (T.I.F.) district was created in 2003 to aid in the retail development of the north side of the City. The T.I.F. district provided infrastructure as well as road improvements. The T.I.F. district was expanded during 2004 to allow for continued development. A new T.I.F., abutting the two previously mentioned was established in 2006 to improve traffic flow and allow for continuing development. The City was notified of the approval of a State Infrastructure Bank loan (SIB) for the project and construction will begin during 2008.

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

The City's operating budget has been affected by the recession and economic uncertainty in recent years. To balance the budget, capital improvement funds were used for general operating expenses thus causing delays in capital projects. However, the 2005 and 2006 budgets contained funding for a major street paving campaign. The city income tax was increased by the voters to allow for a police station to be built and construction of a replacement fire station. Both were completed during 2004. The 2008 budget is projected to increase by approximately 5 percent. The City's ending cash balance had been declining over the past ten years but year end 2007 saw a 60% increase. The cash carry over at year end has been increasing and the need for increased cash reserves has been addressed in recent operating budgets.

REQUESTS FOR INFORMATION

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

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



CITY OF NEWARK, OHIO**Statement of Net Assets
December 31, 2007**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 7,839,696	\$ 1,527,175	\$ 9,366,871
Investments	6,915,105	4,892,623	11,807,728
Receivables:			
Taxes	5,348,960	0	5,348,960
Accounts	360,428	1,400,645	1,761,073
Intergovernmental	4,495,584	0	4,495,584
Interest	97,334	11,138	108,472
Special Assessments	18,848	0	18,848
Loans	4,220,390	0	4,220,390
Internal Balance	(905,641)	905,641	0
Inventory of Supplies at Cost	451,045	478,496	929,541
Prepaid Items	58,675	23,550	82,225
Deferred Charge	0	34,774	34,774
Restricted Assets:			
Cash and Cash Equivalents	165,632	0	165,632
Cash and Cash Equivalents with Fiscal Agent	0	14,057	14,057
Investments	443,500	0	443,500
Non-Depreciable Capital Assets	17,469,890	3,958,736	21,428,626
Depreciable Capital Assets, Net	44,852,258	32,955,465	77,807,723
Total Assets	91,831,704	46,202,300	138,034,004
Liabilities:			
Accounts Payable	183,148	190,293	373,441
Accrued Wages and Benefits	2,280,386	284,141	2,564,527
Retainage Payable	4,806	0	4,806
Matured Bonds and Interest Payable	0	14,057	14,057
Unearned Revenue	2,550,160	0	2,550,160
Accrued Interest Payable	173,553	188,914	362,467
General Obligation Notes Payable	2,770,000	0	2,770,000
Noncurrent liabilities:			
Due within one year	3,293,088	2,675,220	5,968,308
Due in more than one year	19,426,132	18,007,345	37,433,477
Total Liabilities	30,681,273	21,359,970	52,041,243

CITY OF NEWARK, OHIO

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	42,336,454	17,699,290	60,035,744
Restricted For:			
Debt Service	24,974	0	24,974
Street Improvement	1,597,531	0	1,597,531
Community Environment	6,292,565	0	6,292,565
Transportation	538,401	0	538,401
Judiciary	549,202	0	549,202
Cemetery Maintenance:			
Expendable	402,005	0	402,005
Nonexpendable	611,469	0	611,469
Other Purposes	635,840	0	635,840
Unrestricted	<u>8,161,990</u>	<u>7,143,040</u>	<u>15,305,030</u>
Total Net Assets	<u>\$ 61,150,431</u>	<u>\$ 24,842,330</u>	<u>\$ 85,992,761</u>

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

**Statement of Activities
For the Year Ended December 31, 2007**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 18,150,460	\$ 2,412,289	\$ 490,665	\$ 0
Leisure Time Activities	524,374	17,489	0	0
Community Environment	2,921,535	59,808	2,409,128	0
Public Health and Welfare Services	2,375,792	749,119	658,317	0
Transportation	5,927,546	408,675	3,214,917	490,142
General Government	9,020,333	1,450,658	0	0
Interest and Fiscal Charges	900,691	0	0	0
Total Governmental Activities	39,820,731	5,098,038	6,773,027	490,142
Business-Type Activities:				
Water	7,006,340	6,034,022	0	0
Sewer	5,161,535	5,836,149	0	0
Storm Water	323,709	1,843,164	0	0
Total Business-Type Activities	12,491,584	13,713,335	0	0
Totals	\$ 52,312,315	\$ 18,811,373	\$ 6,773,027	\$ 490,142

General Revenues

Property Taxes Levied for:

General Purposes

Special Purposes

Capital Purposes

Income Tax

Other Local Taxes

Intergovernmental, Unrestricted

Investment Earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year - Restated

Net Assets End of Year

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (15,247,506)	\$ 0	\$ (15,247,506)
(506,885)	0	(506,885)
(452,599)	0	(452,599)
(968,356)	0	(968,356)
(1,813,812)	0	(1,813,812)
(7,569,675)	0	(7,569,675)
(900,691)	0	(900,691)
<u>(27,459,524)</u>	<u>0</u>	<u>(27,459,524)</u>
0	(972,318)	(972,318)
0	674,614	674,614
0	1,519,455	1,519,455
<u>0</u>	<u>1,221,751</u>	<u>1,221,751</u>
<u>(27,459,524)</u>	<u>1,221,751</u>	<u>(26,237,773)</u>
2,306,500	0	2,306,500
457,534	0	457,534
284,487	0	284,487
20,312,181	0	20,312,181
433,007	0	433,007
3,794,607	0	3,794,607
1,077,750	93,819	1,171,569
751,758	0	751,758
834,314	(834,314)	0
<u>30,252,138</u>	<u>(740,495)</u>	<u>29,511,643</u>
2,792,614	481,256	3,273,870
<u>58,357,817</u>	<u>24,361,074</u>	<u>82,718,891</u>
<u>\$ 61,150,431</u>	<u>\$ 24,842,330</u>	<u>\$ 85,992,761</u>

CITY OF NEWARK, OHIO

**Balance Sheet
Governmental Funds
December 31, 2007**

	General	Income Tax	Community Development	Capital Improvement
Assets:				
Cash and Cash Equivalents	\$ 704,729	\$ 85,206	\$ 113,367	\$ 18,511
Investments	3,232,941	389,545	518,294	1,441,888
Receivables:				
Taxes	2,293,002	2,585,824	0	0
Accounts	269,161	0	0	0
Intergovernmental	1,785,606	0	1,500,000	0
Interest	74,937	0	986	11,079
Special Assessments	0	0	0	0
Loans	0	0	4,220,390	0
Inventory of Supplies, at Cost	147,069	0	0	0
Prepaid Items	56,742	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	0	0	0
Investments	0	0	0	0
Total Assets	\$ 8,564,187	\$ 3,060,575	\$ 6,353,037	\$ 1,471,478
Liabilities:				
Accounts Payable	\$ 39,223	\$ 0	\$ 23,758	\$ 48,552
Accrued Wages and Benefits Payable	1,638,946	30,427	19,429	0
Retainage Payable	0	0	0	4,806
Deferred Revenue	3,320,175	1,398,967	5,720,390	0
Accrued Interest Payable	0	0	0	9,253
General Obligation Notes Payable	0	0	0	1,421,000
Total Liabilities	4,998,344	1,429,394	5,763,577	1,483,611
Fund Balance:				
Reserved for Encumbrances	644,286	62,616	307,495	681,854
Reserved for Prepaid Items	56,742	0	0	0
Reserved for Supplies Inventory	147,069	0	0	0
Reserved for Debt Service	0	0	0	0
Reserved for Endowments	0	0	0	0
Undesignated, Unreserved in:				
General Fund	2,717,746	0	0	0
Special Revenue Funds	0	1,568,565	281,965	0
Capital Projects Funds (Deficit)	0	0	0	(693,987)
Total Fund Balance	3,565,843	1,631,181	589,460	(12,133)
Total Liabilities and Fund Balance	\$ 8,564,187	\$ 3,060,575	\$ 6,353,037	\$ 1,471,478

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,666,160	\$ 3,587,973
1,332,437	6,915,105
470,134	5,348,960
75,947	345,108
1,209,978	4,495,584
3,822	90,824
18,848	18,848
0	4,220,390
303,976	451,045
1,933	58,675
165,632	165,632
443,500	443,500
<u>\$ 6,692,367</u>	<u>\$ 26,141,644</u>
\$ 70,898	\$ 182,431
139,290	1,828,092
0	4,806
1,245,107	11,684,639
85,429	94,682
<u>1,349,000</u>	<u>2,770,000</u>
<u>2,889,724</u>	<u>16,564,650</u>
555,927	2,252,178
1,933	58,675
303,976	451,045
6,126	6,126
611,469	611,469
0	2,717,746
2,478,777	4,329,307
(155,565)	(849,552)
<u>3,802,643</u>	<u>9,576,994</u>
<u>\$ 6,692,367</u>	<u>\$ 26,141,644</u>

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
December 31, 2007***

Total Governmental Fund Balances \$ 9,576,994

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

Capital Assets used in governmental activities are not resources and therefore are not reported in the funds. 62,322,148

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. 9,134,479

Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. 2,914,901

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

General Obligation Bonds Payable	(14,115,868)	
Capital Leases Payable	(3,255,703)	
Accrued Pension Liability	(2,014,158)	
Compensated Absences Payable	(3,333,491)	
Accrued Interest Payable	(78,871)	(22,798,091)
		<u>(22,798,091)</u>

Net Assets of Governmental Activities \$ 61,150,431

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, 2007**

	General	Income Tax	Community Development	Capital Improvement
Revenues:				
Taxes	\$ 2,743,211	\$ 20,207,382	\$ 0	\$ 0
Intergovernmental Revenues	4,854,177	0	1,011,299	167,565
Charges for Services	1,015,895	0	0	0
Licenses, Permits and Fees	1,331,168	0	0	0
Investment Earnings	946,503	0	12,617	22,051
Special Assessments	0	0	0	0
Fines and Forfeitures	1,767,750	0	0	0
All Other Revenue	188,792	0	205,083	47,760
Total Revenue	12,847,496	20,207,382	1,228,999	237,376
Expenditures:				
Current:				
Security of Persons and Property	17,808,390	0	0	0
Public Health and Welfare Services	2,156,454	0	0	0
Leisure Time Activities	0	0	0	0
Community Environment	1,460,367	0	1,159,258	0
Transportation	0	0	0	0
General Government	7,546,337	1,023,840	0	0
Capital Outlay	0	0	0	4,077,854
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	70,804
Total Expenditures	28,971,548	1,023,840	1,159,258	4,148,658
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,124,052)	19,183,542	69,741	(3,911,282)
Other Financing Sources (Uses):				
Sale of Capital Assets	15,719	0	0	0
Other Financing Sources - Capital Lease	0	0	0	1,413,634
Transfers In	19,281,155	0	0	2,626,800
Transfers Out	(1,524,925)	(20,463,420)	(1,686)	(482,373)
Total Other Financing Sources (Uses)	17,771,949	(20,463,420)	(1,686)	3,558,061
Net Change in Fund Balance	1,647,897	(1,279,878)	68,055	(353,221)
Fund Balance at Beginning of Year	1,854,668	2,911,059	521,405	341,088
Increase in Inventory Reserve	63,278	0	0	0
Fund Balance (Deficit) End of Year	\$ 3,565,843	\$ 1,631,181	\$ 589,460	\$ (12,133)

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 844,573	\$ 23,795,166
4,104,127	10,137,168
599,201	1,615,096
11,972	1,343,140
53,772	1,034,943
71,218	71,218
324,902	2,092,652
314,056	755,691
<u>6,323,821</u>	<u>40,845,074</u>
285,252	18,093,642
308,076	2,464,530
468,478	468,478
170,836	2,790,461
4,880,029	4,880,029
199,551	8,769,728
145,074	4,222,928
475,000	475,000
695,156	765,960
<u>7,627,452</u>	<u>42,930,756</u>
(1,303,631)	(2,085,682)
65,791	81,510
0	1,413,634
2,610,041	24,517,996
<u>(1,241,837)</u>	<u>(23,714,241)</u>
<u>1,433,995</u>	<u>2,298,899</u>
130,364	213,217
3,635,690	9,263,910
36,589	99,867
<u>\$ 3,802,643</u>	<u>\$ 9,576,994</u>

CITY OF NEWARK, OHIO

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For the Year Ended December 31, 2007***

Net Change in Fund Balances - Total Governmental Funds		\$ 213,217
<i>Amounts reported for governmental activities in the statement of activities are different because</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital Outlay	4,053,782	
Depreciation Expense	<u>(3,062,850)</u>	990,932
The net effect of various miscellaneous transactions involving capital assets (i.e. disposals and donations) is to increase net assets.		
The statement of activities reports losses arising from the disposal of capital assets. Conversely, the governmental funds do not report any loss on the disposal of capital assets.		(59,847)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		572,506
The issuance of long-term debt (e.g. notes, leases) provides current financial resources to governmental funds, however, has no effect on net assets.		
Capital Leases Issued		(1,413,634)
Repayment of bond and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Interest Accretion on General Obligation Bonds	(155,877)	
General Obligation Bond Principal Payment	450,000	
Special Assessment Bond Principal Payment	25,000	
Capital Lease Principal Payment	622,457	
Pension Liability Principal Payment	<u>38,178</u>	979,758
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
		28,324
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	87,621	
Change in Inventory	<u>99,867</u>	187,488
Internal Service Funds are used by management to charge the costs of insurance to individual funds and are not reported in the statement of activities. Governmental fund expenditures and related internal service revenues are eliminated. The net revenue (expense) of the internal service funds is allocated among the governmental activities.		
		<u>1,293,870</u>
<i>Change in Net Assets of Governmental Activities</i>		<u>\$ 2,792,614</u>
See accompanying notes to the basic financial statements		

CITY OF NEWARK, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2007**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 2,299,840	\$ 2,383,594	\$ 2,385,766	\$ 2,172
Intergovernmental Revenue	4,641,184	4,810,204	5,159,750	349,546
Charges for Services	464,402	481,314	968,359	487,045
Licenses, Permits and Fees	1,524,823	1,580,353	1,330,073	(250,280)
Investment Earnings	531,494	550,850	879,884	329,034
Fines and Forfeitures	1,582,374	1,640,000	1,762,815	122,815
All Other Revenue	137,805	142,825	173,850	31,025
Total Revenues	<u>11,181,922</u>	<u>11,589,140</u>	<u>12,660,497</u>	<u>1,071,357</u>
Expenditures:				
Current:				
Security of Persons and Property	17,565,850	18,363,627	18,020,944	342,683
Public Health and Welfare Services	2,292,384	2,341,380	2,182,502	158,878
Community Environment	1,557,071	1,617,554	1,579,744	37,810
General Government	7,627,494	8,627,403	7,786,556	840,847
Total Expenditures	<u>29,042,799</u>	<u>30,949,964</u>	<u>29,569,746</u>	<u>1,380,218</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,860,877)	(19,360,824)	(16,909,249)	2,451,575
Other Financing Sources (Uses):				
Sale of Capital Assets	55,000	55,000	15,719	(39,281)
Transfers In	39,133,939	39,133,939	38,652,349	(481,590)
Transfers Out	(20,863,940)	(21,217,377)	(20,896,119)	321,258
Total Other Financing Sources (Uses):	<u>18,324,999</u>	<u>17,971,562</u>	<u>17,771,949</u>	<u>(199,613)</u>
Net Change in Fund Balance	464,122	(1,389,262)	862,700	2,251,962
Fund Balance at Beginning of Year	1,757,608	1,757,608	1,757,608	0
Prior Year Encumbrances	622,824	622,824	622,824	0
Fund Balance at End of Year	<u>\$ 2,844,554</u>	<u>\$ 991,170</u>	<u>\$ 3,243,132</u>	<u>\$ 2,251,962</u>

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Income Tax Fund
For the Year Ended December 31, 2007**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 20,275,775	\$ 20,275,775	\$ 20,425,322	\$ 149,547
Total Revenues	<u>20,275,775</u>	<u>20,275,775</u>	<u>20,425,322</u>	<u>149,547</u>
Expenditures:				
Current:				
General Government	<u>1,236,887</u>	<u>1,282,290</u>	<u>1,093,425</u>	<u>188,865</u>
Total Expenditures	<u>1,236,887</u>	<u>1,282,290</u>	<u>1,093,425</u>	<u>188,865</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,038,888	18,993,485	19,331,897	338,412
Other Financing Sources (Uses):				
Transfers Out	<u>(20,463,420)</u>	<u>(20,463,420)</u>	<u>(20,463,420)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(20,463,420)</u>	<u>(20,463,420)</u>	<u>(20,463,420)</u>	<u>0</u>
Net Change in Fund Balance	(1,424,532)	(1,469,935)	(1,131,523)	338,412
Fund Balance at Beginning of Year	1,504,731	1,504,731	1,504,731	0
Prior Year Encumbrances	<u>38,112</u>	<u>38,112</u>	<u>38,112</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 118,311</u>	<u>\$ 72,908</u>	<u>\$ 411,320</u>	<u>\$ 338,412</u>

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Community Development Fund
For the Year Ended December 31, 2007**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 1,609,600	\$ 1,759,600	\$ 1,153,858	\$ (605,742)
Investment Earnings	6,000	6,000	12,696	6,696
All Other Revenues	206,500	228,396	205,083	(23,313)
Total Revenues	<u>1,822,100</u>	<u>1,993,996</u>	<u>1,371,637</u>	<u>(622,359)</u>
Expenditures:				
Current:				
Community Environment	<u>1,160,141</u>	<u>2,497,763</u>	<u>1,580,446</u>	<u>917,317</u>
Total Expenditures	<u>1,160,141</u>	<u>2,497,763</u>	<u>1,580,446</u>	<u>917,317</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	661,959	(503,767)	(208,809)	294,958
Other Financing Sources (Uses):				
Transfers Out	<u>(30,000)</u>	<u>(1,686)</u>	<u>(1,686)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(30,000)</u>	<u>(1,686)</u>	<u>(1,686)</u>	<u>0</u>
Net Change in Fund Balance	631,959	(505,453)	(210,495)	294,958
Fund Balance at Beginning of Year	168,280	168,280	168,280	0
Prior Year Encumbrances	<u>342,620</u>	<u>342,620</u>	<u>342,620</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,142,859</u>	<u>\$ 5,447</u>	<u>\$ 300,405</u>	<u>\$ 294,958</u>

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO**Statement of Net Assets
Proprietary Funds
December 31, 2007**

	<u>Water</u>	<u>Sewer</u>	<u>Storm Water</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 461,623	\$ 608,543	\$ 457,009
Investments	2,110,464	2,782,159	0
Receivables:			
Accounts	630,290	630,290	140,065
Interest	6,942	4,196	0
Inventory of Supplies at Cost	241,686	236,810	0
Prepaid Items	10,632	11,418	1,500
Total Current Assets	<u>3,461,637</u>	<u>4,273,416</u>	<u>598,574</u>
Noncurrent Assets:			
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agent	352	13,705	0
Deferred Charges	34,774	0	0
Non Depreciable Capital Assets	604,878	3,353,858	0
Depreciable Capital Assets, Net	20,718,196	11,178,739	1,058,530
Total Noncurrent Assets	<u>21,358,200</u>	<u>14,546,302</u>	<u>1,058,530</u>
Total Assets	<u>24,819,837</u>	<u>18,819,718</u>	<u>1,657,104</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	152,548	17,208	20,537
Accrued Wages and Benefits	174,000	105,015	5,126
Compensated Absences Payable - Current	240,258	164,130	2,454
Accrued Interest Payable	10,462	178,452	0
Capital Leases Payable - Current	39,211	0	0
General Obligation Bonds Payable - Current	1,370,000	0	0
Special Assessment Bonds Payable - Current	0	5,128	0
OWDA Loans Payable - Current	0	825,607	0
OPWC Loans Payable - Current	0	28,432	0
Total Current Liabilities	<u>1,986,479</u>	<u>1,323,972</u>	<u>28,117</u>

CITY OF NEWARK, OHIO

<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 1,527,175	\$ 4,251,723
4,892,623	0
1,400,645	15,320
11,138	6,510
478,496	0
23,550	0
<u>8,333,627</u>	<u>4,273,553</u>
14,057	0
34,774	0
3,958,736	0
<u>32,955,465</u>	<u>0</u>
<u>36,963,032</u>	<u>0</u>
<u>45,296,659</u>	<u>4,273,553</u>
190,293	717
284,141	452,294
406,842	0
188,914	0
39,211	0
1,370,000	0
5,128	0
825,607	0
28,432	0
<u>3,338,568</u>	<u>453,011</u>

(Continued)

CITY OF NEWARK, OHIO

**Statement of Net Assets
Proprietary Funds
December 31, 2007**

	<u>Water</u>	<u>Sewer</u>	<u>Storm Water</u>
Noncurrent Liabilities:			
Matured Bonds and Interest Payable	352	13,705	0
Capital Leases Payable	379,153	0	0
General Obligation Bonds Payable	6,882,069	0	0
Special Assessment Bonds Payable	0	30,772	0
OWDA Loans Payable	0	9,128,532	800,439
OPWC Loans Payable	0	526,007	0
Compensated Absences Payable	157,178	103,195	0
Total Noncurrent Liabilities	<u>7,418,752</u>	<u>9,802,211</u>	<u>800,439</u>
Total Liabilities	<u>9,405,231</u>	<u>11,126,183</u>	<u>828,556</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	12,652,641	3,988,119	1,058,530
Unrestricted	2,761,965	3,705,416	(229,982)
Total Net Assets	<u>\$ 15,414,606</u>	<u>\$ 7,693,535</u>	<u>\$ 828,548</u>

Adjustment to reflect the consolidation of internal service
fund activities related to the enterprise funds.
Net Assets of Business-type Activities

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
14,057	0
379,153	0
6,882,069	0
30,772	0
9,928,971	0
526,007	0
260,373	0
<u>18,021,402</u>	<u>0</u>
<u>21,359,970</u>	<u>453,011</u>
17,699,290	0
<u>6,237,399</u>	<u>3,820,542</u>
<u>\$ 23,936,689</u>	<u>\$ 3,820,542</u>
905,641	
<u>\$ 24,842,330</u>	

CITY OF NEWARK, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2007**

	Water	Sewer	Storm Water
Operating Revenues:			
Charges for Services	\$ 6,034,022	\$ 5,836,124	\$ 1,842,702
Other Operating Revenues	0	25	462
Total Operating Revenues	<u>6,034,022</u>	<u>5,836,149</u>	<u>1,843,164</u>
Operating Expenses:			
Personal Services	3,128,680	1,794,855	81,452
Contractual Services	1,827,983	943,297	186,961
Materials and Supplies	796,812	355,362	35,919
Depreciation	853,992	1,603,178	19,377
Total Operating Expenses	<u>6,607,467</u>	<u>4,696,692</u>	<u>323,709</u>
Operating Income (Loss)	(573,445)	1,139,457	1,519,455
Non-Operating Revenue (Expenses):			
Interest Income	61,842	31,977	0
Interest and Fiscal Charges	(657,687)	(450,536)	0
Loss on Disposal of Capital Assets	(2,609)	(14,307)	0
Other Nonoperating Expense	(6,899)	0	0
Total Non-Operating Revenues (Expenses)	<u>(605,353)</u>	<u>(432,866)</u>	<u>0</u>
Income (Loss) Before Transfers	(1,178,798)	706,591	1,519,455
Transfers:			
Transfers In	1,160,911	70,001	0
Transfers Out	(291,000)	(811,335)	(962,891)
Total Transfers	<u>869,911</u>	<u>(741,334)</u>	<u>(962,891)</u>
Change in Net Assets	(308,887)	(34,743)	556,564
Net Assets Beginning of Year - Restated	15,723,493	7,728,278	271,984
Net Assets End of Year	<u>\$ 15,414,606</u>	<u>\$ 7,693,535</u>	<u>\$ 828,548</u>

Change in Net Assets - Total Enterprise Funds

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

Change in Net Assets - Business-type Activities

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 13,712,848	\$ 6,275,354
487	42,117
13,713,335	6,317,471
5,004,987	4,782,659
2,958,241	15,427
1,188,093	0
2,476,547	0
11,627,868	4,798,086
2,085,467	1,519,385
93,819	42,807
(1,108,223)	0
(16,916)	0
(6,899)	0
(1,038,219)	42,807
1,047,248	1,562,192
1,230,912	0
(2,065,226)	0
(834,314)	0
212,934	1,562,192
23,723,755	2,258,350
\$ 23,936,689	\$ 3,820,542
\$ 212,934	
268,322	
\$ 481,256	

CITY OF NEWARK, OHIO

***Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2007***

	<u>Water</u>	<u>Sewer</u>	<u>Storm Water</u>
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$6,513,440	\$5,924,708	\$1,703,099
Cash Payments for Goods and Services	(2,603,792)	(1,475,165)	(211,305)
Cash Payments to Employees	(3,127,938)	(1,774,573)	(78,333)
Net Cash Provided by Operating Activities	<u>781,710</u>	<u>2,674,970</u>	<u>1,413,461</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	1,160,911	1,328,025	0
Transfers Out to Other Funds	(291,000)	(2,076,435)	(962,891)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>869,911</u>	<u>(748,410)</u>	<u>(962,891)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(471,329)	(3,877,844)	(192,893)
Principal Paid on General Obligation Bonds	(868,199)	0	0
Ohio Water Development Authority Loans Issued	0	2,521,529	0
Principal Paid on Ohio Water Development Authority Loans	0	(801,562)	0
Principal Paid on Ohio Public Works Commission Loan	0	(14,216)	0
Interest Paid on All Debt	(631,593)	(471,225)	0
Net Cash Used by Capital and Related Financing Activities	<u>(1,971,121)</u>	<u>(2,643,318)</u>	<u>(192,893)</u>
<u>Cash Flows from Investing Activities:</u>			
Sale of Investments	362,659	777,407	0
Receipts of Interest	58,102	29,225	0
Net Cash Provided by Investing Activities	<u>420,761</u>	<u>806,632</u>	<u>0</u>
Net Increase in Cash and Cash Equivalents	101,261	89,874	257,677
Cash and Cash Equivalents at Beginning of Year	<u>360,714</u>	<u>532,374</u>	<u>199,332</u>
Cash and Cash Equivalents at End of Year	<u>\$461,975</u>	<u>\$622,248</u>	<u>\$457,009</u>
<u>Reconciliation of Cash and</u>			
<u>Cash Equivalents per the Statement of Net Assets:</u>			
Cash and Cash Equivalents	\$461,623	\$608,543	\$457,009
Restricted Cash with Fiscal Agent	352	13,705	0
Cash and Cash Equivalents at End of Year	<u>\$461,975</u>	<u>\$622,248</u>	<u>\$457,009</u>

CITY OF NEWARK, OHIO

<u>Totals</u>	<u>Governmental- Activities Internal Services</u>
\$14,141,247	\$6,302,151
(4,290,262)	(15,427)
<u>(4,980,844)</u>	<u>(4,638,316)</u>
4,870,141	1,648,408
2,488,936	0
<u>(3,330,326)</u>	<u>0</u>
<u>(841,390)</u>	<u>0</u>
(4,542,066)	0
(868,199)	0
2,521,529	0
(801,562)	0
(14,216)	0
<u>(1,102,818)</u>	<u>0</u>
<u>(4,807,332)</u>	<u>0</u>
1,140,066	0
<u>87,327</u>	<u>37,910</u>
<u>1,227,393</u>	<u>37,910</u>
448,812	1,686,318
<u>1,092,420</u>	<u>2,565,405</u>
<u>\$1,541,232</u>	<u>\$4,251,723</u>
\$1,527,175	\$4,251,723
<u>14,057</u>	<u>0</u>
<u>\$1,541,232</u>	<u>\$4,251,723</u>

(Continued)

CITY OF NEWARK, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2007**

	<u>Water</u>	<u>Sewer</u>	<u>Storm Water</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</u>			
Operating Income (Loss)	(\$573,445)	\$1,139,457	\$1,519,455
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation Expense	853,992	1,603,178	19,377
Nonoperating Revenue	390,859	0	0
Nonoperating Expense	(6,899)	0	0
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	88,559	88,559	(140,065)
Increase in Inventory	(12,420)	(14,973)	0
Increase in Prepaid Items	(1,925)	(3,210)	(1,500)
Increase (Decrease) in Accounts Payable	42,247	(158,323)	13,075
Increase in Accrued Wages and Benefits	11,053	11,088	665
Increase (Decrease) in Compensated Absences	(10,311)	9,194	2,454
Total Adjustments	<u>1,355,155</u>	<u>1,535,513</u>	<u>(105,994)</u>
Net Cash Provided by Operating Activities	<u>\$781,710</u>	<u>\$2,674,970</u>	<u>\$1,413,461</u>

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2007 the Water and Storm Water Funds had outstanding liabilities of \$45,367 and \$7,462, respectively for the purchase of certain capital assets. In addition, capital leases in the amount of \$390,859 were issued in the Water Fund.

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

<u>Totals</u>	<u>Governmental- Activities Internal Services</u>
\$2,085,467	\$1,519,385
2,476,547	0
390,859	0
(6,899)	0
37,053	(15,320)
(27,393)	0
(6,635)	0
(103,001)	385
22,806	143,958
1,337	0
<u>2,784,674</u>	<u>129,023</u>
<u>\$4,870,141</u>	<u>\$1,648,408</u>

CITY OF NEWARK, OHIO

***Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2007***

	<u>Agency Funds</u>
Assets:	
Restricted Assets:	
Cash and Cash Equivalents	\$ 492,998
Total Assets	<u>\$ 492,998</u>
Liabilities:	
Intergovernmental Payable	\$ 173,637
Due to Others	319,361
Total Liabilities	<u>\$ 492,998</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

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, 2007 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

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

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

B. Basis of Presentation - Fund Accounting

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Governmental Funds

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

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

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

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

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

Proprietary Funds

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

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Fiduciary Funds

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

C. Basis of Presentation – Financial Statements

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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

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

D. Basis of Accounting

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

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

Special assessment installments including related accrued interest, which are measurable but not available at December 31, are recorded as deferred revenue. Property taxes, which are measurable at December 31, 2007 but are not intended to finance 2007 operations, and delinquent property taxes whose availability is indeterminate, are recorded as deferred revenue as further described in Note 5.

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

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

E. Budgetary Process

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

1. Tax Budget

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

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2007.

3. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund, department and object level. The appropriation ordinance may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified by the County Budget Commission. During the year, several supplemental appropriations were necessary to budget contingency funds, intergovernmental grants and proceeds of debt issues. The allocation of appropriations among departments and objects within a fund may be modified during the year only by an ordinance of City Council. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual for the General Fund and Major Special Revenue Funds" are provided on the budgetary basis to provide a comparison of actual results with the final budget, including all amendments and modifications.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

4. Lapsing of Appropriations

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

5. Budgetary Basis of Accounting

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

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

	Net Change in Fund Balances		
	General Fund	Income Tax Fund	Community Development Fund
GAAP Basis (as reported)	\$1,647,897	(\$1,279,878)	\$68,055
Increase (Decrease):			
Accrued Revenues at December 31, 2007 received during 2008	(1,113,566)	(1,186,858)	(986)
Accrued Revenues at December 31, 2006 received during 2007	926,573	1,404,797	143,621
Accrued Expenditures at December 31, 2007 paid during 2008	1,678,169	30,427	43,187
Accrued Expenditures at December 31, 2006 paid during 2007	(1,582,295)	(36,581)	(133,535)
2006 Prepays for 2007	46,173	0	416
2007 Prepays for 2008	(56,742)	0	0
Outstanding Encumbrances	(683,509)	(63,430)	(331,253)
Budget Basis	<u>\$862,700</u>	<u>(\$1,131,523)</u>	<u>(\$210,495)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

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

G. Investments

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

The City had invested funds in the STAR Ohio during 2007. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2007.

H. Inventory

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

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2007, 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, 2007***

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 \$5,000.

1. Property, Plant and Equipment - Governmental Activities

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

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

2. Property, Plant and Equipment – Business Type Activities

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

3. Depreciation

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Long-Term Obligations

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

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

L. Compensated Absences

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Compensated Absences (Continued)

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

M. Net Assets

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

N. Pensions

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

O. Interfund Activity

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Reservations of Fund Balance

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

Q. Restricted Assets

Restricted cash and investments are amounts restricted in use for cemetery care and maintenance.

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 2007.

NOTE 2 - COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Equities - The fund deficits at December 31, 2007 of \$10,730 in the Parks and Recreation Fund, (special revenue fund) arose from the recognition of expenditures on the modified accrual basis of accounting which are greater than expenditures recognized on the budgetary/cash basis. The fund deficits of \$226,803 in the Ice Arena Renovation Fund (special revenue fund), \$12,133 in the Capital Improvement Fund and \$925,970 in the Deo Drive Improvement Fund, (capital projects funds) are the result of recording notes payable amounts in the individual fund balance sheets. The General Fund provides transfers when cash is required, not when accruals occur.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 3 – RESTATEMENT OF NET ASSETS/FUND BALANCE

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

<u>Net Assets/Fund Balance</u>	<u>Governmental Activities</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Storm Water Fund</u>	<u>Business-Type Activities</u>
Reported December 31, 2006	\$58,665,130	\$15,803,261	\$7,881,615	\$271,984	\$24,594,179
Capitalization Level Increase	(307,313)	(79,768)	(153,337)	0	(233,105)
Restated December 31, 2006	<u>\$58,357,817</u>	<u>\$15,723,493</u>	<u>\$7,728,278</u>	<u>\$271,984</u>	<u>\$24,361,074</u>

NOTE 4 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

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

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

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

A. Deposits

At year end the carrying amount of the City's deposits was \$13,864,847 and the bank balance was \$14,169,610. Federal depository insurance covered \$405,700 of the bank balance and \$13,763,910 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the City's name	<u>\$13,763,910</u>
Total Balance	<u><u>\$13,763,910</u></u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2007**

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

B. Investments

The City's investments at December 31, 2007 are summarized below:

	Fair Value	Credit Rating	Investment Maturities (in Years)		
			less than 1	1-3	3-5
Repurchase Agreement	\$466,508	N/A	\$466,508	\$0	\$0
STAR Ohio	4,720,296	AAAm ¹	4,720,296	0	0
Corporate Bonds	60,351	BBB-AAAm ¹	60,351	0	0
Corporate Equities	85,344	N/A	85,344	0	0
FHLMC	500,360	AAA ^{1,2}	0	500,360 ^a	0
FHLB	2,593,080	AAA ^{1,2}	586,830	1,004,690 ^b	1,001,560 ^c
Total Investments	<u>\$8,425,939</u>		<u>\$5,919,329</u>	<u>\$1,505,050</u>	<u>\$1,001,560</u>

¹ Standard & Poor's

² Moody's Investor Service

^a Call Option – February 2008 and August 2008

^b Call Option – Continuously callable from December 2008

^c Call Option – May 2008 and quarterly thereafter

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

Investment Credit Risk – The City has no investment policy that limits its investment choices other than the limitation of State statute for “interim” funds described previously.

Concentration of Credit Risk – The City places no limit on the amount the City may invest in one issuer. Of the City's total investments, 6% are FHLMC and 31% are FHLB.

Custodial Credit Risk – The City's balance of investments are held by the trust department of it's 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.

C. Reconciliation of Cash, Cash Equivalents and Investments

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2007**

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

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

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

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per Financial Statements	\$10,039,558	\$12,251,228
Certificates of Deposit (with maturities of more than 3 months)	9,012,093	(9,012,093)
Investments:		
STAR Ohio	(4,720,296)	4,720,296
Repurchase Agreement	(466,508)	466,508
Per GASB Statement No. 3	<u>\$13,864,847</u>	<u>\$8,425,939</u>

NOTE 5 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2007 were levied after October 1, 2006 on assessed values as of January 1, 2006, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be reevaluated every six years and equalization adjustments made in the third year following the reappraisal. The last revaluation was completed for tax year 2005. Real property taxes are payable annually or semiannually. If paid annually, payment is due January 31; if paid semiannually, the first payment is due February and the remainder payable in July. Under certain circumstances, state statute permits later payment dates to be established.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. In prior years, tangible personal property used in business (except for public utilities) was assessed for ad valorem taxation purposes at 25 percent of its true value. As part of a phase out of the personal property tax, the assessment percentage for personal property was reduced to 12.5 percent in 2007. The rate will be reduced to 6.25 percent for 2008 and finally to zero in 2009. Amounts paid by multi-county taxpayers are due September 20 of the year assessed. Single county taxpayers may pay annually or semiannually, the first payment is due April 30; the remainder payable by September 20.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 5 - TAXES (Continued)

A. Property Taxes (Continued)

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

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

The full tax rate for the City's operations for the year ended December 31, 2007 was \$3.70 per \$1,000 of assessed value. The assessed value upon which the 2007 levy was based was \$799,331,100. This amount constitutes \$761,212,010 in real property assessed value, \$19,458,370 in public utility assessed value and \$18,660,720 in tangible personal property assessed value.

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

B. Income Tax

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

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

NOTE 6 - RECEIVABLES

Receivables at December 31, 2007 consisted of taxes, interest, accounts, loans, special assessments and intergovernmental receivables arising from shared revenues.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 7 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2007:

Fund	Transfer In	Transfer Out
General Fund	\$19,281,155	\$1,524,925
Income Tax Fund	0	20,463,420
Community Development Fund	0	1,686
Capital Improvement Fund	2,626,800	482,373
Other Governmental Funds	2,610,041	1,241,837
Total Governmental Funds	24,517,996	23,714,241
Water Fund	1,160,911	291,000
Sewer Fund	70,001	811,335
Storm Water Fund	0	962,891
Total Proprietary Funds	1,230,912	2,065,226
Totals	\$25,748,908	\$25,779,467

Transfers out include a \$30,559 donation of a capital asset from the storm water fund to governmental activities.

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

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2007**

NOTE 8 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2007:

<i>Historical Cost:</i>	Restated December 31, 2006	Additions	Deletions	December 31, 2007
Class				
<i>Capital assets not being depreciated:</i>				
Land	\$15,790,512	\$486,878	\$0	\$16,277,390
Construction in Progress	162,985	1,029,515	0	1,192,500
Sub-Total	<u>15,953,497</u>	<u>1,516,393</u>	<u>0</u>	<u>17,469,890</u>
<i>Capital assets being depreciated:</i>				
Buildings	18,115,507	0	0	18,115,507
Improvements Other than Buildings	5,385,345	0	0	5,385,345
Infrastructure	51,735,593	2,346,249	(225,233)	53,856,609
Machinery and Equipment	14,136,358	191,140	(32,324)	14,295,174
Total Cost	<u>\$105,326,300</u>	<u>\$4,053,782</u>	<u>(\$257,557)</u>	<u>\$109,122,525</u>
<i>Accumulated Depreciation:</i>				
Class	December 31, 2006	Additions	Deletions	December 31, 2007
Buildings	(\$4,299,686)	(\$367,328)	\$0	(\$4,667,014)
Improvements Other than Buildings	(2,938,884)	(230,916)	0	(3,169,800)
Infrastructure	(26,521,454)	(1,557,512)	165,386	(27,913,580)
Machinery and Equipment	(10,175,213)	(907,094)	32,324	(11,049,983)
Total Depreciation	<u>(\$43,935,237)</u>	<u>(\$3,062,850) *</u>	<u>\$197,710</u>	<u>(\$46,800,377)</u>
<i>Net Value:</i>	<u>\$61,391,063</u>			<u>\$62,322,148</u>

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$893,561
Leisure Time Activities	77,920
Community Environment	49,482
Public Health and Welfare Services	45,909
Transportation	1,792,380
General Government	203,598
Total Depreciation Expense	<u>\$3,062,850</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2007**

NOTE 8 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2007:

<i>Historical Cost:</i>	Restated December 31, 2006	Additions	Deletions	December 31, 2007
Class				
<i>Capital assets not being depreciated:</i>				
Land	\$170,500	\$0	\$0	\$170,500
Construction in Progress	591,571	3,788,234	(591,569)	3,788,236
Sub-Total	762,071	3,788,234	(591,569)	3,958,736
<i>Capital assets being depreciated:</i>				
Buildings and Improvements	28,791,763	0	0	28,791,763
Infrastructure	11,871,298	951,928	0	12,823,226
Machinery and Equipment	31,972,147	159,465	(206,174)	31,925,438
Total Cost	<u>\$73,397,279</u>	<u>\$4,899,627</u>	<u>(\$797,743)</u>	<u>\$77,499,163</u>
 <i>Accumulated Depreciation:</i>				
Class	December 31, 2006	Additions	Deletions	December 31, 2007
Buildings and Improvements	(\$9,331,042)	(\$768,446)	\$0	(\$10,099,488)
Infrastructure	(3,321,119)	(192,469)	0	(3,513,588)
Machinery and Equipment	(25,645,512)	(1,515,632)	189,258	(26,971,886)
Total Depreciation	<u>(\$38,297,673)</u>	<u>(\$2,476,547)</u>	<u>\$189,258</u>	<u>(\$40,584,962)</u>
<i>Net Value:</i>	<u>\$35,099,606</u>			<u>\$36,914,201</u>

NOTE 9 – DEFINED BENEFIT PENSION PLANS

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2007, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 9.5%. The 2007 employer contribution rate for local government employer units was 13.85%, of covered payroll. From January 1 through June 30, 2007, 8.85% was allocated to fund the pension and 5.0% to fund health care and from July 1, 2007 through December 31, 2007, 7.85% was allocated to fund the pension and 6.0% to fund health care. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the Ohio PERS for the years ending December 31, 2007, 2006, and 2005 were \$1,687,686, \$1,774,540 and \$1,732,762, respectively, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

The Ohio PERS provides postemployment health care benefits to age and service retirees with ten or more years of qualifying Ohio service credit under the TP and CO plans and to primary survivor recipients of such retirees. Health care coverage for disability recipients is also available. The health care coverage provided by the Ohio PERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the Ohio PERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to the Ohio PERS. The portion of the 2007 employer contribution rate (identified above) that was used to fund health care was 5.0% from January 1 through June 30, 2007 and 6.0% from July 1 through December 31, 2007, of covered payroll which amounted to \$670,033.

The significant actuarial assumptions and calculations relating to postemployment health care benefits were based on the Ohio Public Employees Retirement System's latest actuarial review performed as of December 31, 2006. The individual entry age actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor. The investment assumption rate for 2006 was 6.5%. An annual increase of 4.0% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.0% base increase, were assumed to range from 0.5% to 6.3%. Health care costs were assumed to increase 4.0% annually plus an additional factor ranging from .50% to 5% for the next 8 years. In subsequent years (9 and beyond) health care costs were assumed to increase 4% (the projected wage inflation rate).

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants for the TP and CO Plans was 374,979. The actuarial value of the Ohio PERS net assets available for OPEB at December 31, 2006 is \$12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$30.7 billion and \$18.7 billion, respectively.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City's contributions to the OP&F Fund for the years ending December 31, 2007, 2006, and 2005 were \$867,321, \$841,957 and \$882,024 for police and \$1,271,294, \$1,173,004 and \$1,192,182 for firefighters, respectively, which were equal to the required contributions for each year.

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

The portion of the 2007 covered payroll that was used to fund postemployment health care benefits was \$300,227 representing 6.75% of covered payroll for police and \$357,551 representing 6.75% of covered payroll for fire. Health care funding and accounting was on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions. As of December 31, 2006, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 14,120 for police and 10,563 for firefighters. The OP&F Fund does not provide separate data on the funded status and funding progress of postemployment health care benefits. The Fund's total health care expenses for the year ended December 31, 2006 were \$120,373,722, which was net of member contributions of \$58,532,848.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 10 - NOTES PAYABLE

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

	Balance January 1, 2007	Issued (Retired)	Balance December 31, 2007
Capital Projects Notes Payable:			
3.75% Deo Drive Extension	\$1,125,000	(\$1,125,000)	\$0
3.85% Deo Drive Extension	0	1,125,000	1,125,000
3.80% Police and Fire Facilities	1,302,000	(1,302,000)	0
3.93% Police and Fire Facilities	0	871,000	871,000
4.17% Ice Rink Renovations	224,000	(224,000)	0
3.93% Ice Rink Renovations	0	224,000	224,000
4.00% Evans Boulevard	550,000	(550,000)	0
3.93% Evans Boulevard	0	550,000	550,000
Total Capital Projects Notes Payable	<u>\$3,201,000</u>	<u>(\$431,000)</u>	<u>\$2,770,000</u>

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CITY OF NEWARK, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2007**

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

Long-term debt and other long-term obligations of the City at December 31, 2007 were as follows:

			Balance December 31, 2006	Additions	Deductions	Balance December 31, 2007	Amount Due Within One Year
Governmental Activities:							
General Obligation Bonds:							
East Main Street Improvement Refunding	4.0%-4.25%	2028	\$2,645,000	\$0	(\$60,000)	\$2,585,000	\$80,000
East Main Street Bridge	4.50%	2021	1,500,000	0	(100,000)	1,400,000	100,000
Police and Fire Facilities	2.0%-4.75%	2031	10,264,991	0	(290,000)	9,974,991	300,000
			14,409,991	0	(450,000)	13,959,991	480,000
Interest Accretion			0	155,877	0	155,877	0
Total General Obligation Bonds			14,409,991	155,877	(450,000)	14,115,868	480,000
Special Assessment Bond:							
(with governmental commitment)							
Hudson Avenue Street Lighting	4.85%-5.0%	2007	25,000	0	(25,000)	0	0
Capital Leases			2,464,526	1,413,634	(622,457)	3,255,703	690,750
Accrued Pension Liability			2,052,336	0	(38,178)	2,014,158	39,816
Compensated Absences Payable			3,421,112	3,333,491	(3,421,112)	3,333,491	2,082,522
Total Governmental Activities			22,372,965	4,903,002	(4,556,747)	22,719,220	3,293,088
Business-Type Activities:							
General Obligation Bonds:							
Water System Improvement	2.00%	2007	323,199	0	(323,199)	0	0
Bond Discount			(7,209)	0	7,209	0	0
			315,990	0	(315,990)	0	0
Water System Improvement Refunding	3.75%-4.50%	2018	9,273,825	0	(545,000)	8,728,825	1,370,000
Deferred Loss on Early Retirement of Debt			(520,098)	0	43,342	(476,756)	0
			8,753,727	0	(501,658)	8,252,069	1,370,000
Total General Obligation Bonds			9,069,717	0	(817,648)	8,252,069	1,370,000
Special Assessment Bond:							
(with governmental commitment)							
Morgan Manor	4.75%	2015	41,028	0	(5,128)	35,900	5,128
Ohio Water Development:							
Authority Loan (OWDA):							
Sewer Improvements	7.00%	2012	5,419,975	0	(675,717)	4,744,258	727,409
Licking River Interceptor Construction	3.25%	2026	2,627,964	0	(125,845)	2,502,119	98,198
Stormwater Utility Planning	3.20%		777,630	22,809	0	800,439	0
Wastewater Electrical Improvements	0.61%		180,844	2,521,529	0	2,702,373	0
Wastewater High Rate Treatment System	4.67%		0	5,389	0	5,389	0
Total OWDA Loans			9,006,413	2,549,727	(801,562)	10,754,578	825,607
Ohio Public Works:							
Commission Loan (OPWC):							
Licking River Interceptor Construction	0.00%	2026	568,655	0	(14,216)	554,439	28,432
Capital Leases			43,517	390,859	(16,012)	418,364	39,211
Compensated Absences			665,878	667,215	(665,878)	667,215	406,842
Total Business-Type Activities			19,395,208	3,607,801	(2,320,444)	20,682,565	2,675,220
Totals			\$41,768,173	\$8,510,803	(\$6,877,191)	\$43,401,785	\$5,968,308

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

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

The principal amount of the City's special assessment debt outstanding at December 31, 2007, \$35,900, is general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners.

The City's liability for past service costs relating to the Police and Firemen's Pension Fund at December 31, 2007 was \$3,431,874 in principal and interest payments through the year 2035. Only the principal amount of \$2,014,158 is included in the Government-wide Statement of Net Assets.

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

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

The Police and Fire facilities bonds were issued in 2003 in the amount of \$11 million to provide for the construction of state of the art police and fire buildings.

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

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

Sewer Treatment Plant Electrical Improvements - In 2006, the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for electrical improvements at the wastewater treatment plant. The total amount is subject to change and has not been finalized. The interest rate on the loan is 0.61%, per annum. This loan is payable from wastewater charges and is received by the City in increments as the project is completed. As of December 31, 2007, the City had received \$2,702,373 from OWDA. Subsequent amounts will be received in future years. An estimate of future financing requirements has been made based on the \$2,702,373 loan balance at December 31, 2007.

Storm Water Utility - In 2005, the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for storm water utility planning. The total amount is subject to change and has not been finalized. The interest rate on the loan is 3.20%, per annum. This loan is payable from storm water charges and is received by the City in increments as the project is completed. As of December 31, 2007, the City had received \$800,439 from OWDA. Subsequent amounts will be received in future years. An estimate of future financing requirements has been made based on the \$800,439 loan balance at December 31, 2007.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2007**

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

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

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

Wastewater High Rate Treatment System - In 2007 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for installation of a wastewater high rate treatment system. The total amount is subject to change and has not been finalized. The interest rate on the loan is 4.67%, per annum. This loan is payable from wastewater charges and is received by the City in increments as the project is completed. As of December 31, 2007, the City had received \$5,389 from OWDA. Subsequent amounts will be received in future years. An estimate of future financing requirements has been made based on the \$5,389 loan balance at December 31, 2007.

B. Future Long-Term Financing Requirements

A summary of the City's future long-term debt funding requirements including principal and interest payments as of December 31, 2007 follows:

Years	Governmental Activities							
	General Obligation Bonds		Accrued Pension Liability					
	Principal	Interest	Principal	Interest				
2008	\$480,000	\$605,707	\$39,816	\$85,184				
2009	490,000	589,757	41,526	83,474				
2010	505,000	572,707	43,310	81,690				
2011	520,000	553,607	45,170	79,830				
2012	535,000	532,307	47,112	77,888				
2013-2017	1,999,991	3,275,044	267,702	357,298				
2018-2022	3,170,000	1,874,933	330,350	294,650				
2023-2027	3,455,000	1,156,579	407,656	217,344				
2028-2032	2,805,000	327,152	503,056	121,944				
2033-2035	0	0	288,460	18,414				
Totals	\$13,959,991	\$9,487,793	\$2,014,158	\$1,417,716				

Years	Business-Type Activities							
	General Obligation Bonds		Special Assessment Bond		OWDA Loans		OPWC Loan	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$1,370,000	\$125,540	\$5,128	\$1,706	\$825,607	\$413,626	\$28,432	\$0
2009	1,435,000	64,576	5,128	1,462	1,161,928	399,045	28,432	0
2010	825,975	674,025	5,128	1,218	1,230,806	335,257	28,432	0
2011	774,290	720,710	5,128	974	1,304,539	267,005	28,432	0
2012	729,934	765,066	5,128	730	1,383,485	193,956	28,432	0
2013-2017	3,076,641	4,388,361	10,260	732	1,953,872	377,899	142,160	0
2018-2022	516,985	978,014	0	0	1,405,069	211,371	142,160	0
2023-2027	0	0	0	0	1,489,272	65,628	127,959	0
Totals	\$8,728,825	\$7,716,292	\$35,900	\$6,822	\$10,754,578	\$2,263,787	\$554,439	\$0

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

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

C. Defeasance of General Obligation Debt

In December 1998, the City defeased \$12,045,000 of Water System Improvement Bonds for Water Improvements dated June 1, 1993 (the "1993 Bond") through the issuance of \$13,093,825 of Water System Improvement Refunding Bonds (the "1998 Bonds"). The net proceeds of the 1998 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$12,045,000 at December 31, 2007 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In September 2006, the City defeased \$2,405,000 of General Obligation Bonds for East Main Street Improvements dated September 1, 1999 (the "1999 Bonds") through the issuance of \$2,645,000 of East Main Street Improvement Refunding Bonds (the "2006 Bonds"). The net proceeds of the 2006 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$2,270,000 at December 31, 2007 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2007**

NOTE 12 - CAPITALIZED LEASES

The City leases several assets under capital leases. The original cost of equipment of \$3,422,396, and the related liability reported as Governmental Activities capital leases are reported on the Government – wide Statement of Net Assets. The original cost of equipment of \$434,376 and the related liability reported as Business Type activities capital leases are reported on the Government – wide Statement of Net Assets as well as in the respective funds.

The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 2007:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2008	\$828,438	\$56,302
2009	686,690	56,302
2010	616,573	56,302
2011	367,249	56,302
2012	300,856	56,302
2013 - 2017	<u>1,045,840</u>	<u>253,359</u>
Minimum Lease Payments	3,845,646	534,869
Less amount representing interest at the City's incremental borrowing rate of interest	<u>(589,943)</u>	<u>(116,505)</u>
Present value of minimum lease payments	<u><u>\$3,255,703</u></u>	<u><u>\$418,364</u></u>

NOTE 13 - INSURANCE AND RISK MANAGEMENT

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

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

The Pool's general objectives are to formulate, develop and administer a program of insurance, to obtain lower costs for that coverage, and to develop a comprehensive loss control program on behalf of the member political subdivisions. Political subdivisions joining the Pool may withdraw at the end of any coverage period upon 60 days prior written notice to the Pool. Under agreement, members who terminate participation in the Pool, as well as current members, are subject to a supplemental assessment or a refund, at the discretion of the Board of Trustees, depending on the ultimate loss experience of all the entities it insures for each coverage year. To date there have been no assessments or refunds due to the limited period of time that the Pool has been in existence and the nature of the coverage that is afforded to the participants. Each participant makes an annual "contribution" to the Pool for the coverage they are provided based on rates established by the Pool using anticipated and actual results of operation for the various coverages provided. Participants are also charged a "surplus contribution" used to build the Pools net assets account to fund the activities of the Pool.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2007**

NOTE 13 - INSURANCE AND RISK MANAGEMENT (Continued)

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

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

Treaty basis casualty excess of loss contracts in force at December 31, 2007 generally protects the Pool against individual losses over \$200,000. Additionally, treaty basis property coverage protects the Pool against losses subject to a deductible of the lesser of \$100,000 per location or \$100,000 per occurrence. The Pool is, and the participants are, contingently liable should any reinsurer become unable to meet its obligations under the reinsurance agreements.

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

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

NOTE 14 - CONTINGENCIES

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

NOTE 15 - CONSTRUCTION COMMITMENTS

The City had the following contractual commitments at December 31, 2007:

<u>Project</u>	<u>Remaining Contractual Commitment</u>	<u>Expected Date of Completion</u>
WWTP Electrical Project	\$191,184	March 2008
Krebs/Swansea Booster Stations	11,982	January 2008
CSO 7 Separation Project	822,835	September 2008

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Street Department Fund

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

Cemetery Fund

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

Parks and Recreation Fund

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

Traffic Control Fund

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

Compost Facility Fund

To account for monies collected from composting fees.

Veterans Memorial Sidewalk Fund

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

Joint Economic Development Zone Fund

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

Police Grant Fund

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

Police/Fire Pension Fund

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

Cemetery Rental Fund

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

(Continued)

Special Revenue Funds

State Highway Fund

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

Law Enforcement Fund

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

Ohio Incident Based Reporting System Fund

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

Court Computerization Fund

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

Ice Arena Renovation Fund

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

Permissive License Tax Fund

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

Probation Grant Fund

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

Impound Fund

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

Federal Transit Administration (FTA) Fund

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

(Continued)

Special Revenue Funds

Litter Grant Fund

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

Federal Emergency Management Act (FEMA) Fund

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

Mary E. Barnes Trust Fund

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

Brownfield Cleanup Fund

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

Judicial Fund

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

Debt Service Fund

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

Debt Service Fund

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

(Continued)

Capital Projects Funds

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

City Hall Upgrade Fund

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

Deo Drive Improvement Fund

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

Bikeway Upgrade Fund

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

East Main Street Bridge Replacement Fund

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

Court Capital Improvement Fund

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

Tax Increment Financing (TIF) Fund

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

Permanent Fund

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

Cemetery Endowment Fund

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

CITY OF NEWARK, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2007**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Cash and Cash Equivalents	\$ 1,957,832	\$ 8,046	\$ 700,282	\$ 0	\$ 2,666,160
Investments	958,237	0	374,200	0	1,332,437
Receivables:					
Taxes	470,134	0	0	0	470,134
Accounts	73,677	0	2,270	0	75,947
Intergovernmental	1,209,978	0	0	0	1,209,978
Interest	1,485	0	0	2,337	3,822
Special Assessments	0	18,848	0	0	18,848
Inventory of Supplies, at Cost	303,976	0	0	0	303,976
Prepaid Items	1,933	0	0	0	1,933
Restricted Assets:					
Cash and Cash Equivalents	0	0	0	165,632	165,632
Investments	0	0	0	443,500	443,500
Total Assets	\$ 4,977,252	\$ 26,894	\$ 1,076,752	\$ 611,469	\$ 6,692,367
Liabilities:					
Accounts Payable	\$ 68,978	\$ 1,920	\$ 0	\$ 0	\$ 70,898
Accrued Wages and Benefits Payable	139,290	0	0	0	139,290
Deferred Revenue	1,226,259	18,848	0	0	1,245,107
Accrued Interest Payable	1,932	0	83,497	0	85,429
General Obligation Notes Payable	224,000	0	1,125,000	0	1,349,000
Total Liabilities	1,660,459	20,768	1,208,497	0	2,889,724
Fund Balance:					
Reserved for Encumbrances	532,107	0	23,820	0	555,927
Reserved for Prepaid Items	1,933	0	0	0	1,933
Reserved for Supplies Inventory	303,976	0	0	0	303,976
Reserved for Debt Service	0	6,126	0	0	6,126
Reserved for Endowments	0	0	0	611,469	611,469
Undesignated/Unreserved	2,478,777	0	(155,565)	0	2,323,212
Total Fund Balance	3,316,793	6,126	(131,745)	611,469	3,802,643
Total Liabilities and Fund Balance	\$ 4,977,252	\$ 26,894	\$ 1,076,752	\$ 611,469	\$ 6,692,367

CITY OF NEWARK, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2007**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Taxes	\$ 560,086	\$ 0	\$ 284,487	\$ 0	\$ 844,573
Intergovernmental Revenues	4,104,127	0	0	0	4,104,127
Charges for Services	594,232	0	0	4,969	599,201
Licenses, Permits and Fees	11,972	0	0	0	11,972
Investment Earnings	53,470	0	0	302	53,772
Special Assessments	0	71,218	0	0	71,218
Fines and Forfeitures	291,677	0	33,225	0	324,902
All Other Revenue	294,907	0	19,149	0	314,056
Total Revenue	5,910,471	71,218	336,861	5,271	6,323,821
Expenditures:					
Current:					
Security of Persons and Property	285,252	0	0	0	285,252
Public Health and Welfare Services	308,076	0	0	0	308,076
Leisure Time Activities	468,478	0	0	0	468,478
Community Environment	170,836	0	0	0	170,836
Transportation	4,880,029	0	0	0	4,880,029
General Government	199,551	0	0	0	199,551
Capital Outlay	0	0	145,074	0	145,074
Debt Service:					
Principal Retirement	0	415,000	60,000	0	475,000
Interest and Fiscal Charges	9,224	516,048	169,884	0	695,156
Total Expenditures	6,321,446	931,048	374,958	0	7,627,452
Excess (Deficiency) of Revenues Over (Under) Expenditures	(410,975)	(859,830)	(38,097)	5,271	(1,303,631)
Other Financing Sources (Uses):					
Sale of Capital Assets	65,791	0	0	0	65,791
Transfers In	1,352,215	1,215,756	42,070	0	2,610,041
Transfers Out	(754,344)	(487,493)	0	0	(1,241,837)
Total Other Financing Sources (Uses)	663,662	728,263	42,070	0	1,433,995
Net Change in Fund Balance	252,687	(131,567)	3,973	5,271	130,364
Fund Balance (Deficit) at Beginning of Year	3,027,517	137,693	(135,718)	606,198	3,635,690
Increase in Inventory Reserve	36,589	0	0	0	36,589
Fund Balance (Deficit) End of Year	\$ 3,316,793	\$ 6,126	\$ (131,745)	\$ 611,469	\$ 3,802,643

CITY OF NEWARK, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007**

	Street Department	Cemetery	Parks and Recreation	Traffic Control	Compost Facility
Assets:					
Cash and Cash Equivalents	\$ 85,646	\$ 370,930	\$ 8,620	\$ 1,132	\$ 11,115
Investments	391,559	0	0	0	0
Receivables:					
Taxes	0	0	0	0	0
Accounts	0	54,456	120	0	0
Intergovernmental	908,065	0	0	0	0
Interest	0	1,421	0	0	0
Inventory of Supplies, at Cost	149,563	0	0	154,413	0
Prepaid Items	0	0	0	0	0
Total Assets	<u>\$ 1,534,833</u>	<u>\$ 426,807</u>	<u>\$ 8,740</u>	<u>\$ 155,545</u>	<u>\$ 11,115</u>
Liabilities:					
Accounts Payable	\$ 7,404	\$ 0	\$ 0	\$ 0	\$ 541
Accrued Wages and Benefits Payable	94,096	11,840	19,470	0	0
Deferred Revenue	605,377	54,456	0	0	0
Accrued Interest Payable	0	0	0	0	0
General Obligation Notes Payable	0	0	0	0	0
Total Liabilities	<u>706,877</u>	<u>66,296</u>	<u>19,470</u>	<u>0</u>	<u>541</u>
Fund Balance:					
Reserved for Encumbrances	71,020	11,961	8,621	0	695
Reserved for Prepaid Items	0	0	0	0	0
Reserved for Supplies Inventory	149,563	0	0	154,413	0
Undesignated/Unreserved	607,373	348,550	(19,351)	1,132	9,879
Total Fund Balance	<u>827,956</u>	<u>360,511</u>	<u>(10,730)</u>	<u>155,545</u>	<u>10,574</u>
Total Liabilities and Fund Balance	<u>\$ 1,534,833</u>	<u>\$ 426,807</u>	<u>\$ 8,740</u>	<u>\$ 155,545</u>	<u>\$ 11,115</u>

CITY OF NEWARK, OHIO

Veterans Memorial Sidewalk	Joint Economic Development Zone	Police Grant	Police/Fire Pension	Cemetery Rental	State Highway	Law Enforcement
\$ 23,983	\$ 109,153	\$ 7,756	\$ 35,334	\$ 17,665	\$ 0	\$ 92,282
75,000	0	0	0	0	0	0
0	20,186	0	449,948	0	0	0
0	0	0	0	0	0	1,566
0	0	0	25,930	0	73,627	25
38	0	26	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$ 99,021</u>	<u>\$ 129,339</u>	<u>\$ 7,782</u>	<u>\$ 511,212</u>	<u>\$ 17,665</u>	<u>\$ 73,627</u>	<u>\$ 93,873</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0
0	7,696	0	475,878	0	49,085	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>7,696</u>	<u>0</u>	<u>475,878</u>	<u>0</u>	<u>49,085</u>	<u>0</u>
813	0	7,669	0	0	0	19,080
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>98,208</u>	<u>121,643</u>	<u>113</u>	<u>35,334</u>	<u>17,665</u>	<u>24,542</u>	<u>74,793</u>
<u>99,021</u>	<u>121,643</u>	<u>7,782</u>	<u>35,334</u>	<u>17,665</u>	<u>24,542</u>	<u>93,873</u>
<u>\$ 99,021</u>	<u>\$ 129,339</u>	<u>\$ 7,782</u>	<u>\$ 511,212</u>	<u>\$ 17,665</u>	<u>\$ 73,627</u>	<u>\$ 93,873</u>

(Continued)

CITY OF NEWARK, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007**

	Ohio Incident Based Reporting System	Court Computerization	Ice Arena Renovation	Permissive License Tax	Probation Grant
Assets:					
Cash and Cash Equivalents	\$ 185	\$ 244,392	\$ 0	\$ 283,860	\$ 60,073
Investments	0	0	0	0	0
Receivables:					
Taxes	0	0	0	0	0
Accounts	0	10,689	0	0	0
Intergovernmental	0	0	0	0	21,078
Interest	0	0	0	0	0
Inventory of Supplies, at Cost	0	0	0	0	0
Prepaid Items	0	0	0	0	0
Total Assets	<u>\$ 185</u>	<u>\$ 255,081</u>	<u>\$ 0</u>	<u>\$ 283,860</u>	<u>\$ 81,151</u>
Liabilities:					
Accounts Payable	\$ 0	\$ 4,045	\$ 871	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0	3,136
Deferred Revenue	0	0	0	0	0
Accrued Interest Payable	0	0	1,932	0	0
General Obligation Notes Payable	0	0	224,000	0	0
Total Liabilities	<u>0</u>	<u>4,045</u>	<u>226,803</u>	<u>0</u>	<u>3,136</u>
Fund Balance:					
Reserved for Encumbrances	185	14,202	0	264,435	11,177
Reserved for Prepaid Items	0	0	0	0	0
Reserved for Supplies Inventory	0	0	0	0	0
Undesignated/Unreserved	0	236,834	(226,803)	19,425	66,838
Total Fund Balance	<u>185</u>	<u>251,036</u>	<u>(226,803)</u>	<u>283,860</u>	<u>78,015</u>
Total Liabilities and Fund Balance	<u>\$ 185</u>	<u>\$ 255,081</u>	<u>\$ 0</u>	<u>\$ 283,860</u>	<u>\$ 81,151</u>

CITY OF NEWARK, OHIO

<u>Impound</u>	<u>Federal Transit Administration</u>	<u>Litter Grant</u>	<u>FEMA</u>	<u>Mary E. Barnes Trust</u>	<u>Brownfield Cleanup</u>	<u>Judicial</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 58,109	\$ 75,677	\$ 39,048	\$ 105,667	\$ 25,071	\$ 10,000	\$ 292,134	\$ 1,957,832
0	345,983	0	0	145,695	0	0	958,237
0	0	0	0	0	0	0	470,134
0	0	0	0	0	0	6,846	73,677
0	171,227	10,026	0	0	0	0	1,209,978
0	0	0	0	0	0	0	1,485
0	0	0	0	0	0	0	303,976
0	1,933	0	0	0	0	0	1,933
<u>\$ 58,109</u>	<u>\$ 594,820</u>	<u>\$ 49,074</u>	<u>\$ 105,667</u>	<u>\$ 170,766</u>	<u>\$ 10,000</u>	<u>\$ 298,980</u>	<u>\$ 4,977,252</u>
\$ 2,700	\$ 52,510	\$ 93	\$ 0	\$ 0	\$ 0	\$ 814	\$ 68,978
212	3,909	6,627	0	0	0	0	139,290
0	23,741	10,026	0	0	0	0	1,226,259
0	0	0	0	0	0	0	1,932
0	0	0	0	0	0	0	224,000
<u>2,912</u>	<u>80,160</u>	<u>16,746</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>814</u>	<u>1,660,459</u>
23,935	61,856	2,688	23,770	0	10,000	0	532,107
0	1,933	0	0	0	0	0	1,933
0	0	0	0	0	0	0	303,976
<u>31,262</u>	<u>450,871</u>	<u>29,640</u>	<u>81,897</u>	<u>170,766</u>	<u>0</u>	<u>298,166</u>	<u>2,478,777</u>
<u>55,197</u>	<u>514,660</u>	<u>32,328</u>	<u>105,667</u>	<u>170,766</u>	<u>10,000</u>	<u>298,166</u>	<u>3,316,793</u>
<u>\$ 58,109</u>	<u>\$ 594,820</u>	<u>\$ 49,074</u>	<u>\$ 105,667</u>	<u>\$ 170,766</u>	<u>\$ 10,000</u>	<u>\$ 298,980</u>	<u>\$ 4,977,252</u>

CITY OF NEWARK, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007***

	Street Department	Cemetery	Parks and Recreation	Traffic Control	Compost Facility
Revenues:					
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	1,858,668	0	0	0	7,804
Charges for Services	0	104,073	5,517	0	9,804
Licenses, Permits and Fees	0	0	11,972	0	0
Investment Earnings	0	46,405	0	0	0
Fines and Forfeitures	0	0	0	0	0
All Other Revenue	188,724	65,420	24,960	0	0
Total Revenue	2,047,392	215,898	42,449	0	17,608
Expenditures:					
Current:					
Security of Persons and Property	0	0	0	95	0
Public Health and Welfare Services	0	308,076	0	0	0
Leisure Time Activities	0	0	460,942	0	0
Community Environment	0	0	0	0	11,890
Transportation	2,733,516	0	0	0	0
General Government	0	0	0	0	0
Debt Service:					
Interest and Fiscal Charges	0	0	0	0	0
Total Expenditures	2,733,516	308,076	460,942	95	11,890
Excess (Deficiency) of Revenues Over (Under) Expenditures	(686,124)	(92,178)	(418,493)	(95)	5,718
Other Financing Sources (Uses):					
Sale of Capital Assets	0	0	0	0	0
Transfers In	759,667	118,689	419,827	0	0
Transfers Out	0	(23,000)	0	0	0
Total Other Financing Sources (Uses)	759,667	95,689	419,827	0	0
Net Change in Fund Balance	73,543	3,511	1,334	(95)	5,718
Fund Balance (Deficit) at Beginning of Year	736,942	357,000	(12,064)	136,522	4,856
Increase in Inventory Reserve	17,471	0	0	19,118	0
Fund Balance (Deficit) End of Year	\$ 827,956	\$ 360,511	\$ (10,730)	\$ 155,545	\$ 10,574

CITY OF NEWARK, OHIO

Veterans Memorial Sidewalk	Joint Economic Development Zone	Police Grant	Police/Fire Pension	Cemetery Rental	State Highway	Law Enforcement
\$ 0	\$ 101,624	\$ 0	\$ 458,462	\$ 0	\$ 0	\$ 0
0	0	13,703	48,550	0	150,879	68,163
0	0	0	0	4,200	0	0
0	0	0	0	0	0	0
4,030	0	63	0	0	0	0
0	0	0	0	0	0	26,066
3,200	0	0	0	0	0	0
<u>7,230</u>	<u>101,624</u>	<u>13,766</u>	<u>507,012</u>	<u>4,200</u>	<u>150,879</u>	<u>94,229</u>
0	0	35,181	0	0	0	90,225
0	0	0	0	0	0	0
6,665	0	0	0	0	0	0
0	626	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	2,375	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>6,665</u>	<u>626</u>	<u>35,181</u>	<u>0</u>	<u>2,375</u>	<u>0</u>	<u>90,225</u>
565	100,998	(21,415)	507,012	1,825	150,879	4,004
0	0	0	0	0	0	0
0	0	0	0	0	0	13,000
0	0	0	(520,100)	(3,000)	(163,244)	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>(520,100)</u>	<u>(3,000)</u>	<u>(163,244)</u>	<u>13,000</u>
565	100,998	(21,415)	(13,088)	(1,175)	(12,365)	17,004
98,456	20,645	29,197	48,422	18,840	36,907	76,869
0	0	0	0	0	0	0
<u>\$ 99,021</u>	<u>\$ 121,643</u>	<u>\$ 7,782</u>	<u>\$ 35,334</u>	<u>\$ 17,665</u>	<u>\$ 24,542</u>	<u>\$ 93,873</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, 2007***

	Ohio Incident Based Reporting System	Court Computerization	Ice Arena Renovation	Permissive License Tax	Probation Grant
Revenues:					
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	0	534,749	103,771
Charges for Services	0	0	0	0	0
Licenses, Permits and Fees	0	0	0	0	0
Investment Earnings	0	0	0	0	0
Fines and Forfeitures	0	169,270	0	0	0
All Other Revenue	0	0	0	0	0
Total Revenue	0	169,270	0	534,749	103,771
Expenditures:					
Current:					
Security of Persons and Property	0	0	0	0	69,376
Public Health and Welfare Services	0	0	0	0	0
Leisure Time Activities	0	0	871	0	0
Community Environment	0	0	0	0	0
Transportation	0	0	0	588,532	0
General Government	0	113,713	0	0	0
Debt Service:					
Interest and Fiscal Charges	0	0	9,224	0	0
Total Expenditures	0	113,713	10,095	588,532	69,376
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	55,557	(10,095)	(53,783)	34,395
Other Financing Sources (Uses):					
Sale of Capital Assets	0	0	0	0	0
Transfers In	0	4,000	9,341	0	4,970
Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	0	4,000	9,341	0	4,970
Net Change in Fund Balance	0	59,557	(754)	(53,783)	39,365
Fund Balance (Deficit) at Beginning of Year	185	191,479	(226,049)	337,643	38,650
Increase in Inventory Reserve	0	0	0	0	0
Fund Balance (Deficit) End of Year	\$ 185	\$ 251,036	\$ (226,803)	\$ 283,860	\$ 78,015

CITY OF NEWARK, OHIO

<u>Impound</u>	<u>Federal Transit Administration</u>	<u>Litter Grant</u>	<u>FEMA</u>	<u>Mary E. Barnes Trust</u>	<u>Brownfield Cleanup</u>	<u>Judicial</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 560,086
0	1,196,895	114,287	6,658	0	0	0	4,104,127
61,963	408,675	0	0	0	0	0	594,232
0	0	0	0	0	0	0	11,972
0	0	0	0	2,972	0	0	53,470
0	0	0	0	0	0	96,341	291,677
0	5,649	6,954	0	0	0	0	294,907
<u>61,963</u>	<u>1,611,219</u>	<u>121,241</u>	<u>6,658</u>	<u>2,972</u>	<u>0</u>	<u>96,341</u>	<u>5,910,471</u>
84,968	0	0	0	5,407	0	0	285,252
0	0	0	0	0	0	0	308,076
0	0	0	0	0	0	0	468,478
0	0	158,320	0	0	0	0	170,836
0	1,557,981	0	0	0	0	0	4,880,029
0	0	0	10,516	0	0	72,947	199,551
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,224</u>
<u>84,968</u>	<u>1,557,981</u>	<u>158,320</u>	<u>10,516</u>	<u>5,407</u>	<u>0</u>	<u>72,947</u>	<u>6,321,446</u>
(23,005)	53,238	(37,079)	(3,858)	(2,435)	0	23,394	(410,975)
65,791	0	0	0	0	0	0	65,791
0	0	22,721	0	0	0	0	1,352,215
<u>(45,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(754,344)</u>
<u>20,791</u>	<u>0</u>	<u>22,721</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>663,662</u>
(2,214)	53,238	(14,358)	(3,858)	(2,435)	0	23,394	252,687
57,411	461,422	46,686	109,525	173,201	10,000	274,772	3,027,517
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>36,589</u>
<u>\$ 55,197</u>	<u>\$ 514,660</u>	<u>\$ 32,328</u>	<u>\$ 105,667</u>	<u>\$ 170,766</u>	<u>\$ 10,000</u>	<u>\$ 298,166</u>	<u>\$ 3,316,793</u>

CITY OF NEWARK, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2007**

	City Hall Upgrade	Deo Drive Improvement	East Main St. Bridge Replacement	Court Capital Improvement
Assets:				
Cash and Cash Equivalents	\$ 3,800	\$ 282,527	\$ 20,913	\$ 295,298
Investments	0	0	374,200	0
Receivables:				
Accounts	0	0	0	2,270
Total Assets	\$ 3,800	\$ 282,527	\$ 395,113	\$ 297,568
Liabilities:				
Accrued Interest Payable	\$ 0	\$ 83,497	\$ 0	\$ 0
General Obligation Notes Payable	0	1,125,000	0	0
Total Liabilities	0	1,208,497	0	0
Fund Balance:				
Reserved for Encumbrances	0	23,820	0	0
Undesignated/Unreserved	3,800	(949,790)	395,113	297,568
Total Fund Balance	3,800	(925,970)	395,113	297,568
Total Liabilities and Fund Balance	\$ 3,800	\$ 282,527	\$ 395,113	\$ 297,568

CITY OF NEWARK, OHIO

<u>Tax Increment Financing</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ 97,744	\$ 700,282
0	374,200
0	2,270
<u>\$ 97,744</u>	<u>\$ 1,076,752</u>
\$ 0	\$ 83,497
0	1,125,000
<u>0</u>	<u>1,208,497</u>
0	23,820
<u>97,744</u>	<u>(155,565)</u>
<u>97,744</u>	<u>(131,745)</u>
<u>\$ 97,744</u>	<u>\$ 1,076,752</u>

CITY OF NEWARK, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2007**

	City Hall Upgrade	Deo Drive Improvement	Bikeway Upgrade	East Main St. Bridge Replacement
Revenues:				
Taxes	\$ 0	\$ 111,595	\$ 0	\$ 0
Fines and Forfeitures	0	0	0	0
All Other Revenue	0	0	0	0
Total Revenue	0	111,595	0	0
Expenditures:				
Capital Outlay	0	44,666	406	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	44,239	0	0
Total Expenditures	0	88,905	406	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	22,690	(406)	0
Other Financing Sources (Uses):				
Transfers In	0	42,070	0	0
Total Other Financing Sources (Uses)	0	42,070	0	0
Net Change in Fund Balance	0	64,760	(406)	0
Fund Balance (Deficit) at Beginning of Year	3,800	(990,730)	406	395,113
Fund Balance (Deficit) End of Year	\$ 3,800	\$ (925,970)	\$ 0	\$ 395,113

CITY OF NEWARK, OHIO

<u>Court Capital Improvement</u>	<u>Tax Increment Financing</u>	<u>Total Nonmajor Capital Project Funds</u>
\$ 0	\$ 172,892	\$ 284,487
33,225	0	33,225
0	19,149	19,149
<u>33,225</u>	<u>192,041</u>	<u>336,861</u>
1,678	98,324	145,074
0	60,000	60,000
0	125,645	169,884
<u>1,678</u>	<u>283,969</u>	<u>374,958</u>
31,547	(91,928)	(38,097)
0	0	42,070
0	0	42,070
31,547	(91,928)	3,973
266,021	189,672	(135,718)
<u>\$ 297,568</u>	<u>\$ 97,744</u>	<u>\$ (131,745)</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, 2007**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 2,299,840	\$ 2,383,594	\$ 2,385,766	\$ 2,172
Intergovernmental Revenues	4,641,184	4,810,204	5,159,750	349,546
Charges for Services	464,402	481,314	968,359	487,045
Licenses, Permits and Fees	1,524,823	1,580,353	1,330,073	(250,280)
Investment Earnings	531,494	550,850	879,884	329,034
Fines and Forfeitures	1,582,374	1,640,000	1,762,815	122,815
All Other Revenue	137,805	142,825	173,850	31,025
Total Revenues	<u>11,181,922</u>	<u>11,589,140</u>	<u>12,660,497</u>	<u>1,071,357</u>
Expenditures:				
Security of Persons and Property:				
Police:				
Personal Services	7,992,715	8,174,882	8,117,845	57,037
Materials and Supplies	235,450	250,589	225,132	25,457
Contractual Services	463,059	545,432	476,996	68,436
Other Expenditures	25,691	35,676	25,502	10,174
Capital Outlay	4,900	7,616	6,030	1,586
Total Police	<u>8,721,815</u>	<u>9,014,195</u>	<u>8,851,505</u>	<u>162,690</u>
Fire:				
Personal Services	7,862,405	8,217,307	8,175,247	42,060
Materials and Supplies	260,601	345,611	284,658	60,953
Contractual Services	713,647	764,418	694,820	69,598
Other Expenditures	7,382	7,382	0	7,382
Capital Outlay	0	14,714	14,714	0
Total Fire	<u>8,844,035</u>	<u>9,349,432</u>	<u>9,169,439</u>	<u>179,993</u>
Total Security of Persons and Property	<u>17,565,850</u>	<u>18,363,627</u>	<u>18,020,944</u>	<u>342,683</u>
Public Health and Welfare Services:				
Health Department:				
Personal Services	400,021	395,287	387,638	7,649
Materials and Supplies	7,611	8,525	7,122	1,403
Contractual Services	43,711	45,496	33,430	12,066
Other Expenditures	85,064	96,929	88,265	8,664
Capital Outlay	0	950	950	0
Total Health Department	<u>536,407</u>	<u>547,187</u>	<u>517,405</u>	<u>29,782</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, 2007***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Sanitation:				
Personal Services	224,638	228,035	224,643	3,392
Materials and Supplies	16,714	17,264	13,123	4,141
Contractual Services	30,709	26,793	13,669	13,124
Other Expenditures	14,020	14,020	12,617	1,403
Total Sanitation	286,081	286,112	264,052	22,060
Nursing:				
Personal Services	403,414	380,567	358,289	22,278
Materials and Supplies	93,421	93,790	88,013	5,777
Contractual Services	18,547	19,715	8,767	10,948
Other Expenditures	3,005	3,005	33	2,972
Total Nursing	518,387	497,077	455,102	41,975
Plumbing:				
Personal Services	72,554	93,987	84,747	9,240
Materials and Supplies	400	400	260	140
Contractual Services	1,874	2,090	370	1,720
Other Expenditures	200	200	0	200
Total Plumbing	75,028	96,677	85,377	11,300
Dental Sealant:				
Personal Services	34,695	52,780	52,435	345
Materials and Supplies	4,380	4,380	4,273	107
Contractual Services	9,419	10,419	8,990	1,429
Total Dental Sealant	48,494	67,579	65,698	1,881
Pool and Spa:				
Materials and Supplies	350	350	0	350
Contractual Services	600	600	0	600
Other Expenditures	1,415	1,415	1,400	15
Total Pool and Spa	2,365	2,365	1,400	965
Solid Waste:				
Personal Services	70,259	70,466	70,308	158
Materials and Supplies	3,040	3,040	2,697	343
Contractual Services	1,950	15,079	5,614	9,465
Other Expenditures	2,500	2,500	0	2,500
Total Solid Waste	77,749	91,085	78,619	12,466

(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, 2007**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
AIDS Grant:				
Personal Services	69,549	69,865	69,703	162
Materials and Supplies	0	713	713	0
Total AIDS Grant	69,549	70,578	70,416	162
Miller Dental:				
Materials and Supplies	4,032	4,032	0	4,032
Contractual Services	1,705	1,705	0	1,705
Total Miller Dental	5,737	5,737	0	5,737
Immunization Plan:				
Personal Services	31,721	31,611	28,388	3,223
Materials and Supplies	50	0	0	0
Contractual Services	10,339	13,566	12,391	1,175
Other Expenditures	590	12,566	12,566	0
Capital Outlay	1,960	3,310	3,310	0
Total Immunization Plan	44,660	61,053	56,655	4,398
Head Lice Grant:				
Personal Services	43,691	43,938	43,849	89
Materials and Supplies	5,349	5,349	4,000	1,349
Contractual Services	4,420	4,920	4,820	100
Total Head Lice Grant	53,460	54,207	52,669	1,538
Help Me Grow Grant:				
Personal Services	377,100	364,589	359,174	5,415
Materials and Supplies	1,869	1,869	0	1,869
Contractual Services	24,100	24,100	17,474	6,626
Total Help Me Grow Grant	403,069	390,558	376,648	13,910
Public Health Infrastructure Grant:				
Personal Services	132,756	135,444	134,530	914
Materials and Supplies	4,645	7,282	5,852	1,430
Contractual Services	21,208	16,714	9,517	7,197
Capital Outlay	12,789	11,725	8,562	3,163
Total Public Health Infrastructure Grant	171,398	171,165	158,461	12,704
Total Public Health and Welfare Services	2,292,384	2,341,380	2,182,502	158,878

(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, 2007***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Community Environment:				
Code Administration:				
Personal Services	1,410,568	1,416,039	1,393,523	22,516
Materials and Supplies	37,806	49,953	45,781	4,172
Contractual Services	52,397	102,017	93,900	8,117
Other Expenditures	36,000	29,856	28,673	1,183
Capital Outlay	20,300	19,689	17,867	1,822
Total Code Administration	<u>1,557,071</u>	<u>1,617,554</u>	<u>1,579,744</u>	<u>37,810</u>
Total Community Environment	<u>1,557,071</u>	<u>1,617,554</u>	<u>1,579,744</u>	<u>37,810</u>
General Government:				
City Council:				
Personal Services	102,853	109,815	107,327	2,488
Contractual Services	1,750	1,750	0	1,750
Total City Council	<u>104,603</u>	<u>111,565</u>	<u>107,327</u>	<u>4,238</u>
Clerk of Council:				
Personal Services	55,027	57,345	55,939	1,406
Materials and Supplies	1,200	2,480	2,434	46
Contractual Services	19,797	34,104	27,973	6,131
Total Clerk of Council	<u>76,024</u>	<u>93,929</u>	<u>86,346</u>	<u>7,583</u>
Mayor:				
Personal Services	157,168	165,204	150,890	14,314
Materials and Supplies	365	555	350	205
Contractual Services	1,980	3,644	1,586	2,058
Other Expenditures	385	108	0	108
Total Mayor	<u>159,898</u>	<u>169,511</u>	<u>152,826</u>	<u>16,685</u>
Auditor:				
Personal Services	421,274	429,048	399,042	30,006
Materials and Supplies	5,000	6,164	6,048	116
Contractual Services	118,839	178,158	99,922	78,236
Total Auditor	<u>545,113</u>	<u>613,370</u>	<u>505,012</u>	<u>108,358</u>
Treasurer:				
Personal Services	99,561	117,395	104,457	12,938
Materials and Supplies	1,072	1,017	962	55
Contractual Services	12,446	12,501	10,565	1,936
Total Treasurer	<u>113,079</u>	<u>130,913</u>	<u>115,984</u>	<u>14,929</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, 2007***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Law Director:				
Personal Services	692,900	738,770	721,729	17,041
Materials and Supplies	6,500	6,500	3,500	3,000
Contractual Services	37,190	39,434	29,648	9,786
Capital Outlay	7,000	7,000	0	7,000
Total Law Director	743,590	791,704	754,877	36,827
Clerk of Courts:				
Personal Services	1,000,825	1,055,220	1,024,005	31,215
Materials and Supplies	18,000	18,709	18,703	6
Contractual Services	87,950	90,512	83,939	6,573
Total Clerk of Courts	1,106,775	1,164,441	1,126,647	37,794
Civil Service:				
Contractual Services	58,212	67,310	63,032	4,278
Total Civil Service	58,212	67,310	63,032	4,278
Contingency-Reserve:				
Claims and Judgments	100,000	0	0	0
Total Contingency-Reserve	100,000	0	0	0
Judiciary:				
Personal Services	625,143	701,463	681,201	20,262
Materials and Supplies	12,357	16,441	15,491	950
Contractual Services	50,900	59,624	55,497	4,127
Total Judiciary	688,400	777,528	752,189	25,339
Personnel:				
Personal Services	219,840	313,173	173,250	139,923
Materials and Supplies	2,444	3,475	3,389	86
Contractual Services	234,498	240,548	169,453	71,095
Capital Outlay	0	2,000	1,877	123
Total Personnel	456,782	559,196	347,969	211,227
Adult Probation:				
Personal Services	638,550	638,798	624,438	14,360
Materials and Supplies	18,300	21,152	20,058	1,094
Contractual Services	27,509	28,832	24,858	3,974
Capital Outlay	2,000	2,500	2,499	1
Total Adult Probation	686,359	691,282	671,853	19,429

(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, 2007***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Service Department:				
Personal Services	254,403	248,681	225,506	23,175
Materials and Supplies	4,800	6,307	5,156	1,151
Contractual Services	1,153,760	1,577,169	1,484,805	92,364
Capital Outlay	76,425	76,455	76,424	31
Total Service Department	1,489,388	1,908,612	1,791,891	116,721
Engineer Department:				
Personal Services	341,622	483,575	446,677	36,898
Materials and Supplies	6,700	7,562	7,368	194
Contractual Services	39,350	42,147	40,411	1,736
Total Engineer Department	387,672	533,284	494,456	38,828
Information Services:				
Personal Services	161,496	173,435	164,611	8,824
Materials and Supplies	5,000	12,961	8,435	4,526
Contractual Services	38,425	41,249	39,678	1,571
Capital Outlay	5,000	5,406	5,406	0
Total Information Services	209,921	233,051	218,130	14,921
Custodial:				
Personal Services	163,009	145,644	116,331	29,313
Materials and Supplies	8,100	24,796	14,808	9,988
Contractual Services	89,000	128,971	98,908	30,063
Total Custodial	260,109	299,411	230,047	69,364
Economic Development:				
Personal Services	38,708	42,944	42,926	18
Materials and Supplies	360	584	468	116
Contractual Services	2,475	11,119	10,617	502
Other Expenditures	25	25	0	25
Total Economic Development	41,568	54,672	54,011	661
Safety Director:				
Personal Services	290,217	306,183	299,647	6,536
Materials and Supplies	8,450	8,490	5,729	2,761
Contractual Services	101,214	112,831	8,583	104,248
Other Expenditures	120	120	0	120
Total Safety Director	400,001	427,624	313,959	113,665
Total General Government	7,627,494	8,627,403	7,786,556	840,847
Total Expenditures	29,042,799	30,949,964	29,569,746	1,380,218

(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, 2007**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,860,877)	(19,360,824)	(16,909,249)	2,451,575
Other Financing Sources (Uses):				
Sale of Capital Assets	55,000	55,000	15,719	(39,281)
Transfers In	39,133,939	39,133,939	38,652,349	(481,590)
Transfers Out	(20,863,940)	(21,217,377)	(20,896,119)	321,258
Total Other Financing Sources (Uses)	18,324,999	17,971,562	17,771,949	(199,613)
Net Change in Fund Balance	464,122	(1,389,262)	862,700	2,251,962
Fund Balance at Beginning of Year	1,757,608	1,757,608	1,757,608	0
Prior Year Encumbrances	622,824	622,824	622,824	0
Fund Balance at End of Year	<u>\$ 2,844,554</u>	<u>\$ 991,170</u>	<u>\$ 3,243,132</u>	<u>\$ 2,251,962</u>

CITY OF NEWARK, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Funds
For the Year Ended December 31, 2007**

INCOME TAX FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 20,275,775	\$ 20,275,775	\$ 20,425,322	\$ 149,547
Total Revenues	<u>20,275,775</u>	<u>20,275,775</u>	<u>20,425,322</u>	<u>149,547</u>
Expenditures:				
General Government:				
Personal Services	675,782	672,417	570,187	102,230
Materials and Supplies	36,000	52,319	37,969	14,350
Contractual Services	100,105	119,554	65,412	54,142
Other Expenditures	350,000	363,000	360,822	2,178
Capital Outlay	75,000	75,000	59,035	15,965
Total Expenditures	<u>1,236,887</u>	<u>1,282,290</u>	<u>1,093,425</u>	<u>188,865</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,038,888	18,993,485	19,331,897	338,412
Other Financing Sources (Uses):				
Transfers Out	<u>(20,463,420)</u>	<u>(20,463,420)</u>	<u>(20,463,420)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(20,463,420)</u>	<u>(20,463,420)</u>	<u>(20,463,420)</u>	<u>0</u>
Net Change in Fund Balance	(1,424,532)	(1,469,935)	(1,131,523)	338,412
Fund Balance at Beginning of Year	1,504,731	1,504,731	1,504,731	0
Prior Year Encumbrances	38,112	38,112	38,112	0
Fund Balance at End of Year	<u>\$ 118,311</u>	<u>\$ 72,908</u>	<u>\$ 411,320</u>	<u>\$ 338,412</u>

CITY OF NEWARK, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Funds
For the Year Ended December 31, 2007**

COMMUNITY DEVELOPMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 1,609,600	\$ 1,759,600	\$ 1,153,858	\$ (605,742)
Investment Earnings	6,000	6,000	12,696	6,696
All Other Revenue	206,500	228,396	205,083	(23,313)
Total Revenues	<u>1,822,100</u>	<u>1,993,996</u>	<u>1,371,637</u>	<u>(622,359)</u>
Expenditures:				
Community Environment:				
Personal Services	403,020	422,610	304,636	117,974
Materials and Supplies	4,300	39,938	36,495	3,443
Contractual Services	752,821	1,989,974	1,198,915	791,059
Other Expenditures	0	14,841	10,000	4,841
Capital Outlay	0	30,400	30,400	0
Total Expenditures	<u>1,160,141</u>	<u>2,497,763</u>	<u>1,580,446</u>	<u>917,317</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	661,959	(503,767)	(208,809)	294,958
Other Financing Sources (Uses):				
Transfers Out	(30,000)	(1,686)	(1,686)	0
Total Other Financing Sources (Uses)	<u>(30,000)</u>	<u>(1,686)</u>	<u>(1,686)</u>	<u>0</u>
Net Change in Fund Balance	631,959	(505,453)	(210,495)	294,958
Fund Balance at Beginning of Year	168,280	168,280	168,280	0
Prior Year Encumbrances	342,620	342,620	342,620	0
Fund Balance at End of Year	<u>\$ 1,142,859</u>	<u>\$ 5,447</u>	<u>\$ 300,405</u>	<u>\$ 294,958</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Project Funds
For the Year Ended December 31, 2007***

	CAPITAL IMPROVEMENT FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	
Revenues:			
Intergovernmental Revenues	\$ 167,565	\$ 167,565	\$ 0
Investment Earnings	0	19,848	19,848
All Other Revenue	0	47,760	47,760
Total Revenues	<u>167,565</u>	<u>235,173</u>	<u>67,608</u>
Expenditures:			
Capital Outlay	4,583,212	4,470,974	112,238
Debt Service:			
Principal Retirement	550,000	550,000	0
Interest and Fiscal Charges	26,000	24,750	1,250
Total Expenditures	<u>5,159,212</u>	<u>5,045,724</u>	<u>113,488</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,991,647)	(4,810,551)	181,096
Other Financing Sources (Uses):			
Other Financing Sources - Capital Lease	1,124,992	1,073,032	(51,960)
General Obligation Notes Issued	550,000	550,000	0
Transfers In	2,172,383	2,171,133	(1,250)
Transfers Out	(663,732)	(507,123)	156,609
Total Other Financing Sources (Uses)	<u>3,183,643</u>	<u>3,287,042</u>	<u>103,399</u>
Net Change in Fund Balance	(1,808,004)	(1,523,509)	284,495
Fund Balance at Beginning of Year	58,809	58,809	0
Prior Year Encumbrances	2,194,693	2,194,693	0
Fund Balance at End of Year	<u>\$ 445,498</u>	<u>\$ 729,993</u>	<u>\$ 284,495</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, 2007***

STREET DEPARTMENT FUND			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 1,975,000	\$ 1,865,434	\$ (109,566)
All Other Revenue	9,500	190,785	181,285
Total Revenues	<u>1,984,500</u>	<u>2,056,219</u>	<u>71,719</u>
Expenditures:			
Transportation:			
Personal Services	1,660,465	1,629,614	30,851
Materials and Supplies	563,684	533,879	29,805
Contractual Services	733,569	639,381	94,188
Capital Outlay	1,852	1,827	25
Total Expenditures	<u>2,959,570</u>	<u>2,804,701</u>	<u>154,869</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(975,070)	(748,482)	226,588
Other Financing Sources (Uses):			
Transfers In	1,103,188	759,667	(343,521)
Total Other Financing Sources (Uses)	<u>1,103,188</u>	<u>759,667</u>	<u>(343,521)</u>
Net Change in Fund Balance	128,118	11,185	(116,933)
Fund Balance at Beginning of Year	127,777	127,777	0
Prior Year Encumbrances	259,819	259,819	0
Fund Balance at End of Year	<u>\$ 515,714</u>	<u>\$ 398,781</u>	<u>\$ (116,933)</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, 2007***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
CEMETERY FUND			
Revenues:			
Taxes	\$ 0	\$ 79	\$ 79
Charges for Services	140,000	104,073	(35,927)
Investment Earnings	25,600	46,603	21,003
All Other Revenue	69,785	65,341	(4,444)
Total Revenues	<u>235,385</u>	<u>216,096</u>	<u>(19,289)</u>
Expenditures:			
Public Health and Welfare Services:			
Personal Services	263,925	206,917	57,008
Materials and Supplies	23,833	21,692	2,141
Contractual Services	102,205	99,066	3,139
Other Expenditures	1,753	479	1,274
Total Expenditures	<u>391,716</u>	<u>328,154</u>	<u>63,562</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(156,331)	(112,058)	44,273
Other Financing Sources (Uses):			
Transfers In	172,098	118,689	(53,409)
Transfers Out	(23,000)	(23,000)	0
Total Other Financing Sources (Uses)	<u>149,098</u>	<u>95,689</u>	<u>(53,409)</u>
Net Change in Fund Balance	(7,233)	(16,369)	(9,136)
Fund Balance at Beginning of Year	369,005	369,005	0
Prior Year Encumbrances	6,333	6,333	0
Fund Balance at End of Year	<u>\$ 368,105</u>	<u>\$ 358,969</u>	<u>\$ (9,136)</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, 2007**

PARKS AND RECREATION FUND

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Charges for Services	\$ 4,650	\$ 5,457	\$ 807
Licenses, Permits and Fees	10,500	11,912	1,412
All Other Revenue	15,500	24,960	9,460
Total Revenues	<u>30,650</u>	<u>42,329</u>	<u>11,679</u>
Expenditures:			
Leisure Time Activities:			
Parks and Recreation:			
Personal Services	377,898	346,280	31,618
Materials and Supplies	69,956	61,499	8,457
Contractual Services	64,199	59,614	4,585
Other Expenditures	30	30	0
Total Parks and Recreation	<u>512,083</u>	<u>467,423</u>	<u>44,660</u>
Ice Skating Rink/Concession Trailer:			
Materials and Supplies	<u>2</u>	<u>0</u>	<u>2</u>
Total Ice Skating Rink/Concession Trailer	<u>2</u>	<u>0</u>	<u>2</u>
Total Expenditures	<u>512,085</u>	<u>467,423</u>	<u>44,662</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(481,435)	(425,094)	56,341
Other Financing Sources (Uses):			
Transfers In	491,513	419,827	(71,686)
Transfers Out	<u>(3,343)</u>	<u>0</u>	<u>3,343</u>
Total Other Financing Sources (Uses)	<u>488,170</u>	<u>419,827</u>	<u>(68,343)</u>
Net Change in Fund Balance	6,735	(5,267)	(12,002)
Fund Balance at Beginning of Year	(1)	(1)	0
Prior Year Encumbrances	<u>5,266</u>	<u>5,266</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 12,000</u>	<u>\$ (2)</u>	<u>\$ (12,002)</u>

CITY OF NEWARK, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Security of Persons and Property:			
Parking:			
Materials and Supplies	275	26	249
Contractual Services	883	0	883
Total Expenditures	1,158	26	1,132
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,158)	(26)	1,132
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances	1,158	1,158	0
Fund Balance at End of Year	\$ 0	\$ 1,132	\$ 1,132

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
COMPOST FACILITY FUND			
Revenues:			
Intergovernmental Revenues	\$ 7,804	\$ 8,270	\$ 466
Charges for Services	7,000	9,804	2,804
Total Revenues	<u>14,804</u>	<u>18,074</u>	<u>3,270</u>
Expenditures:			
Community Environment:			
Personal Services	1,495	935	560
Contractual Services	13,401	12,071	1,330
Other Expenditures	25	25	0
Total Expenditures	<u>14,921</u>	<u>13,031</u>	<u>1,890</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(117)	5,043	5,160
Other Financing Sources (Uses):			
Transfers In	6,000	0	(6,000)
Total Other Financing Sources (Uses)	<u>6,000</u>	<u>0</u>	<u>(6,000)</u>
Net Change in Fund Balance	5,883	5,043	(840)
Fund Balance at Beginning of Year	3,761	3,761	0
Prior Year Encumbrances	1,074	1,074	0
Fund Balance at End of Year	<u>\$ 10,718</u>	<u>\$ 9,878</u>	<u>\$ (840)</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, 2007***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 3,600	\$ 4,363	\$ 763
All Other Revenue	<u>1,650</u>	<u>3,200</u>	<u>1,550</u>
Total Revenues	<u>5,250</u>	<u>7,563</u>	<u>2,313</u>
Expenditures:			
Leisure Time Activities:			
Contractual Services	<u>8,540</u>	<u>7,478</u>	<u>1,062</u>
Total Expenditures	<u>8,540</u>	<u>7,478</u>	<u>1,062</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,290)	85	3,375
Fund Balance at Beginning of Year	97,111	97,111	0
Prior Year Encumbrances	<u>974</u>	<u>974</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 94,795</u>	<u>\$ 98,170</u>	<u>\$ 3,375</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, 2007***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	<u>\$ 25,000</u>	<u>\$ 100,985</u>	<u>\$ 75,985</u>
Total Revenues	<u>25,000</u>	<u>100,985</u>	<u>75,985</u>
Expenditures:			
Community Environment:			
Other Expenditures	<u>7,800</u>	<u>626</u>	<u>7,174</u>
Total Expenditures	<u>7,800</u>	<u>626</u>	<u>7,174</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	17,200	100,359	83,159
Other Financing Sources (Uses):			
Transfers Out	<u>(1,125)</u>	<u>0</u>	<u>1,125</u>
Total Other Financing Sources (Uses)	<u>(1,125)</u>	<u>0</u>	<u>1,125</u>
Net Change in Fund Balance	16,075	100,359	84,284
Fund Balance at Beginning of Year	<u>8,794</u>	<u>8,794</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 24,869</u>	<u>\$ 109,153</u>	<u>\$ 84,284</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, 2007***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 13,703	\$ 13,703	\$ 0
Investment Earnings	0	37	37
Total Revenues	<u>13,703</u>	<u>13,740</u>	<u>37</u>
Expenditures:			
Security of Persons and Property:			
Materials and Supplies	34,298	34,298	0
Contractual Services	8,552	8,552	0
Capital Outlay	51	0	51
Total Expenditures	<u>42,901</u>	<u>42,850</u>	<u>51</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,198)	(29,110)	88
Fund Balance at Beginning of Year	29,146	29,146	0
Prior Year Encumbrances	51	51	0
Fund Balance at End of Year	<u>\$ (1)</u>	<u>\$ 87</u>	<u>\$ 88</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, 2007***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive Negative <u>(Negative)</u>
Revenues:			
Taxes	\$ 508,040	\$ 458,462	\$ (49,578)
Intergovernmental Revenues	<u>0</u>	<u>48,550</u>	<u>48,550</u>
Total Revenues	<u>508,040</u>	<u>507,012</u>	<u>(1,028)</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	508,040	507,012	(1,028)
Other Financing Sources (Uses):			
Transfers Out	<u>(520,100)</u>	<u>(520,100)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(520,100)</u>	<u>(520,100)</u>	<u>0</u>
Net Change in Fund Balance	(12,060)	(13,088)	(1,028)
Fund Balance at Beginning of Year	<u>48,422</u>	<u>48,422</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 36,362</u>	<u>\$ 35,334</u>	<u>\$ (1,028)</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, 2007***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	<u>\$ 7,200</u>	<u>\$ 4,200</u>	<u>\$ (3,000)</u>
Total Revenues	<u>7,200</u>	<u>4,200</u>	<u>(3,000)</u>
Expenditures:			
General Government:			
Contractual Services	<u>4,200</u>	<u>2,375</u>	<u>1,825</u>
Total Expenditures	<u>4,200</u>	<u>2,375</u>	<u>1,825</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,000	1,825	(1,175)
Other Financing Sources (Uses):			
Transfers Out	<u>(3,000)</u>	<u>(3,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(3,000)</u>	<u>(3,000)</u>	<u>0</u>
Net Change in Fund Balance	0	(1,175)	(1,175)
Fund Balance at Beginning of Year	<u>18,840</u>	<u>18,840</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 18,840</u>	<u>\$ 17,665</u>	<u>\$ (1,175)</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, 2007***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	<u>\$ 180,000</u>	<u>\$ 151,252</u>	<u>\$ (28,748)</u>
Total Revenues	<u>180,000</u>	<u>151,252</u>	<u>(28,748)</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	180,000	151,252	(28,748)
Other Financing Sources (Uses):			
Transfers Out	<u>(180,000)</u>	<u>(163,244)</u>	<u>16,756</u>
Total Other Financing Sources (Uses)	<u>(180,000)</u>	<u>(163,244)</u>	<u>16,756</u>
Net Change in Fund Balance	0	(11,992)	(11,992)
Fund Balance at Beginning of Year	<u>11,992</u>	<u>11,992</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 11,992</u>	<u>\$ 0</u>	<u>\$ (11,992)</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, 2007***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
LAW ENFORCEMENT FUND			
Revenues:			
Intergovernmental Revenues	\$ 114,475	\$ 93,212	\$ (21,263)
Fines and Forfeitures	23,500	26,032	2,532
Total Revenues	137,975	119,244	(18,731)
Expenditures:			
Security of Persons and Property:			
Contractual Services	150,873	59,614	91,259
Capital Outlay	50,100	49,691	409
Total Expenditures	200,973	109,305	91,668
Excess (Deficiency) of Revenues Over (Under) Expenditures	(62,998)	9,939	72,937
Other Financing Sources (Uses):			
Transfers In	15,000	13,000	(2,000)
Total Other Financing Sources (Uses)	15,000	13,000	(2,000)
Net Change in Fund Balance	(47,998)	22,939	70,937
Fund Balance at Beginning of Year	42,797	42,797	0
Prior Year Encumbrances	7,466	7,466	0
Fund Balance at End of Year	\$ 2,265	\$ 73,202	\$ 70,937

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, 2007**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:			
Security of Persons and Property:			
Materials and Supplies	<u>185</u>	<u>185</u>	<u>0</u>
Total Expenditures	<u>185</u>	<u>185</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(185)	(185)	0
Fund Balance at Beginning of Year	<u>185</u>	<u>185</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007***

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and Forfeitures	\$ 155,000	\$ 170,240	\$ 15,240
Total Revenues	<u>155,000</u>	<u>170,240</u>	<u>15,240</u>
Expenditures:			
General Government:			
Personal Services	48,729	31,877	16,852
Materials and Supplies	11,927	10,878	1,049
Contractual Services	108,865	83,482	25,383
Capital Outlay	<u>16,671</u>	<u>9,873</u>	<u>6,798</u>
Total Expenditures	<u>186,192</u>	<u>136,110</u>	<u>50,082</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(31,192)	34,130	65,322
Other Financing Sources (Uses):			
Transfers In	<u>0</u>	<u>4,000</u>	<u>4,000</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>4,000</u>	<u>4,000</u>
Net Change in Fund Balance	(31,192)	38,130	69,322
Fund Balance at Beginning of Year	175,051	175,051	0
Prior Year Encumbrances	<u>12,963</u>	<u>12,963</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 156,822</u>	<u>\$ 226,144</u>	<u>\$ 69,322</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, 2007***

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:			
Leisure Time Activities:			
Contractual Services	1,500	0	1,500
Debt Service:			
Principal Retirement	224,000	224,000	0
Interest and Fiscal Charges	<u>12,339</u>	<u>9,341</u>	<u>2,998</u>
Total Expenditures	<u>237,839</u>	<u>233,341</u>	<u>4,498</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(237,839)	(233,341)	4,498
Other Financing Sources (Uses):			
General Obligation Notes Issued	238,000	224,000	(14,000)
Transfers In	<u>12,339</u>	<u>9,341</u>	<u>(2,998)</u>
Total Other Financing Sources (Uses)	<u>250,339</u>	<u>233,341</u>	<u>(16,998)</u>
Net Change in Fund Balance	12,500	0	(12,500)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 12,500</u>	<u>\$ 0</u>	<u>\$ (12,500)</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, 2007***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 600,000	\$ 534,749	\$ (65,251)
Total Revenues	<u>600,000</u>	<u>534,749</u>	<u>(65,251)</u>
Expenditures:			
Transportation:			
Contractual Services	327,967	327,967	0
Capital Outlay	<u>525,000</u>	<u>525,000</u>	<u>0</u>
Total Expenditures	<u>852,967</u>	<u>852,967</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(252,967)	(318,218)	(65,251)
Fund Balance at Beginning of Year	9,676	9,676	0
Prior Year Encumbrances	<u>327,967</u>	<u>327,967</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 84,676</u>	<u>\$ 19,425</u>	<u>\$ (65,251)</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, 2007**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
PROBATION GRANT FUND			
Revenues:			
Intergovernmental Revenues	\$ 80,725	\$ 96,466	\$ 15,741
Total Revenues	<u>80,725</u>	<u>96,466</u>	<u>15,741</u>
Expenditures:			
Security of Persons and Property:			
Personal Services	54,700	49,380	5,320
Materials and Supplies	7,446	7,446	0
Contractual Services	24,485	24,475	10
Other Expenditures	18,748	0	18,748
Capital Outlay	975	908	67
Total Expenditures	<u>106,354</u>	<u>82,209</u>	<u>24,145</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,629)	14,257	39,886
Other Financing Sources (Uses):			
Transfers In	4,970	4,970	0
Total Other Financing Sources (Uses)	<u>4,970</u>	<u>4,970</u>	<u>0</u>
Net Change in Fund Balance	(20,659)	19,227	39,886
Fund Balance at Beginning of Year	29,669	29,669	0
Fund Balance at End of Year	<u>\$ 9,010</u>	<u>\$ 48,896</u>	<u>\$ 39,886</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, 2007**

	IMPOUND FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	
Revenues:			
Charges for Services	\$ 80,000	\$ 64,636	\$ (15,364)
Total Revenues	<u>80,000</u>	<u>64,636</u>	<u>(15,364)</u>
Expenditures:			
Security of Persons and Property:			
Personal Services	42,418	33,400	9,018
Materials and Supplies	3,054	1,400	1,654
Contractual Services	92,479	75,025	17,454
Other Expenditures	310	310	0
Total Expenditures	<u>138,261</u>	<u>110,135</u>	<u>28,126</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(58,261)	(45,499)	12,762
Other Financing Sources (Uses):			
Sale of Capital Assets	50,000	65,791	15,791
Transfers Out	<u>(45,000)</u>	<u>(45,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>5,000</u>	<u>20,791</u>	<u>15,791</u>
Net Change in Fund Balance	(53,261)	(24,708)	28,553
Fund Balance at Beginning of Year	30,539	30,539	0
Prior Year Encumbrances	25,643	25,643	0
Fund Balance at End of Year	<u>\$ 2,921</u>	<u>\$ 31,474</u>	<u>\$ 28,553</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, 2007***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
FEDERAL TRANSIT ADMINISTRATION FUND			
Revenues:			
Intergovernmental Revenues	\$ 2,685,245	\$ 1,049,409	\$ (1,635,836)
Charges for Services	300,000	416,384	116,384
All Other Revenue	28,400	5,649	(22,751)
Total Revenues	<u>3,013,645</u>	<u>1,471,442</u>	<u>(1,542,203)</u>
Expenditures:			
Transportation:			
Personal Services	70,631	70,360	271
Materials and Supplies	67,521	63,385	4,136
Contractual Services	1,867,335	1,307,992	559,343
Other Expenditures	1,000	225	775
Capital Outlay	525,065	174,748	350,317
Total Expenditures	<u>2,531,552</u>	<u>1,616,710</u>	<u>914,842</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	482,093	(145,268)	(627,361)
Fund Balance at Beginning of Year	176,283	176,283	0
Prior Year Encumbrances	276,279	276,279	0
Fund Balance at End of Year	<u>\$ 934,655</u>	<u>\$ 307,294</u>	<u>\$ (627,361)</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, 2007**

	LITTER GRANT FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	
Revenues:			
Intergovernmental Revenues	\$ 109,294	\$ 129,047	\$ 19,753
All Other Revenue	9,600	6,954	(2,646)
Total Revenues	<u>118,894</u>	<u>136,001</u>	<u>17,107</u>
Expenditures:			
Community Environment:			
Personal Services	133,510	125,659	7,851
Materials and Supplies	20,356	17,578	2,778
Contractual Services	12,697	12,129	568
Other Expenditures	9,523	9,523	0
Total Expenditures	<u>176,086</u>	<u>164,889</u>	<u>11,197</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(57,192)	(28,888)	28,304
Other Financing Sources (Uses):			
Transfers In	25,226	22,721	(2,505)
Total Other Financing Sources (Uses)	<u>25,226</u>	<u>22,721</u>	<u>(2,505)</u>
Net Change in Fund Balance	(31,966)	(6,167)	25,799
Fund Balance at Beginning of Year	34,651	34,651	0
Prior Year Encumbrances	7,783	7,783	0
Fund Balance at End of Year	<u>\$ 10,468</u>	<u>\$ 36,267</u>	<u>\$ 25,799</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, 2007***

	FEMA FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	
Revenues:			
Intergovernmental Revenue	\$ 0	\$ 6,658	\$ 6,658
Total Revenues	<u>0</u>	<u>6,658</u>	<u>6,658</u>
Expenditures:			
General Government:			
Contractual Services	<u>74,664</u>	<u>34,286</u>	<u>40,378</u>
Total Expenditures	<u>74,664</u>	<u>34,286</u>	<u>40,378</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(74,664)	(27,628)	47,036
Fund Balance at Beginning of Year	74,956	74,956	0
Prior Year Encumbrances	<u>34,569</u>	<u>34,569</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 34,861</u>	<u>\$ 81,897</u>	<u>\$ 47,036</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, 2007***

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:			
Public Health and Welfare Services:			
Contractual Services	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,000)	(10,000)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 90,000	\$ 96,306	\$ 6,306
Total Revenues	<u>90,000</u>	<u>96,306</u>	<u>6,306</u>
Expenditures:			
General Government:			
Contractual Services	58,740	1,930	56,810
Capital Outlay	<u>72,540</u>	<u>72,432</u>	<u>108</u>
Total Expenditures	<u>131,280</u>	<u>74,362</u>	<u>56,918</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(41,280)	21,944	63,224
Fund Balance at Beginning of Year	198,910	198,910	0
Prior Year Encumbrances	<u>71,280</u>	<u>71,280</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 228,910</u>	<u>\$ 292,134</u>	<u>\$ 63,224</u>

CITY OF NEWARK, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Fund
For the Year Ended December 31, 2007**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments	\$ 418,532	\$ 71,218	\$ (347,314)
Total Revenues	<u>418,532</u>	<u>71,218</u>	<u>(347,314)</u>
Expenditures:			
General Government:			
Contractual Services	1,200	0	1,200
Debt Service:			
Principal Retirement	1,722,129	1,722,128	1
Interest and Fiscal Charges	<u>585,742</u>	<u>565,493</u>	<u>20,249</u>
Total Expenditures	<u>2,309,071</u>	<u>2,287,621</u>	<u>21,450</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,890,539)	(2,216,403)	(325,864)
Other Financing Sources (Uses):			
General Obligation Notes Issued	871,038	871,000	(38)
Transfers In	<u>1,219,005</u>	<u>1,215,756</u>	<u>(3,249)</u>
Total Other Financing Sources (Uses)	<u>2,090,043</u>	<u>2,086,756</u>	<u>(3,287)</u>
Net Change in Fund Balance	199,504	(129,647)	(329,151)
Fund Balance at Beginning of Year	<u>137,693</u>	<u>137,693</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 337,197</u>	<u>\$ 8,046</u>	<u>\$ (329,151)</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, 2007***

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

CITY OF NEWARK, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2007**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 90,000	\$ 111,595	\$ 21,595
Total Revenues	90,000	111,595	21,595
Expenditures:			
Capital Outlay	96,621	68,487	28,134
Debt Service:			
Principal Retirement	1,125,000	1,125,000	0
Interest and Fiscal Charges	50,188	42,070	8,118
Total Expenditures	1,271,809	1,235,557	36,252
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,181,809)	(1,123,962)	57,847
Other Financing Sources (Uses):			
General Obligation Notes Issued	1,125,000	1,125,000	0
Transfers In	50,188	42,070	(8,118)
Total Other Financing Sources (Uses)	1,175,188	1,167,070	(8,118)
Net Change in Fund Balance	(6,621)	43,108	49,729
Fund Balance at Beginning of Year	193,977	193,977	0
Prior Year Encumbrances	21,621	21,621	0
Fund Balance at End of Year	\$ 208,977	\$ 258,706	\$ 49,729

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, 2007***

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:			
Capital Outlay	<u>406</u>	<u>406</u>	<u>0</u>
Total Expenditures	<u>406</u>	<u>406</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(406)	(406)	0
Fund Balance at Beginning of Year	<u>406</u>	<u>406</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2007***

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	<u>395,113</u>	<u>395,113</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 395,113</u></u>	<u><u>\$ 395,113</u></u>	<u><u>\$ 0</u></u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2007***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 26,000	\$ 33,284	\$ 7,284
Total Revenues	<u>26,000</u>	<u>33,284</u>	<u>7,284</u>
Expenditures:			
Capital Outlay	<u>50,000</u>	<u>1,678</u>	<u>48,322</u>
Total Expenditures	<u>50,000</u>	<u>1,678</u>	<u>48,322</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(24,000)	31,606	55,606
Fund Balance at Beginning of Year	<u>263,692</u>	<u>263,692</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 239,692</u>	<u>\$ 295,298</u>	<u>\$ 55,606</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, 2007***

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Taxes	\$ 375,000	\$ 172,892	\$ (202,108)
All Other Revenue	<u>0</u>	<u>19,149</u>	<u>19,149</u>
Total Revenues	<u>375,000</u>	<u>192,041</u>	<u>(182,959)</u>
Expenditures:			
Capital Outlay	158,387	98,324	60,063
Debt Service:			
Principal Retirement	60,000	60,000	0
Interest and Fiscal Charges	<u>130,429</u>	<u>125,645</u>	<u>4,784</u>
Total Expenditures	<u>348,816</u>	<u>283,969</u>	<u>64,847</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	26,184	(91,928)	(118,112)
Fund Balance at Beginning of Year	151,285	151,285	0
Prior Year Encumbrances	<u>38,387</u>	<u>38,387</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 215,856</u>	<u>\$ 97,744</u>	<u>\$ (118,112)</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Permanent Fund
For the Year Ended December 31, 2007***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 5,550	\$ 4,969	\$ (581)
Total Revenues	<u>5,550</u>	<u>4,969</u>	<u>(581)</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,550	4,969	(581)
Fund Balance at Beginning of Year	<u>604,163</u>	<u>604,163</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 609,713</u>	<u>\$ 609,132</u>	<u>\$ (581)</u>



Internal Service Funds

These funds are used to account for the financing of goods or services provided by one department to other departments of the City, on a cost-reimbursement basis.

Insurance Fund

To account for the accumulation and allocation of costs associated with insurance costs incurred by the City.

Workers' Compensation Fund

To account for the accumulation and allocation of costs associated with workers' compensation costs incurred by the City.

CITY OF NEWARK, OHIO

**Combining Statement of Net Assets
Internal Service Funds
December 31, 2007**

	<u>Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 2,527,742	\$ 1,723,981	\$ 4,251,723
Receivables:			
Accounts	0	15,320	15,320
Interest	6,510	0	6,510
Total Current Assets	<u>2,534,252</u>	<u>1,739,301</u>	<u>4,273,553</u>
Total Assets	<u>2,534,252</u>	<u>1,739,301</u>	<u>4,273,553</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	717	0	717
Accrued Wages and Benefits	0	452,294	452,294
Total Current Liabilities	<u>717</u>	<u>452,294</u>	<u>453,011</u>
Total Liabilities	<u>717</u>	<u>452,294</u>	<u>453,011</u>
NET ASSETS			
Unrestricted	<u>2,533,535</u>	<u>1,287,007</u>	<u>3,820,542</u>
Total Net Assets	<u>\$ 2,533,535</u>	<u>\$ 1,287,007</u>	<u>\$ 3,820,542</u>

CITY OF NEWARK, OHIO

**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2007**

	Insurance	Workers' Compensation	Total
Operating Revenues:			
Charges for Services	\$ 5,605,450	\$ 669,904	\$ 6,275,354
Other Operating Revenue	0	42,117	42,117
Total Operating Revenues	<u>5,605,450</u>	<u>712,021</u>	<u>6,317,471</u>
Operating Expenses:			
Personal Services	4,319,002	463,657	4,782,659
Contractual Services	0	15,427	15,427
Total Operating Expenses	<u>4,319,002</u>	<u>479,084</u>	<u>4,798,086</u>
Operating Income	1,286,448	232,937	1,519,385
Nonoperating Revenue (Expenses):			
Investment Earnings	42,807	0	42,807
Total Nonoperating Revenues (Expenses)	<u>42,807</u>	<u>0</u>	<u>42,807</u>
Change in Net Assets	1,329,255	232,937	1,562,192
Net Assets Beginning of Year	1,204,280	1,054,070	2,258,350
Net Assets End of Year	<u>\$ 2,533,535</u>	<u>\$ 1,287,007</u>	<u>\$ 3,820,542</u>

CITY OF NEWARK, OHIO

***Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2007***

	Insurance	Workers' Compensation	Totals
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$5,605,450	\$696,701	\$6,302,151
Cash Payments for Goods and Services	0	(15,427)	(15,427)
Cash Payments for Employees	(4,318,617)	(319,699)	(4,638,316)
Net Cash Provided by Operating Activities	<u>1,286,833</u>	<u>361,575</u>	<u>1,648,408</u>
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	37,910	0	37,910
Net Cash Provided by Investing Activities	<u>37,910</u>	<u>0</u>	<u>37,910</u>
Net Increase in Cash and Cash Equivalents	1,324,743	361,575	1,686,318
Cash and Cash Equivalents at Beginning of Year	1,202,999	1,362,406	2,565,405
Cash and Cash Equivalents at End of Year	<u>\$2,527,742</u>	<u>\$1,723,981</u>	<u>\$4,251,723</u>
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</u>			
Operating Income	\$1,286,448	\$232,937	\$1,519,385
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Changes in Assets and Liabilities:			
Increase in Accounts Receivable	0	(15,320)	(15,320)
Increase in Accounts Payable	385	0	385
Increase in Accrued Wages and Benefits	0	143,958	143,958
Total Adjustments	<u>385</u>	<u>128,638</u>	<u>129,023</u>
Net Cash Provided by Operating Activities	<u>\$1,286,833</u>	<u>\$361,575</u>	<u>\$1,648,408</u>

Fiduciary Funds

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

Agency Funds

Municipal Court Fund

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

Fire Code Fund

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

Law Library Fund

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

CITY OF NEWARK, OHIO

**Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2007**

	Balance December 31, 2006	Additions	Deductions	Balance December 31, 2007
<u>Municipal Court Fund</u>				
Restricted Assets:				
Cash and Cash Equivalents	\$587,897	\$5,565,608	(\$5,709,398)	\$444,107
Total Assets	<u>\$587,897</u>	<u>\$5,565,608</u>	<u>(\$5,709,398)</u>	<u>\$444,107</u>
Liabilities:				
Intergovernmental Payable	\$181,033	\$2,821,313	(\$2,828,709)	\$173,637
Due to Others	406,864	2,744,295	(2,880,689)	270,470
Total Liabilities	<u>\$587,897</u>	<u>\$5,565,608</u>	<u>(\$5,709,398)</u>	<u>\$444,107</u>
<u>Fire Code Fund</u>				
Restricted Assets:				
Cash and Cash Equivalents	\$26,690	\$40,000	(\$23,480)	\$43,210
Total Assets	<u>\$26,690</u>	<u>\$40,000</u>	<u>(\$23,480)</u>	<u>\$43,210</u>
Liabilities:				
Due to Others	\$26,690	\$40,000	(\$23,480)	\$43,210
Total Liabilities	<u>\$26,690</u>	<u>\$40,000</u>	<u>(\$23,480)</u>	<u>\$43,210</u>
<u>Law Library Fund</u>				
Restricted Assets:				
Cash and Cash Equivalents	\$5,606	\$56,882	(\$56,807)	\$5,681
Total Assets	<u>\$5,606</u>	<u>\$56,882</u>	<u>(\$56,807)</u>	<u>\$5,681</u>
Liabilities:				
Due to Others	\$5,606	\$56,882	(\$56,807)	\$5,681
Total Liabilities	<u>\$5,606</u>	<u>\$56,882</u>	<u>(\$56,807)</u>	<u>\$5,681</u>
<u>Totals - All Agency Funds</u>				
Restricted Assets:				
Cash and Cash Equivalents	\$620,193	\$5,662,490	(\$5,789,685)	\$492,998
Total Assets	<u>\$620,193</u>	<u>\$5,662,490</u>	<u>(\$5,789,685)</u>	<u>\$492,998</u>
Liabilities:				
Intergovernmental Payable	\$181,033	\$2,821,313	(\$2,828,709)	\$173,637
Due to Others	439,160	2,841,177	(2,960,976)	319,361
Total Liabilities	<u>\$620,193</u>	<u>\$5,662,490</u>	<u>(\$5,789,685)</u>	<u>\$492,998</u>

*CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS*

CITY OF NEWARK, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
December 31, 2007***

Capital Assets

Land	\$16,277,390
Construction in Progress	1,192,500
Buildings	18,115,507
Improvements other than Buildings	5,385,345
Infrastructure	53,856,609
Machinery and Equipment	14,295,174
Total Capital Assets	<u>\$109,122,525</u>

Investment in Capital Assets

General Fund	\$9,119,326
Special Revenue Funds	5,001,264
Capital Projects Funds	92,147,361
Enterprise Funds	130,588
Bonds	982,580
Grants	496,699
Donated	1,244,707
Total Investment in Capital Assets	<u>\$109,122,525</u>

CITY OF NEWARK, OHIO

**Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2007**

<u>Function and Activity</u>	<u>Land</u>	<u>Construction in Progress</u>	<u>Buildings</u>
<u>General Government:</u>			
Auditor	\$0	\$0	\$0
General Administration	449,237	0	2,171,307
Service	0	162,985	1,502,881
Engineer	0	0	0
Information System	0	0	0
Public Safety	0	0	0
Income Tax	0	0	0
Code Administration	0	0	0
Municipal Court	0	0	0
Adult Probation	0	0	0
Clerk of Court	0	0	0
Total	<u>449,237</u>	<u>162,985</u>	<u>3,674,188</u>
<u>Security of Persons and Property:</u>			
Police	535,816	0	8,410,762
Fire	315,901	0	3,227,251
Total	<u>851,717</u>	<u>0</u>	<u>11,638,013</u>
<u>Transportation:</u>			
Street	14,976,436	1,029,515	1,426,281
Traffic Control	0	0	0
Total	<u>14,976,436</u>	<u>1,029,515</u>	<u>1,426,281</u>
<u>Public Health and Welfare:</u>			
Health	0	0	0
Cemetery	0	0	718,335
Total	<u>0</u>	<u>0</u>	<u>718,335</u>
<u>Leisure Time Activities:</u>			
Recreation/Seniors	0	0	658,690
<u>Community Environment:</u>			
Economic and Community Development	0	0	0
Total Capital Assets	<u>\$16,277,390</u>	<u>\$1,192,500</u>	<u>\$18,115,507</u>

CITY OF NEWARK, OHIO

Improvements other than Buildings	Infrastructure	Machinery and Equipment	Total
\$0	\$0	\$25,057	\$25,057
0	0	568,892	3,189,436
302,150	0	172,620	2,140,636
515,738	0	180,875	696,613
793,998	0	195,118	989,116
0	0	18,979	18,979
0	0	68,674	68,674
0	0	296,380	296,380
0	0	212,746	212,746
0	0	7,200	7,200
0	0	77,880	77,880
<u>1,611,886</u>	<u>0</u>	<u>1,824,421</u>	<u>7,722,717</u>
129,550	0	1,922,222	10,998,350
7,351	0	5,500,493	9,050,996
<u>136,901</u>	<u>0</u>	<u>7,422,715</u>	<u>20,049,346</u>
1,256,409	53,856,609	3,017,649	75,562,899
0	0	476,212	476,212
<u>1,256,409</u>	<u>53,856,609</u>	<u>3,493,861</u>	<u>76,039,111</u>
0	0	313,663	313,663
571,024	0	261,269	1,550,628
<u>571,024</u>	<u>0</u>	<u>574,932</u>	<u>1,864,291</u>
<u>1,204,811</u>	<u>0</u>	<u>548,768</u>	<u>2,412,269</u>
604,314	0	430,477	1,034,791
<u>\$5,385,345</u>	<u>\$53,856,609</u>	<u>\$14,295,174</u>	<u>\$109,122,525</u>

CITY OF NEWARK, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
For Year Ended December 31, 2007***

<u>Function and Activity</u>	Restated December 31, 2006	Additions	Deletions	December 31, 2007
<u>General Government:</u>				
Auditor	\$25,057	\$0	\$0	\$25,057
Law	5,940	0	(5,940)	0
General Administration	3,189,436	0	0	3,189,436
Service	2,140,636	0	0	2,140,636
Engineer	714,697	0	(18,084)	696,613
Information System	989,116	0	0	989,116
Public Safety	18,979	0	0	18,979
Income Tax	76,974	0	(8,300)	68,674
Code Administration	250,024	46,356	0	296,380
Municipal Court	212,746	0	0	212,746
Adult Probation	7,200	0	0	7,200
Clerk of Court	77,880	0	0	77,880
Total	<u>7,708,685</u>	<u>46,356</u>	<u>(32,324)</u>	<u>7,722,717</u>
<u>Security of Persons and Property:</u>				
Police	10,998,350	0	0	10,998,350
Fire	9,050,996	0	0	9,050,996
Total	<u>20,049,346</u>	<u>0</u>	<u>0</u>	<u>20,049,346</u>
<u>Transportation:</u>				
Street	71,925,490	3,862,642	(225,233)	75,562,899
Traffic Control	476,212	0	0	476,212
Total	<u>72,401,702</u>	<u>3,862,642</u>	<u>(225,233)</u>	<u>76,039,111</u>
<u>Public Health and Welfare:</u>				
Health	313,663	0	0	313,663
Cemetery	1,550,628	0	0	1,550,628
Total	<u>1,864,291</u>	<u>0</u>	<u>0</u>	<u>1,864,291</u>
<u>Leisure Time Activities:</u>				
Recreation/Seniors	2,412,269	0	0	2,412,269
<u>Community Environment:</u>				
Economic and Community Development	890,007	144,784	0	1,034,791
Total Capital Assets	<u>\$105,326,300</u>	<u>\$4,053,782</u>	<u>(\$257,557)</u>	<u>\$109,122,525</u>

STATISTICAL SECTION



STATISTICAL TABLES

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

Contents

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

Sources Note:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

City of Newark

*Net Assets by Component
Last Five Years
(accrual basis of accounting)*

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

Source: City Auditor's Office

City of Newark

<u>2006</u>	<u>2007</u>
\$41,597,859	\$42,336,454
10,001,298	10,651,987
7,065,973	8,161,990
<u>\$58,665,130</u>	<u>\$61,150,431</u>

\$16,901,941	\$17,699,290
7,692,238	7,143,040
<u>\$24,594,179</u>	<u>\$24,842,330</u>

\$58,499,800	\$60,035,744
10,001,298	10,651,987
14,758,211	15,305,030
<u>\$83,259,309</u>	<u>\$85,992,761</u>

City of Newark

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

	2003	2004	2005
Expenses			
Governmental Activities:			
Security of Persons and Property	\$17,393,870	\$17,852,605	\$18,253,664
Leisure Time Activities	834,761	779,879	1,967,952
Community Environment	2,774,565	3,060,056	2,852,477
Public Health and Welfare Services	2,680,401	2,984,327	2,889,892
Transportation	3,557,307	5,512,403	5,212,238
General Government	8,922,846	8,342,604	7,628,709
Interest and Fiscal Charges	371,806	769,524	745,884
<i>Total Governmental Activities Expenses</i>	<u>36,535,556</u>	<u>39,301,398</u>	<u>39,550,816</u>
Business-type Activities:			
Water	6,419,205	6,211,742	6,052,567
Sewer	5,029,926	5,505,242	5,064,620
Storm Water	0	0	548,172
<i>Total Business-type Activities Expenses</i>	<u>11,449,131</u>	<u>11,716,984</u>	<u>11,665,359</u>
<i>Total Primary Government Expenses</i>	<u>\$47,984,687</u>	<u>\$51,018,382</u>	<u>\$51,216,175</u>
Program Revenues			
Governmental Activities:			
Charges for Services			
Security of Persons and Property	\$1,765,820	\$1,491,784	\$1,488,751
Leisure Time Activities	329,323	152,957	134,677
Community Environment	260,582	10,970	13,881
Public Health and Welfare Services	775,763	653,762	760,013
Transportation	367,474	387,563	346,262
General Government	1,440,995	1,573,899	1,598,486
Operating Grants and Contributions	4,059,634	5,355,416	7,002,350
Capital Grants and Contributions	3,605,567	1,462,515	1,584,213
<i>Total Governmental Activities Program Revenues</i>	<u>12,605,158</u>	<u>11,088,866</u>	<u>12,928,633</u>

City of Newark

<u>2006</u>	<u>2007</u>
\$17,480,448	\$18,150,460
765,014	524,374
3,167,222	2,921,535
2,395,607	2,375,792
4,323,012	5,927,546
7,467,121	9,020,333
973,340	900,691
<u>36,571,764</u>	<u>39,820,731</u>
6,269,588	7,006,340
5,226,934	5,161,535
574,598	323,709
<u>12,071,120</u>	<u>12,491,584</u>
<u>\$48,642,884</u>	<u>\$52,312,315</u>

\$1,799,406	\$2,412,289
14,944	17,489
8,338	59,808
785,037	749,119
737,628	408,675
1,605,988	1,450,658
5,054,184	6,773,027
470,643	490,142
<u>10,476,168</u>	<u>12,361,207</u>

(Continued)

City of Newark

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

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

Source: City Auditor's Office

City of Newark

<u>2006</u>	<u>2007</u>
6,001,796	6,034,022
5,965,994	5,836,149
512,738	1,843,164
0	0
258,709	0
<u>12,739,237</u>	<u>13,713,335</u>
<u>23,215,405</u>	<u>26,074,542</u>
(26,095,596)	(27,459,524)
668,117	1,221,751
<u>(\$25,427,479)</u>	<u>(\$26,237,773)</u>
\$2,458,710	\$2,306,500
457,463	457,534
479,445	284,487
19,802,040	20,312,181
360,964	433,007
3,634,841	3,794,607
880,326	1,077,750
1,500,256	751,758
264,680	834,314
<u>29,838,725</u>	<u>30,252,138</u>
97,179	93,819
(264,680)	(834,314)
<u>(167,501)</u>	<u>(740,495)</u>
<u>\$29,671,224</u>	<u>\$29,511,643</u>
\$3,743,129	\$2,792,614
500,616	481,256
<u>\$4,243,745</u>	<u>\$3,273,870</u>

City of Newark

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

	1998	1999	2000	2001	2002
General Fund					
Reserved	\$464,454	\$421,342	\$385,433	\$501,281	\$634,867
Unreserved	1,929,291	1,764,471	2,903,345	1,169,716	2,677,438
<i>Total General Fund</i>	<u>2,393,745</u>	<u>2,185,813</u>	<u>3,288,778</u>	<u>1,670,997</u>	<u>3,312,305</u>
All Other Governmental Funds					
Reserved	4,778,764	4,266,914	7,140,691	4,004,611	4,606,077
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	9,917	(1,124,244)	(1,483,505)	(769,124)	(789,461)
Capital Projects Funds	(3,555,826)	253,084	(1,378,125)	(2,469,407)	(3,183,244)
Total All Other Governmental Funds	<u>1,232,855</u>	<u>3,395,754</u>	<u>4,279,061</u>	<u>766,080</u>	<u>633,372</u>
<i>Total Governmental Funds</i>	<u><u>\$3,626,600</u></u>	<u><u>\$5,581,567</u></u>	<u><u>\$7,567,839</u></u>	<u><u>\$2,437,077</u></u>	<u><u>\$3,945,677</u></u>

Source: City Auditor's Office

NOTE: Years 1998-2002 Do not include the Cemetery Endowment Fund or Mary E. Barnes Trust Fund which were classified as Fiduciary Funds prior to implementing GASB 34 in 2003.

City of Newark

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$1,395,063	\$487,274	\$307,378	\$739,920	\$848,097
<u>792,041</u>	<u>970,399</u>	<u>528,313</u>	<u>1,114,748</u>	<u>2,717,746</u>
<u>2,187,104</u>	<u>1,457,673</u>	<u>835,691</u>	<u>1,854,668</u>	<u>3,565,843</u>
10,474,790	4,689,768	2,546,268	4,515,664	2,531,396
(175,460)	4,371,326	4,428,725	4,891,038	4,329,307
<u>3,007,832</u>	<u>(2,213,005)</u>	<u>(2,889,968)</u>	<u>(1,997,460)</u>	<u>(849,552)</u>
<u>13,307,162</u>	<u>6,848,089</u>	<u>4,085,025</u>	<u>7,409,242</u>	<u>6,011,151</u>
<u>\$15,494,266</u>	<u>\$8,305,762</u>	<u>\$4,920,716</u>	<u>\$9,263,910</u>	<u>\$9,576,994</u>

City of Newark

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

	1998	1999	2000	2001
Revenues:				
Taxes	\$14,763,241	\$13,672,911	\$14,460,762	\$14,473,914
Intergovernmental Revenues	7,483,801	8,718,932	10,529,901	8,665,294
Charges for Services	1,161,337	1,137,543	1,230,212	1,150,907
Licenses, Permits and Fees	1,127,598	1,395,993	1,422,641	1,565,619
Investment Earnings	1,203,931	941,367	1,139,430	818,298
Special Assessments	35,589	37,013	41,321	32,609
Fines and Forfeitures	1,138,238	1,393,728	1,686,475	1,627,706
All Other Revenue	389,946	480,820	469,901	556,491
Total Revenue	27,303,681	27,778,307	30,980,643	28,890,838
Expenditures:				
Current:				
Security of Persons and Property	11,633,701	12,060,959	12,401,045	13,314,367
Public Health and Welfare Services	1,553,417	1,987,846	2,028,556	2,326,795
Leisure Time Activities	741,535	781,835	774,609	849,014
Community Environment	2,676,503	2,496,316	2,518,321	2,571,544
Transportation	3,354,548	3,009,431	2,711,224	3,357,894
General Government	5,813,884	6,136,903	6,150,877	6,301,536
Capital Outlay	3,770,552	3,054,466	2,244,604	5,733,268
Debt Service:				
Principal Retirement	22,214	23,093	123,093	128,095
Interest and Fiscal Charges	220,846	197,566	247,845	229,860
Total Expenditures	29,787,200	29,748,415	29,200,174	34,812,373
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,483,519)	(1,970,108)	1,780,469	(5,921,535)

City of Newark

2002	2003	2004	2005	2006	2007
\$19,361,211	\$20,584,344	\$20,867,126	\$21,765,717	\$22,853,652	\$23,795,166
9,722,122	10,505,105	11,438,931	10,751,711	9,577,436	10,137,168
1,068,884	1,158,161	1,195,072	1,143,484	1,432,375	1,615,096
1,773,593	1,724,167	1,647,136	1,628,325	1,549,917	1,343,140
460,223	363,604	322,867	433,890	880,326	1,034,943
18,807	43,758	123,112	48,518	25,230	71,218
1,611,441	1,758,405	1,520,015	1,556,778	1,975,088	2,092,652
472,350	622,613	732,231	1,297,389	1,500,256	755,691
<u>34,488,631</u>	<u>36,760,157</u>	<u>37,846,490</u>	<u>38,625,812</u>	<u>39,794,280</u>	<u>40,845,074</u>
14,331,955	17,017,236	17,238,670	17,422,539	17,248,660	18,093,642
2,400,745	2,591,268	2,895,378	2,957,320	2,418,915	2,464,530
857,314	753,238	690,045	1,842,136	673,150	468,478
2,745,924	2,899,829	2,978,113	2,791,767	3,162,051	2,790,461
3,047,974	3,266,226	4,004,744	3,754,392	3,281,101	4,880,029
6,756,970	7,097,236	7,307,835	7,761,611	7,728,635	8,769,728
3,178,884	3,496,371	9,965,693	7,095,408	2,980,071	4,222,928
125,000	130,000	300,000	425,000	544,000	475,000
276,391	331,057	781,949	733,591	775,132	765,960
<u>33,721,157</u>	<u>37,582,461</u>	<u>46,162,427</u>	<u>44,783,764</u>	<u>38,811,715</u>	<u>42,930,756</u>
767,474	(822,304)	(8,315,937)	(6,157,952)	982,565	(2,085,682)

(Continued)

City of Newark

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

	1998	1999	2000	2001
Other Financing Sources (Uses):				
Sale of Capital Assets	0	34,975	34,578	43,292
Other Financing Sources - Capital Lease	150,972	406,800	0	181,886
Special Assessment Bonds Issued	0	0	0	0
General Obligation Bonds Issued	0	3,200,000	0	0
Refunding General Obligation Bonds Issued	0	0	0	0
Discount on General Obligation Bonds Issued	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Transfers In	12,017,605	14,751,258	14,036,821	14,726,342
Transfers Out	(11,791,153)	(14,484,489)	(13,837,271)	(14,529,965)
Total Other Financing Sources (Uses)	<u>377,424</u>	<u>3,908,544</u>	<u>234,128</u>	<u>421,555</u>
Net Change in Fund Balance	<u>(\$2,106,095)</u>	<u>\$1,938,436</u>	<u>\$2,014,597</u>	<u>(\$5,499,980)</u>
 Debt Service as a Percentage of Noncapital Expenditures	 0.94%	 0.83%	 1.40%	 1.25%

Source: City Auditor's Office

NOTE: Years 1998-2002 Do not include the Cemetery Endowment Fund or Mary E. Barnes Trust Fund which were classified as Fiduciary Funds prior to implementing GASB 34 in 2003.

City of Newark

2002	2003	2004	2005	2006	2007
52,057	58,092	103,027	237,727	74,790	81,510
0	0	0	1,698,762	1,097,605	1,413,634
0	0	0	0	0	0
0	10,994,991	0	0	1,609,000	0
0	0	0	0	2,645,000	0
0	0	0	0	(23,223)	0
0	0	0	0	(2,555,973)	0
19,183,191	18,514,967	21,796,392	21,261,231	21,394,511	24,517,996
(18,536,149)	(18,307,917)	(20,774,982)	(20,420,361)	(20,949,831)	(23,714,241)
699,099	11,260,133	1,124,437	2,777,359	3,291,879	2,298,899
<u>\$1,466,573</u>	<u>\$10,437,829</u>	<u>(\$7,191,500)</u>	<u>(\$3,380,593)</u>	<u>\$4,274,444</u>	<u>\$213,217</u>
1.33%	1.31%	3.02%	3.35%	3.95%	3.30%

City of Newark

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	1998	1999	2000	2001	2002
Income Tax Rate	1.25%	1.25%	1.25%	1.25%	1.75%
Total Tax Collected	\$11,160,646	\$11,653,088	\$11,995,005	\$12,103,631	\$16,420,774
Income Tax Receipts					
Withholding	8,788,053	9,304,576	9,609,444	9,936,227	13,422,267
Percentage	78.74	79.85	80.11	82.09	81.74
Corporate	848,622	761,593	851,867	1,469,348	858,596
Percentage	7.6	6.54	7.1	12.14	5.23
Individuals	1,523,971	1,586,840	1,533,695	698,056	2,139,911
Percentage	13.65	13.62	12.79	5.77	13.03

Source: City Income Tax Department

City of Newark

2003	2004	2005	2006	2007
1.75%	1.75%	1.75%	1.75%	1.75%
\$17,371,837	\$17,850,043	\$18,657,251	\$20,337,124	\$20,420,533
13,948,507	14,210,186	14,790,929	16,103,101	15,928,540
80.29	79.61	79.28	79.18	78.00
975,996	1,070,876	1,235,602	1,555,677	1,850,596
5.62	6	6.62	7.65	9.06
2,447,334	2,568,982	2,630,720	2,678,345	2,641,397
14.09	14.39	14.1	13.17	12.94



City of Newark

Income Tax Statistics Current Year and Nine Years Ago

Calendar Year 2007

<u>Income Tax Filers</u>	<u>Number of Filers</u>	<u>Percent of Total</u>	<u>Taxable Income</u>	<u>Percent of Income</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	10	0.05%	\$57,428,363	8.82%	\$1,004,996	8.82%
All Others	18,195	99.95%	594,041,775	91.18%	10,395,731	91.18%
Total	18,205	100.00%	\$651,470,138	100.00%	\$11,400,727	100.00%

Calendar Year 1998

<u>Income Tax Filers</u>	<u>Number of Filers</u>	<u>Percent of Total</u>	<u>Taxable Income</u>	<u>Percent of Income</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	10	0.04%	\$7,172,715	17.69%	\$89,659	17.69%
All Others	26,631	99.96%	33,377,936	82.31%	417,224	82.31%
Total	26,641	100.00%	\$40,550,651	100.00%	\$506,883	100.00%

Source: City Income Tax Department

City of Newark

Ratio of Outstanding Debt By Type Last Ten Years

	1998	1999	2000	2001
Governmental Activities ⁽¹⁾				
Special Assessment Bonds	\$189,281	\$166,188	\$143,095	\$120,000
General Obligation Bonds Payable	0	3,200,000	3,100,000	2,995,000
Capital Leases	209,808	557,382	372,623	443,508
Accrued Pension Liability	2,306,270	2,279,000	2,250,558	2,220,894
Business-type Activities ⁽¹⁾				
General Obligation Bonds Payable	\$17,707,720	\$16,707,486	\$15,656,860	\$14,329,016
Ohio Water Development Authority Loans Payable	9,355,189	8,980,516	8,577,181	8,142,990
Ohio Public Works Commission Loan Payable	0	0	0	0
Special Assessment Bonds	0	0	0	0
Capital Leases	0	0	0	0
Total Primary Government	<u>\$29,768,268</u>	<u>\$31,890,572</u>	<u>\$30,100,317</u>	<u>\$28,251,408</u>
Population ⁽²⁾				
City of Newark	47,450	47,450	46,279	46,279
Outstanding Debt Per Capita	\$627	\$672	\$650	\$610
Income ⁽³⁾				
Personal (in thousands)	1,179,987	1,212,253	1,241,203	1,262,028
Percentage of Personal Income	2.52%	2.63%	2.43%	2.24%

Sources:

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

City of Newark

2002	2003	2004	2005	2006	2007
\$105,000	\$85,000	\$65,000	\$45,000	\$25,000	\$0
2,885,000	13,769,991	13,489,991	13,084,991	14,409,991	14,115,868
310,923	173,021	133,235	1,748,827	2,464,526	3,255,703
2,189,956	2,157,690	2,124,038	2,088,940	2,052,336	2,014,158
\$12,705,888	\$11,537,306	\$10,711,128	\$9,887,329	\$9,069,717	\$8,252,069
7,675,584	7,172,421	6,630,766	6,912,121	9,006,413	10,754,578
0	0	0	0	568,655	554,439
0	0	51,284	46,156	41,028	35,900
0	0	0	0	43,517	418,364
<u>\$25,872,351</u>	<u>\$34,895,429</u>	<u>\$33,205,442</u>	<u>\$33,813,364</u>	<u>\$37,681,183</u>	<u>\$39,401,079</u>
46,279	46,279	46,279	46,279	46,279	46,279
\$559	\$754	\$718	\$731	\$814	\$851
1,284,474	1,307,243	1,373,792	1,411,926	1,488,379	1,488,379
2.01%	2.67%	2.42%	2.39%	2.53%	2.65%

City of Newark

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	1998	1999	2000	2001
Population (1)	47,450	47,450	46,279	46,279
Personal Income (2)	\$1,179,986,600	\$1,212,252,600	\$1,241,202,780	\$1,262,028,330
General Bonded Debt				
General Obligation Bonds	\$17,707,720	\$19,907,486	\$18,756,860	\$17,324,016
Resources Available to Pay Principal	\$83,739	\$67,437	\$72,182	\$9,889
Net General Bonded Debt	\$17,623,981	\$19,840,049	\$18,684,678	\$17,314,127
Ratio of Net Bonded Debt to Personal Income	1.49%	1.64%	1.51%	1.37%
Net Bonded Debt per Capita	\$371.42	\$418.13	\$403.74	\$374.12

Source:

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

City of Newark

2002	2003	2004	2005	2006	2007
46,279	46,279	46,279	46,279	46,279	46,279
\$1,284,473,645	\$1,307,242,913	\$1,373,792,115	\$1,411,926,011	\$1,488,378,919	\$1,488,378,919
\$15,590,888	\$25,307,297	\$24,201,119	\$22,972,320	\$23,479,708	\$22,367,937
\$6,765	\$31,546	\$128,603	\$145,622	\$137,693	\$6,126
\$15,584,123	\$25,275,751	\$24,072,516	\$22,826,698	\$23,342,015	\$22,361,811
1.21%	1.93%	1.75%	1.62%	1.57%	1.50%
\$336.74	\$546.16	\$520.16	\$493.24	\$504.38	\$483.20



City of Newark

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2007*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Newark</u>	<u>Amount Applicable to the City of Newark</u>
Direct:			
City of Newark	\$12,744,991	100.00%	\$12,744,991
Overlapping:			
Newark City School District	660,000	99.94%	659,604
Licking County	10,796,383	22.00%	2,375,204
		Subtotal	<u>3,034,808</u>
		Total	<u><u>\$15,779,799</u></u>

Source: Licking County Auditor

City of Newark

Debt Limitations Last Ten Years

Collection Year	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
<u>Total Debt</u>				
Net Assessed Valuation	\$562,805,780	\$631,518,960	\$654,701,680	\$658,882,190
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	59,094,607	66,309,491	68,743,676	69,182,630
City Debt Outstanding (2)	5,681,000	890,000	795,000	2,804,000
Less: Applicable Debt Service Fund Amounts	<u>(83,739)</u>	<u>(67,437)</u>	<u>(72,182)</u>	<u>(8,359)</u>
Net Indebtedness Subject to Limitation	<u>5,597,261</u>	<u>822,563</u>	<u>722,818</u>	<u>2,795,641</u>
Overall Legal Debt Margin	<u>\$53,497,346</u>	<u>\$65,486,928</u>	<u>\$68,020,858</u>	<u>\$66,386,989</u>
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$562,805,780	\$631,518,960	\$654,701,680	\$658,882,190
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	30,954,318	34,733,543	36,008,592	36,238,520
City Debt Outstanding (2)	5,681,000	890,000	795,000	2,804,000
Less: Applicable Debt Service Fund Amounts	<u>(83,739)</u>	<u>(67,437)</u>	<u>(72,182)</u>	<u>(8,359)</u>
Net Indebtedness Subject to Limitation	<u>5,597,261</u>	<u>822,563</u>	<u>722,818</u>	<u>2,795,641</u>
Overall Legal Debt Margin	<u>\$25,357,057</u>	<u>\$33,910,980</u>	<u>\$35,285,774</u>	<u>\$33,442,879</u>

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

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

Source: City Auditor's Office

City of Newark

2002	2003	2004	2005	2006	2007
\$718,973,460	\$736,438,580	\$742,972,970	\$828,435,710	\$810,786,940	\$799,331,100
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
75,492,213	77,326,051	78,012,162	86,985,750	85,132,629	83,929,766
12,189,000	14,258,991	15,015,991	15,377,491	13,465,991	12,744,991
(1,924)	(17,864)	(125,902)	(145,622)	(137,693)	(6,126)
<u>12,187,076</u>	<u>14,241,127</u>	<u>14,890,089</u>	<u>15,231,869</u>	<u>13,328,298</u>	<u>12,738,865</u>
<u>\$63,305,137</u>	<u>\$63,084,924</u>	<u>\$63,122,073</u>	<u>\$71,753,881</u>	<u>\$71,804,331</u>	<u>\$71,190,901</u>
\$718,973,460	\$736,438,580	\$742,972,970	\$828,435,710	\$810,786,940	\$799,331,100
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
39,543,540	40,504,122	40,863,513	45,563,964	44,593,282	43,963,211
12,189,000	14,258,991	15,015,991	15,377,491	13,465,991	12,744,991
(1,924)	(17,864)	(125,902)	(145,622)	(137,693)	(6,126)
<u>12,187,076</u>	<u>14,241,127</u>	<u>14,890,089</u>	<u>15,231,869</u>	<u>13,328,298</u>	<u>12,738,865</u>
<u>\$27,356,464</u>	<u>\$26,262,995</u>	<u>\$25,973,424</u>	<u>\$30,332,095</u>	<u>\$31,264,984</u>	<u>\$31,224,346</u>

City of Newark

Pledged Revenue Coverage Last Ten Years

	1998	1999	2000	2001	2002
Special Assessment Bonds (1)					
Special Assessment Collections	\$35,589	\$37,013	\$41,321	\$32,609	\$18,807
Debt Service					
Principal	22,214	23,093	23,093	23,095	15,000
Interest	13,187	9,989	8,650	7,312	5,963
Coverage	1.01	1.12	1.30	1.07	0.90
Special Assessment Bonds (2)					
Special Assessment Collections	\$0	\$0	\$0	\$0	\$0
Debt Service					
Principal	0	0	0	0	0
Interest	0	0	0	0	0
Coverage	0.00	0.00	0.00	0.00	0.00
Tax Increment Financing (TIF) (3)					
Payment in Lieu of Taxes	\$0	\$0	\$355,400	\$353,135	\$396,527
Debt Service					
Principal	0	0	100,000	105,000	110,000
Interest	0	0	204,609	159,838	155,428
Coverage	0.00	0.00	1.17	1.33	1.49

(1) Hudson Avenue Street Lighting, Governmental Activities

(2) Morgan Manor Sewer, Business-type Activities

(3) East Main Street Improvement

Source: City Auditor's Office

City of Newark

2003	2004	2005	2006	2007
\$43,758	\$123,112	\$48,518	\$25,230	\$24,264
20,000	20,000	20,000	20,000	25,000
5,963	4,230	3,942	2,250	1,250
1.69	5.08	2.03	1.13	0.92
\$0	\$15,864	\$25,741	\$16,479	\$6,725
0	0	5,128	5,128	5,128
0	609	2,436	2,192	1,948
0.00	26.05	3.40	2.25	0.95
\$349,731	\$346,398	\$346,814	\$369,806	\$172,892
110,000	115,000	125,000	130,000	60,000
150,698	145,858	140,682	136,325	125,645
1.34	1.33	1.31	1.39	0.93

City of Newark

Demographic and Economic Statistics Last Ten Years

Calendar Year	1998	1999	2000	2001	2002
Population (1)					
City of Newark	47,450	47,450	46,279	46,279	46,279
Licking County	128,300	128,300	145,491	145,491	145,491
Income (2) (a)					
Total Personal (in thousands)	1,179,987	1,212,253	1,241,203	1,262,028	1,284,474
Per Capita	24,868	25,548	26,820	27,270	27,755
Unemployment Rate (3)					
Federal	4.9%	4.5%	4.2%	3.8%	4.8%
State	4.6%	4.3%	4.3%	3.7%	4.3%
Licking County	3.8%	3.6%	3.6%	3.6%	4.7%
Civilian Work Force Estimates (3)					
State	5,678,000	5,749,000	5,900,400	5,857,000	5,828,000
Licking County	72,800	72,500	73,100	75,100	77,800

Sources:

(1) US Bureau of Census of Population

(2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2006 for the presentation of 2007 statistics, the City is using the latest information available.

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

(3) State Department of Labor Statistics

City of Newark

2003	2004	2005	2006	2007
46,279	46,279	46,279	46,279	46,279
145,491	145,491	154,806	154,806	154,806
1,307,243	1,373,792	1,411,926	1,488,379	1,488,379
28,247	29,685	30,509	32,161	32,161
5.8%	6.0%	5.5%	5.0%	4.6%
5.7%	6.1%	6.0%	5.9%	5.6%
5.3%	5.9%	5.8%	5.1%	5.2%
5,915,000	5,875,300	5,900,400	5,934,000	5,976,500
78,800	80,500	81,100	82,700	84,500



City of Newark

Principal Employers Current Year and Nine Years Ago

		2007		
Employer	Nature of Business	Number of Employees	Rank	Percentage of Total Employment
State Farm Insurance	Insurance	1,410	1	7.30%
Newark City Schools	School District	1,367	2	7.07%
Licking County Government	Government	1,284	3	6.65%
Licking Memorial Hospital	Hospital	1,282	4	6.63%
Anomatic Corp.	Metal Finishings	1,147	5	5.94%
Owens Corning, Inc.	Fiberglass Insulation	975	6	5.05%
OSUN/COTC	Education	671	7	3.47%
Longaberger Corp.	Decorative Basket Manufacturer	480	8	2.48%
Park National Bank	Financial	586	9	3.03%
City of Newark	Government	486	10	2.52%
Total		<u>9,688</u>		
Total Employment within the City		<u>19,322</u>		
		1998		
Employer	Nature of Business	Number of Employees	Rank	Percentage of Total Employment
Owens Corning Fiberglass	Fiberglass Insulation	1,870	1	9.30%
Newark City Schools	School District	1,283	2	6.38%
State Farm Insurance	Insurance	1,257	3	6.25%
Licking Memorial Hospital	Hospital	1,194	4	5.94%
Licking County Government	Government	1,182	5	5.88%
Kelly Services	Temporary Agency	959	6	4.77%
Anomatic Corporation	Metal Finishings	959	7	4.77%
OSUN/COTC	Education	903	8	4.49%
Holophane	Lighting Products	705	9	3.50%
Meijer, Inc.	Retail	702	10	3.49%
Total		<u>11,014</u>		
Total Employment within the City		<u>20,116</u>		

Source: City Auditor's Office

City of Newark

Full Time Equivalent Employees by Function Last Ten Years

	1998	1999	2000	2001	2002
Governmental Activities					
General Government					
Finance	19.00	19.00	19.00	19.00	20.00
Legal/Court	52.00	52.00	52.00	52.00	53.00
Administration	30.00	29.00	29.00	31.00	31.00
Maintenance	20.00	20.00	20.00	21.00	19.00
Security of Persons and Property					
Police	101.00	101.00	101.00	100.00	100.00
Fire	82.00	82.00	82.00	82.00	82.00
Transportation					
Street	35.00	35.00	35.00	35.00	34.00
Leisure Time Activities					
Recreation/Seniors	19.00	20.00	20.00	20.00	20.00
Community Environment					
Community Development	7.00	6.00	6.00	6.00	6.00
Business-Type Activities					
Utilities					
Water	43.00	43.00	43.00	44.00	44.00
Sewer	26.00	26.00	24.00	24.00	25.00
Storm Water	0.00	0.00	0.00	0.00	0.00
<i>Total Employees</i>	<u>474.00</u>	<u>477.00</u>	<u>475.00</u>	<u>464.00</u>	<u>476.00</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>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
20.00	20.00	20.00	20.00	20.00
51.00	51.00	52.00	52.00	52.00
33.00	32.00	32.00	31.00	31.00
19.00	20.00	19.00	18.00	18.00
101.00	103.00	104.00	106.00	106.00
85.00	85.00	85.00	85.00	86.00
34.00	34.00	32.00	32.00	32.00
20.00	20.00	20.00	20.00	20.00
44.00	43.00	43.00	42.00	42.00
7.00	6.00	6.00	7.00	7.00
44.00	45.00	45.00	45.00	45.00
25.00	26.00	26.00	26.00	26.00
0.00	1.00	1.00	1.00	1.00
<u>483.00</u>	<u>486.00</u>	<u>485.00</u>	<u>485.00</u>	<u>486.00</u>

City of Newark

Operating Indicators by Function Last Ten Years

	1998	1999	2000	2001	2002
Governmental Activities					
General Government					
Court					
Number of Traffic Cases	N/A	3,193	3,434	3,519	3,601
Licenses and Permits					
Number of Building Permits	505	499	524	500	573
Security of Persons and Property					
Police					
Number of Citations Issued	1,721	1,699	1,732	1,902	1,818
Number of Arrests	1,583	1,618	1,599	1,520	1,667
Fire					
Number of Fire Calls	5,532	5,412	5,361	5,416	5,420
Number of EMS Runs	6,602	6,567	6,434	6,567	6,999
Transportation					
Street					
Number of Streets Resurfaced	28	30	24	20	13
Leisure Time Activities					
Recreation/Seniors					
Number of Programs Offered	8	9	9	9	9
Number of Pool Passes Issued	N/A	224	265	277	290
Community Environment					
Number of Code Violations	N/A	N/A	N/A	N/A	N/A
Business-Type Activities					
Water					
Number of Service Connections	17,299	17,373	18,021	18,970	19,322
Water Main Breaks	18	13	21	20	19
Daily Average Consumption (thousands of gallons)	8.1M	8.1M	8.4M	8.5M	8.7M
Sewer					
Number of Service Connections	15,233	15,602	16,332	16,899	17,477
Daily Average Sewage Treatment (thousands of gallons)	8.10M	8.22M	8.24M	8.26M	8.29M

Source: City Auditor's Office

City of Newark

2003	2004	2005	2006	2007
3,612	3,498	3,544	3,571	3,602
777	568	581	534	521
1,845	2,096	2,112	2,001	2,213
1,629	1,882	1,723	1,750	1,797
5,583	5,764	5,870	6,146	6,204
7,095	6,949	7,228	7,672	7,737
16	20	31	33	33
9	N/A	N/A	N/A	N/A
199	N/A	N/A	N/A	N/A
N/A	N/A	N/A	3	7
19,867	19,993	20,212	20,342	20,408
26	24	27	18	29
8.7M	8.8M	8.9M	8.9M	8.9M
17,777	17,936	18,243	18,657	18,687
8.30M	8.30M	8.33M	8.40M	8.43M

City of Newark

Capital Asset Statistics by Function Last Ten Years

	1998	1999	2000	2001	2002
Governmental Activities					
General Government					
Public Land and Buildings					
Land (acres)	455	457	457	457	458
Buildings	26	27	27	28	28
Security of Persons and Property					
Police					
Stations	1	1	1	1	1
Vehicles	19	19	19	19	21
Fire					
Stations	4	4	4	4	4
Vehicles	16	16	16	16	17
Transportation					
Street					
Streets (lane miles)	217	217	217	218	218
Traffic Signals	319	3,319	3,319	3,326	3,326
Vehicles	33	34	34	35	35
Leisure Time Activities					
Recreation/Seniors					
Land (acres)					
Buildings	12	14	14	16	16
Parks	37	38	38	38	39
Playgrounds	12	12	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)	193	195	196	196	197
Number of Hydrants	246	256	256	266	268
Sewer					
Sewerlines (Miles)	177	179	179	181	182
Lift Stations	7	7	7	7	7
Storm Water Drainage					
Storm Drains (Miles)	86	86	86	86	86
Number of Catch Basins	3,898	3,955	3,955	3,955	3,999

Source: City Auditor's Office

City of Newark

2003	2004	2005	2006	2007
458	459	459	459	459
28	29	29	29	29
1	1	1	1	1
21	21	22	22	22
4	4	4	4	4
17	17	18	18	19
220	220	221	226	228
3,334	3,334	3,338	3,338	3,342
36	36	37	37	39
16	16	16	16	16
39	39	39	39	39
14	14	14	14	14
1	1	1	1	1
12	12	12	12	12
197	197	199	199	201
277	281	281	281	284
185	185	187	187	189
7	7	7	7	7
93	96	100	102	108
4,144	4,144	4,167	4,485	4,490





Mary Taylor, CPA
Auditor of State

CITY OF NEWARK

LICKING COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 21, 2008**