

**CITY OF NEWARK
LICKING COUNTY**

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2009



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the City of Newark, Licking County, prepared by Wolfe, Wilson & Phillips, Inc., for the audit period January 1, 2009 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

July 5, 2012

This page intentionally left blank.

CITY OF NEWARK
TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Schedule of Federal Awards Schedule	1
Notes to Schedule of Federal Awards Expenditures	2
Independent Auditors' Report on Compliance over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	3-4
Independent Auditors' Report on Compliance with Requirements Applicable to Major Federal Programs and Internal Control Over Compliance in Accordance with OMB Circular A-133	5-6
Schedule of Findings and Questioned Costs	7

This page intentionally left blank.

**CITY OF NEWARK
LICKING COUNTY
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2009**

Federal Grantor/ Sub-Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u>			
(Direct Award)			
Community Development Block Grant	B-09-MC-39-00024	14.218	\$ 997,720
Community Development Block Grant-R-ARRA	B-09-MY-39-0024	14.253	60,000
Community Development Block Grant-NSP	A-2-08-293-1	14.228	243,730
Lead Based Paint Hazard Control	OHLHB-0370-07	14.900	669,795
(pass through Ohio Department of Development) HOME Investment Partnership Program	A-C-03-293-2	14.239	<u>99,777</u>
Total U.S. Department of Housing and Urban Development			2,071,022
<u>U.S. DEPARTMENT OF TRANSPORTATION:</u>			
Pass through Ohio Department of Transportation			
Highway Planning and Construction	10-UPTC-452M-MPO-093	20.205	201,376
Federal Transit Capital/Operating Grant	OH-90-X612-00	20.507	401,189
Highway Planning and Construction	n/a	20.205	<u>1,184,314</u>
Total U.S. Department of Transportation			1,786,879
<u>U.S. DEPARTMENT OF JUSTICE:</u>			
Pass through Ohio Department of Justice			
Edward Bryne Memorial Justice Assistance Grant	2009-DJ-BX-0346	16.738	10,498
Edward Bryne jag Grant - ARRA	2009-SB-B9-0989	16.804	<u>80,995</u>
Total U.S. Department of Justice			91,493
<u>ENVIRONMENTAL PROTECTION AGENCY:</u>			
Pass through Ohio Water Development Authority			
ARRA Wastewater Treatment Conservation	n/a	66.458	<u>3,342,021</u>
Total U.S. Department of Health and Human Services			<u>3,342,021</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u>			
Direct Award			
Disaster Assistance Grant (FEMA)	n/a	97.036	141,592
Assistance to Firefighters Grant	EMW-2008-FF-00624	97.044	<u>52,054</u>
Total U.S. Department of Homeland Security			<u>193,646</u>
Total Federal Awards Expenditures			<u>\$ 7,485,061</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, 2009, and have issued our report thereon dated June 11, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Newark's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that we must report under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance which we have reported to management of City of Newark in a separate letter dated June 11, 2010.

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

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
June 11, 2010

**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, 2009. 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, 2009.

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)

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.

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.

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weakness, as defined above.

Schedule of Federal Award Expenditures

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregated remaining fund information of City of Newark as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 11, 2010. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of federal award expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
June 11, 2010

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

**CITY OF NEWARK
DECEMBER 31, 2009**

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):	CDBG #14.218 Lead Based Paint #14.990 ARRA Wastewater #66.458
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B	Type A: >\$300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

NONE

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

NONE

This page intentionally left blank.

THE CITY OF NEWARK, OHIO

LICKING COUNTY



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2009



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2009

Prepared by the Auditor's Office

Stephen E. Johnson
City Auditor



TABLE OF CONTENTS

CITY OF NEWARK
LICKING COUNTY, OHIO

I INTRODUCTORY SECTION

A Letter of Transmittal v
B List of Principal Officials xv
C City Organizational Chart xvi
D Certificate of Achievement for Excellence in Financial Reporting..... xvii

II FINANCIAL SECTION

A Independent Auditors' Report..... 1
B Management's Discussion and Analysis..... 3
C Basic Financial Statements:
 Government-wide Financial Statements:
 Statement of Net Assets 14
 Statement of Activities 16
 Fund Financial Statements:
 Governmental Funds:
 Balance Sheet 18
 Reconciliation of Total Governmental Fund Balances to Net Assets of
 Governmental Activities 22
 Statement of Revenues, Expenditures and Changes in Fund Balances 24
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances to the Statement of Activities..... 26
 Statement of Revenues, Expenditures and Changes in Fund Balance
 (Budget and Actual):
 General Fund 27
 Income Tax Fund 28
 Community Development Fund..... 29
 Proprietary Funds:
 Statement of Net Assets 30
 Statement of Revenues, Expenses and Changes in Fund Net Assets 34
 Statement of Cash Flows 36
 Fiduciary Funds:
 Statement of Assets and Liabilities..... 40
Notes to the Basic Financial Statements..... 41

D Combining and Individual Fund Statements and Schedules:

Nonmajor Governmental Financial Statements:

Combining Balance Sheet.....	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	83
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	84
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	88
Combining Balance Sheet – Nonmajor Capital Projects Funds.....	94
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	96

Individual Schedules of Revenues, Expenditures and Changes in Fund Balance (Budget and Actual):

Major Governmental Funds:

<i>General Fund</i>	98
<i>Special Revenue Funds:</i>	
Income Tax Fund.....	103
Community Development Fund.....	104
<i>Capital Projects Fund:</i>	
Capital Improvement Fund.....	105

Nonmajor Special Revenue Funds:

Street Department Fund.....	106
Cemetery Fund.....	107
Parks and Recreation Fund.....	108
Special Improvement District Fund.....	109
Compost Facility Fund.....	110
Veterans Memorial Sidewalk Fund.....	111
American Recovery and Reinvestment Act/Housing and Economic Recovery Act (ARRA/HERA) Fund.....	112
Safety Grants Fund.....	114
Police/Fire Pension Fund.....	115
Cemetery Rental Fund.....	116
State Highway Fund.....	117

Nonmajor Special Revenue Funds: (Continued)	
Law Enforcement Fund	118
Court Computerization Fund	119
Permissive License Tax Fund	120
Probation Grant Fund	121
Impound Fund	122
Federal Transit Administration Fund	123
Litter Grant Fund	124
Federal Emergency Management Act (FEMA) Fund	125
Brownfield Cleanup Fund	126
Judicial Fund	127
 <i>Debt Service Fund:</i>	
Debt Service Fund	128
 <i>Capital Projects Funds:</i>	
City Hall Upgrade Fund	129
Deo Drive Improvement Fund	130
Local Public Agency (LPA) Projects Fund	131
Court Capital Improvement Fund	132
Tax Increment Financing Fund	133
 <i>Permanent Fund:</i>	
Cemetery Endowment Fund	134
 Internal Service Funds:	
Combining Statement of Net Assets	137
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	138
Combining Statement of Cash Flows	139
 Fiduciary Funds – Agency Funds:	
Combining Statement of Changes in Assets and Liabilities	141
 Capital Assets Used in the Operation of Governmental Funds:	
Schedule by Source	143
Schedule by Function and Activity	144
Schedule of Changes by Function and Activity	146

III

STATISTICAL SECTION

Net Assets by Component - Last Seven Years S 2

Changes in Net Assets - Last Seven Years..... S 4

Fund Balances, Governmental Funds - Last Ten Years S 8

Changes in Fund Balances, Governmental Funds - Last Ten Years S 10

Income Tax Revenues by Source, Governmental Funds - Last Ten Years S 14

Income Tax Statistics - Current Year and Nine Years Ago S 17

Ratio of Outstanding Debt By Type - Last Ten Years S 18

Ratios of General Bonded Debt Outstanding - Last Ten Years..... S 20

Computation of Direct and Overlapping Debt Attributable to
Governmental Activities - Current Year S 23

Debt Limitations - Last Ten Years S 24

Pledged Revenue Coverage - Last Ten Years S 26

Demographic and Economic Statistics - Last Ten Years S 28

Principal Employers - Current Year and Nine Years Ago S 31

Full Time Equivalent Employees by Function - Last Ten Years S 32

Operating Indicators by Function - Last Ten Years S 34

Capital Asset Statistics by Function - Last Ten Years S 36

INTRODUCTORY SECTION





CITY OF NEWARK

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

phone (740) 670-7560

fax (740) 349-6869

June 11, 2010

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, 2009. 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, 2009***

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, both the Treasurer and the Law Director are serving in their second term and the Mayor is serving in his first term. The Safety, Service, Human Resources, Community Development and Economic Development Directors are appointed by the Mayor and serve at the pleasure of the Mayor.

***Letter of Transmittal
For the Year Ended December 31, 2009***

City Charter

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

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

Location:

Newark is located in the central part of the state, approximately 33 miles east of Columbus, the state capital. Its 22.30 square mile area serves a residential population of 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, 2009***

Municipal Services:

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

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

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

ECONOMIC OUTLOOK

Local Economy:

The Newark-Licking County area continues to benefit from a stable economy but unemployment rates, as in many places, increased during 2009. 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, 2009***

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

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

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

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

The Owens Corning Corporation remains one of the largest employer and the largest industry in Newark. The Newark facility is the "worlds largest fiberglass manufacturing facility." It employs 800 people and fills several thousand orders per day. The plant is situated on 250 acres within the city and incorporates 70 buildings with approximately 40 acres under roof. Owens Corning's Research and Technology Center is in nearby Granville and employs over 600 researchers and their support staff. During the fall of 2000, Owens Corning went into bankruptcy. While the City is optimistic, the bankruptcy's impact is unknown. The recent recession, impacting the housing industry, has had an effect on Owens Corning as well.

New business to the Newark area 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, 2009***

Unemployment Rates:

The Ohio Bureau of Employment Services does not maintain statistics for the City of Newark, but unemployment within the City was estimated to be 11.1%.

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 2009, continuing efforts were made to upgrade services and improve the quality of life for the citizens of Newark through the following projects:

Infrastructure Improvements

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2009***

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

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

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

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

Parks and Recreation

Throughout 2009, activities were provided at the City's youth center and community meeting hall in the newly renovated Everett Pool House. The building was remodeled to provide a meeting center for youth and adults who live on the near east side. It has been a very successful improvement project and has been well received by the near east side residents. In addition, Denman Park was rebuilt and new playground equipment installed. Also included in the renovation was a new road and entrance to the park. Improvements have been made at Hollander Pool on the City's north side, including a waterslide. The City entered into a management agreement with the Newark-Licking County YMCA for Hollander Pool operations. Major renovations were made to the City's ice arena including new mechanicals. The funding for the one million dollar project came from private donations. The facility has been leased to the Newark Sport and Event Commission and remains open to the public.

City-Wide Initiatives

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

***Letter of Transmittal
For the Year Ended December 31, 2009***

Long-Term Financial Planning

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

FINANCIAL INFORMATION

Internal Control, Budgetary Control and the Accounting System:

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

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

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2009***

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

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

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

OTHER INFORMATION

Independent Audit:

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

Awards:

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Newark, Ohio for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2008. 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 eighteen consecutive years (1991 - 2008). We believe this current report continues to conform to the Certificate of Achievement for Excellence in Financial Reporting program requirements and are submitting it to the GFOA.

***Letter of Transmittal
For the Year Ended December 31, 2009***

Public Disclosure:

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

Acknowledgments:

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

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

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

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

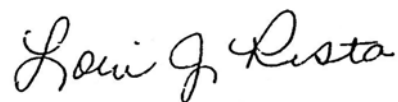
Respectfully,



Stephen E. Johnson
City Auditor



Jacqueline S. Prince
Accounting Manager



Lori J. Resta
Deputy City Auditor

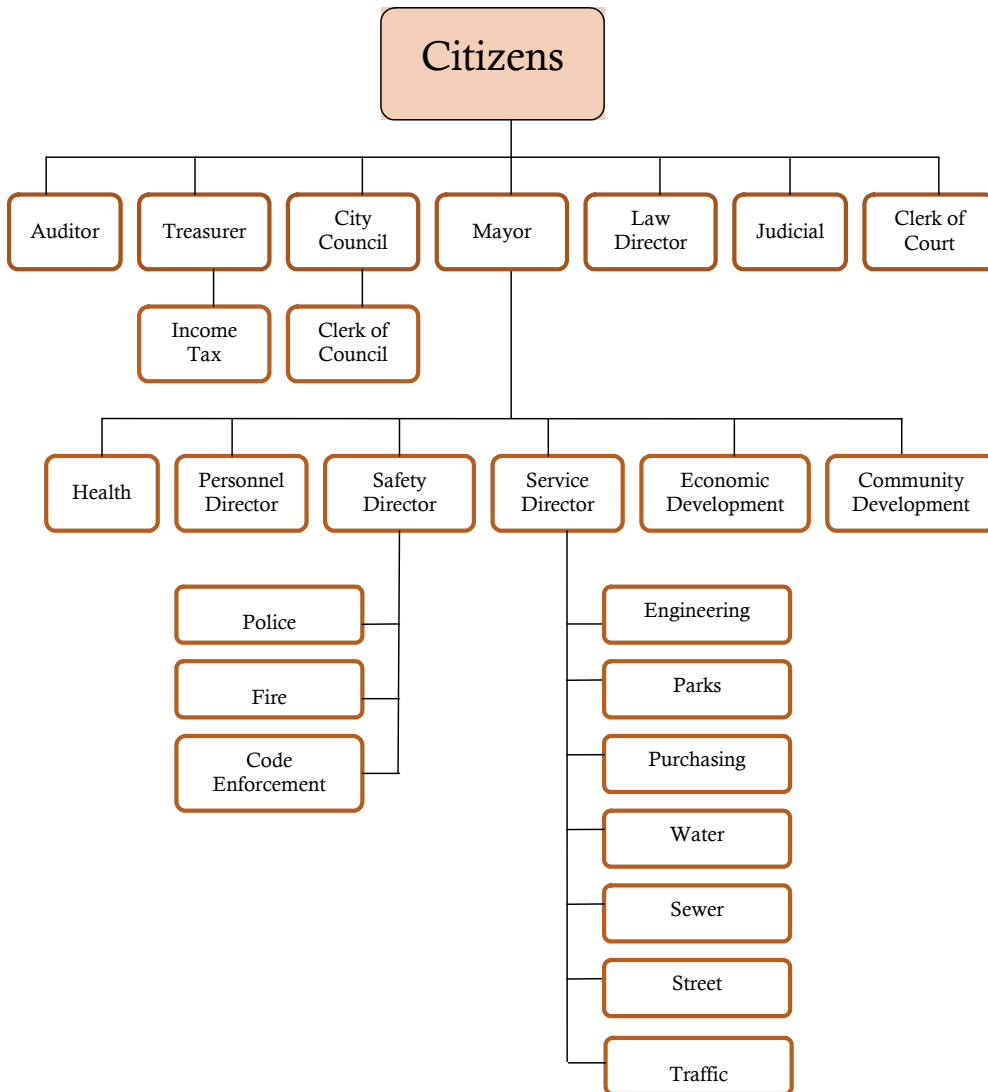
CITY OF NEWARK, OHIO

***List of Principal Officials
For the Year Ended December 31, 2009***

<u>NAME</u>	<u>TITLE</u>	<u>TERM OF OFFICE</u>	<u>SURETY DATA *</u>
Bob Diebold	Mayor	01/01/08 to 12/31/11	
Stephen E. Johnson	Auditor	01/01/08 to 12/31/11	\$5,000 01/01/08 to 12/31/11
Michael F. Higgins	Judge	01/01/08 to 12/31/13	
W. David Branstool	Judge	01/01/06 to 12/31/11	
Douglas Sassen	Law Director	01/01/08 to 12/31/11	
Robert Lehman	Treasurer	01/01/05 to 12/31/09	\$30,000 01/01/05 to 12/31/09
Bruce Bain	President of Council	01/01/08 to 12/31/11	
Ryan T. Bubb	Council-at-Large	01/01/08 to 12/31/11	
Irene Kennedy	Council-at-Large	01/01/08 to 12/31/11	
David R. Rhodes	Council-at-Large	01/01/08 to 12/31/11	
Clyde Edgar Houdeshell	Council 1st Ward	01/01/06 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	
Marcia Phelps	Clerk of Court	01/01/08 to 12/31/13	\$10,000 01/01/08 to 12/31/13

* - Ohio Casualty Insurance Company

***City Organizational Chart
For the Year Ended December 31, 2009***



*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, 2008

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



President

Executive Director



FINANCIAL SECTION



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

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

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of The City of Newark as of and for the year ended December 31, 2009, 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, 2009, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund, Income Tax Fund and Community Development fund, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 11, 2010, 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.

Independent Auditors Report

Page 2

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.

Wolfe, Wilson & Phillips, Inc

Zanesville, Ohio

June 11, 2010

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, 2009. 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 2009 are as follows:

- ❑ In total, net assets increased \$2,407,844. Net assets of governmental activities decreased \$824,511, which represents less than a 2% change from 2008. Net assets of business-type activities increased \$3,232,355 or 15% from 2008.
- ❑ General revenues accounted for \$27,766,657 in revenue or 49% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$28,787,325, or 51% of total revenues of \$56,553,982.
- ❑ The City had \$40,611,059 in expenses related to governmental activities; only \$11,097,779 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$27,750,749 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$29,109,365 in revenues and other financing sources and \$29,212,869 in expenditures and other financing uses. The general fund's fund balance decreased from \$3,079,062 to \$2,983,260.

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, 2009***

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 2009 compared to 2008.

	Governmental Activities		Business-type Activities		Total	
	2009	Restated	2009	Restated	2009	2008
		2008		2008		2008
Current and other assets	\$26,628,452	\$28,449,670	\$11,463,852	\$9,809,169	\$38,092,304	\$38,258,839
Capital assets, Net	60,311,539	59,600,879	41,152,800	36,315,833	101,464,339	95,916,712
Total assets	86,939,991	88,050,549	52,616,652	46,125,002	139,556,643	134,175,551
Long-term debt outstanding	22,820,483	23,104,056	26,131,354	24,450,723	48,951,837	47,554,779
Other liabilities	6,987,314	6,989,788	2,330,345	751,681	9,317,659	7,741,469
Total liabilities	29,807,797	30,093,844	28,461,699	25,202,404	58,269,496	55,296,248
Net assets						
Invested in capital assets, net of related debt	41,316,426	40,441,667	22,335,180	16,956,742	63,651,606	57,398,409
Restricted	10,280,743	11,110,542	0	0	10,280,743	11,110,542
Unrestricted	5,535,025	6,404,496	1,819,773	3,965,856	7,354,798	10,370,352
Total net assets	\$57,132,194	\$57,956,705	\$24,154,953	\$20,922,598	\$81,287,147	\$78,879,303

This space intentionally left blank.

**Management's Discussion and Analysis
For the Year Ended December 31, 2009**

Unaudited

Changes in Net Assets – The following table shows the changes in net assets for the fiscal year 2009 compared with 2008:

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues						
Program Revenues:						
Charges for Services and Sales	\$5,425,370	\$5,096,290	\$13,998,355	\$14,047,854	\$19,423,725	\$19,144,144
Operating Grants and Contributions	5,488,390	4,730,482	0	0	5,488,390	4,730,482
Capital Grants and Contributions	184,019	10,000	3,691,191	0	3,875,210	10,000
Total Program Revenues	11,097,779	9,836,772	17,689,546	14,047,854	28,787,325	23,884,626
General Revenues:						
Property Taxes	2,828,643	2,909,112	0	0	2,828,643	2,909,112
Income Taxes	18,845,278	20,899,162	0	0	18,845,278	20,899,162
Other Local Taxes	358,197	366,551	0	0	358,197	366,551
Intergovernmental, Unrestricted	4,214,287	3,264,236	0	0	4,214,287	3,264,236
Investment Earnings	369,406	636,922	15,908	37,267	385,314	674,189
Miscellaneous	1,134,938	431,212	0	0	1,134,938	431,212
Total General Revenues	27,750,749	28,507,195	15,908	37,267	27,766,657	28,544,462
Total Revenues	38,848,528	38,343,967	17,705,454	14,085,121	56,553,982	52,429,088
Program Expenses						
Security of Persons and Property	18,993,822	19,619,726	0	0	18,993,822	19,619,726
Leisure Time Activities	52,511	321,313	0	0	52,511	321,313
Community Environment	2,984,886	3,059,820	0	0	2,984,886	3,059,820
Public Health and Welfare Services	10,329	599,601	0	0	10,329	599,601
Transportation	6,762,557	6,060,496	0	0	6,762,557	6,060,496
General Government	11,046,798	10,635,436	0	0	11,046,798	10,635,436
Interest and Fiscal Charges	760,156	800,191	0	0	760,156	800,191
Water	0	0	6,604,911	6,650,976	6,604,911	6,650,976
Sewer	0	0	5,941,006	5,291,774	5,941,006	5,291,774
Storm Water	0	0	989,162	614,380	989,162	614,380
Total Expenses	40,611,059	41,096,583	13,535,079	12,557,130	54,146,138	53,653,713
Change in Net Assets before transfers	(1,762,531)	(2,752,616)	4,170,375	1,527,991	2,407,844	(1,224,625)
Transfers	938,020	924,993	(938,020)	(924,993)	0	0
Total Change in Net Assets	(824,511)	(1,827,623)	3,232,355	602,998	2,407,844	(1,224,625)
Beginning Net Assets - Restated	57,956,705	59,784,328	20,922,598	20,319,600	78,879,303	80,103,928
Ending Net Assets	\$57,132,194	\$57,956,705	\$24,154,953	\$20,922,598	\$81,287,147	\$78,879,303

***Management's Discussion and Analysis
For the Year Ended December 31, 2009***

Unaudited

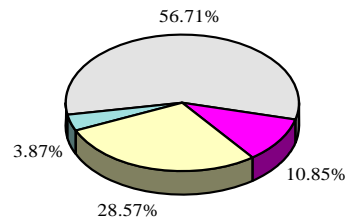
Governmental Activities

Net assets of the City's governmental activities decreased \$824,511. This represents less than a 2% change from 2008. Community development block grants resulted in the increase in operating grants and contributions. The decrease in income tax receipts can be attributed to the overall state of the economy while the increase in unrestricted intergovernmental revenue was due in part to inheritance tax receipts as well as personal property tax reimbursements. A decrease in interest rates resulted in the decrease in investment earnings. Vacancies in the fire department resulted in decreases in security of persons and property. The City and County health departments were merged in 2008, resulting in a substantial decrease in expenses for Public Health and Welfare Services in 2009.

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 2009. The City's reliance upon tax revenues is demonstrated by the following graph indicating 57% of total revenues from general tax revenues:

Revenue Sources	2009	Percent of Total
General Tax Revenues	\$22,032,118	56.71%
Intergovernmental, Unrestricted	4,214,287	10.85%
Program Revenues	11,097,779	28.57%
General Other	1,504,344	3.87%
Total Revenue	<u><u>\$38,848,528</u></u>	<u><u>100.00%</u></u>



Business-Type Activities

Net assets of the business-type activities increased \$3,232,355. This represents a 15% change from the previous year. The sewer department received American Reinvestment and Recovery Act capital grant monies in 2009. These grant monies were received in the form of Ohio Water Development Authority Loan forgiveness. An increase in maintenance costs for buildings and grounds within the sewer department resulted in the increase in expenses.

**Management's Discussion and Analysis
For the Year Ended December 31, 2009**

Unaudited

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$8,165,055, which is a decrease from last year's balance of \$9,716,056. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2009 and 2008:

	Fund Balance December 31, 2009	Fund Balance December 31, 2008	Increase (Decrease)
General	\$2,983,260	\$3,079,062	(\$95,802)
Income Tax	1,242,591	1,236,070	6,521
Community Development	52,853	302,189	(249,336)
Capital Improvement	(568,409)	271,635	(840,044)
Other Governmental	4,454,760	4,827,100	(372,340)
Total	<u>\$8,165,055</u>	<u>\$9,716,056</u>	<u>(\$1,551,001)</u>

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

	2009 Revenues	2008 Revenues	Increase (Decrease)
Taxes	\$2,445,743	\$2,626,339	(\$180,596)
Intergovernmental Revenues	4,080,746	3,746,432	334,314
Charges for Services	2,255,311	1,757,543	497,768
Licenses, Permits and Fees	739,218	662,318	76,900
Investment Earnings	297,856	572,815	(274,959)
Special Assessments	27,533	0	27,533
Fines and Forfeitures	1,709,811	1,755,680	(45,869)
All Other Revenue	274,723	171,493	103,230
Total	<u>\$11,830,941</u>	<u>\$11,292,620</u>	<u>\$538,321</u>

General Fund revenues in 2009 increased \$538,321 or approximately 5% when compared with the previous year. The continued phase out of the personal property tax resulted in the decrease in taxes. The increase in charges for services can be attributed in part to an increase in EMS service receipts. The decrease in investment earnings can be attributed to a decrease in interest rates.

	2009 Expenditures	2008 Expenditures	Increase (Decrease)
Security of Persons and Property	\$17,796,736	\$18,323,834	(\$527,098)
Public Health and Welfare Services	7,911	439,850	(431,939)
Community Environment	1,017,924	1,282,436	(264,512)
General Government	8,823,508	8,863,548	(40,040)
Total	<u>\$27,646,079</u>	<u>\$28,909,668</u>	<u>(\$1,263,589)</u>

***Management's Discussion and Analysis
For the Year Ended December 31, 2009***

Unaudited

General Fund expenditures decreased \$1,263,589 or approximately 4% when compared with the prior year. Vacancies in the fire department resulted in decreases in security of persons and property. The City and County health departments were merged in 2008, resulting in a substantial decrease in expenditures for Public Health and Welfare Services in 2009. Layoffs in the code administration department resulted in the decrease in community environment.

	2009	2008	
	Other Financing Sources (Uses)	Other Financing Sources (Uses)	Increase (Decrease)
Sale of Capital Assets	\$0	\$11,324	(\$11,324)
Transfers In	17,278,424	18,930,221	(1,651,797)
Transfers Out	(1,566,790)	(1,748,281)	181,491
Total	<u>\$15,711,634</u>	<u>\$17,193,264</u>	<u>(\$1,481,630)</u>

Income Tax Fund – The City's Income Tax Fund balance increased \$6,521, or less than 1%. Income tax receipts decreased nearly 10% due to the overall state of the economy. A decrease in amounts transferred out to other funds resulted in a stable ending fund balance.

Community Development Fund – The Community Development Fund balance decreased significantly from the previous year. This was mainly the result of decreases in community development block grants.

Capital Improvement Fund - The City's Capital Improvement Fund reported an increase in capital expenditures, resulting in an overall decrease in fund balance.

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

During the course of fiscal year 2009 the City amended its General Fund budget several times, none significant.

For the General Fund, the difference between actual receipts, final budgeted receipts and original budgeted receipts was insignificant. The difference between original and final budgeted expenditures was insignificant. Actual expenditures for Security of Persons and Property were lower than final estimates due to vacancies in the fire department. Actual expenditures for General Government were lower than final estimates due to a decrease in contractual costs within the service department.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2009 the City had \$101,464,339 net of accumulated depreciation invested in land, construction in progress, buildings, improvements, infrastructure, equipment and vehicles. Of this total, \$60,311,539 was related to governmental activities and \$41,152,800 to the business-type activities. The following table shows fiscal year 2009 and 2008 balances:

	Governmental Activities		Increase (Decrease)
	2009	Restated 2008	
Land	\$16,259,070	\$16,277,390	(\$18,320)
Construction In Progress	1,464,652	0	1,464,652
Buildings	17,995,435	18,115,507	(120,072)
Improvements Other than Buildings	5,195,884	5,385,345	(189,461)
Infrastructure	55,576,127	54,811,587	764,540
Machinery and Equipment	13,008,286	14,570,560	(1,562,274)
Less: Accumulated Depreciation	(49,187,915)	(49,559,510)	371,595
Totals	<u>\$60,311,539</u>	<u>\$59,600,879</u>	<u>\$710,660</u>

An increase in the City's capitalization threshold resulted in decreases in buildings, improvements and machinery and equipment. The increase in construction in progress can be attributed to costs related to improvements to Waterworks Road and Deo Drive.

	Business-Type Activities		Increase (Decrease)
	2009	Restated 2008	
Land	\$161,800	\$170,500	(\$8,700)
Construction in Progress	12,850,975	5,523,861	7,327,114
Buildings and Improvements	28,698,020	28,772,805	(74,785)
Infrastructure	12,608,961	12,904,946	(295,985)
Machinery and Equipment	30,492,724	31,994,228	(1,501,504)
Less: Accumulated Depreciation	(43,659,680)	(43,050,507)	(609,173)
Totals	<u>\$41,152,800</u>	<u>\$36,315,833</u>	<u>\$4,836,967</u>

An increase in the City's capitalization threshold resulted in decreases in buildings and improvements, infrastructure and machinery and equipment. The high rate treatment system installation project at the waste water treatment plant and the water plant stand by power generator project resulted in the increase in construction in progress. 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, 2009****Unaudited****Debt**

At December 31, 2009, the City had \$26.3 million in General Obligation bonds outstanding, \$1.4 million due within one year. The following table summarizes the City's debt outstanding as of December 31, 2009 and 2008:

	2009	Restated 2008
Governmental Activities:		
General Obligation Bonds	\$14,337,666	\$14,816,117
ODOT State Infrastructure Bank Loan	1,021,359	0
Capital Leases	2,253,763	2,904,221
Accrued Pension Liability	1,932,816	1,974,342
Compensated Absences	3,274,879	3,409,376
Total Governmental Activities	<u>22,820,483</u>	<u>23,104,056</u>
Business-Type Activities:		
General Obligation Bonds	\$11,919,866	\$10,994,836
Special Assessment Bonds	25,644	30,772
OWDA Loans	12,687,667	11,845,846
OPWC Loans	497,574	526,007
Capital Leases	362,395	398,080
Compensated Absences	638,208	655,182
Total Business-Type Activities	<u>26,131,354</u>	<u>24,450,723</u>
Totals	<u><u>\$48,951,837</u></u>	<u><u>\$47,554,779</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, 2009, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 12.

ECONOMIC FACTORS

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

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

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

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 2010 budget is projected to decrease by approximately 1.5 percent. The City's ending cash balance had been declining over the past ten years but year end 2007 saw a 60% increase. Due to declining tax revenues and declining building permit collections, the cash carry over at year end 2008 saw a decrease of 20% and the need for increased cash reserves has been addressed in recent operating budgets with the creation of cash reserves.

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, 2009**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 7,508,369	\$ 345,816	\$ 7,854,185
Investments	3,624,123	8,254,815	11,878,938
Receivables:			
Taxes	5,493,879	0	5,493,879
Accounts	477,268	1,424,584	1,901,852
Intergovernmental	4,416,787	0	4,416,787
Interest	10,948	1,802	12,750
Special Assessments	11,562	0	11,562
Loans	4,196,915	0	4,196,915
Internal Balance	(830,338)	830,338	0
Inventory of Supplies at Cost	337,700	552,366	890,066
Prepaid Items	94,141	18,617	112,758
Deferred Charge	0	21,457	21,457
Restricted Assets:			
Cash and Cash Equivalents	449,143	0	449,143
Cash and Cash Equivalents with Fiscal Agent	33,265	14,057	47,322
Investments	443,500	0	443,500
Investments with Fiscal Agent	361,190	0	361,190
Non-Depreciable Capital Assets	17,723,722	13,012,775	30,736,497
Depreciable Capital Assets, Net	42,587,817	28,140,025	70,727,842
Total Assets	86,939,991	52,616,652	139,556,643
Liabilities:			
Accounts Payable	565,224	1,890,665	2,455,889
Accrued Wages and Benefits	1,846,028	253,310	2,099,338
Intergovernmental Payable	2,828	0	2,828
Claims Payable	271,096	0	271,096
Retainage Payable	4,806	0	4,806
Matured Bonds and Interest Payable	0	14,057	14,057
Unearned Revenue	2,567,580	0	2,567,580
Accrued Interest Payable	84,752	172,313	257,065
General Obligation Notes Payable	1,645,000	0	1,645,000
Noncurrent liabilities:			
Due within one year	3,258,374	2,291,017	5,549,391
Due in more than one year	19,562,109	23,840,337	43,402,446
Total Liabilities	29,807,797	28,461,699	58,269,496

CITY OF NEWARK, OHIO

	Governmental Activities	Business-Type Activities	Total
Net Assets:			
Invested in Capital Assets, Net of Related Debt	41,316,426	22,335,180	63,651,606
Restricted For:			
Capital Projects	53,475	0	53,475
Debt Service	19,621	0	19,621
Security of Persons	672,852	0	672,852
Street Improvement	2,227,283	0	2,227,283
Community Environment	4,403,844	0	4,403,844
Transportation	825,667	0	825,667
Judiciary	655,024	0	655,024
Cemetery Maintenance:			
Expendable	428,324	0	428,324
Nonexpendable	876,562	0	876,562
Other Purposes	118,091	0	118,091
Unrestricted	5,535,025	1,819,773	7,354,798
Total Net Assets	\$ 57,132,194	\$ 24,154,953	\$ 81,287,147

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

**Statement of Activities
For the Year Ended December 31, 2009**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 18,993,822	\$ 3,886,667	\$ 558,567	\$ 0
Leisure Time Activities	52,511	16,031	0	0
Community Environment	2,984,886	45,885	563,668	0
Public Health and Welfare Services	10,329	202,895	0	0
Transportation	6,762,557	142,495	4,366,155	184,019
General Government	11,046,798	1,131,397	0	0
Interest and Fiscal Charges	760,156	0	0	0
Total Governmental Activities	40,611,059	5,425,370	5,488,390	184,019
Business-Type Activities:				
Water	6,604,911	5,850,171	0	0
Sewer	5,941,006	5,918,464	0	3,691,191
Storm Water	989,162	2,229,720	0	0
Total Business-Type Activities	13,535,079	13,998,355	0	3,691,191
Totals	\$ 54,146,138	\$ 19,423,725	\$ 5,488,390	\$ 3,875,210

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
\$ (14,548,588)	\$ 0	\$ (14,548,588)
(36,480)	0	(36,480)
(2,375,333)	0	(2,375,333)
192,566	0	192,566
(2,069,888)	0	(2,069,888)
(9,915,401)	0	(9,915,401)
(760,156)	0	(760,156)
<u>(29,513,280)</u>	<u>0</u>	<u>(29,513,280)</u>
0	(754,740)	(754,740)
0	3,668,649	3,668,649
0	1,240,558	1,240,558
<u>0</u>	<u>4,154,467</u>	<u>4,154,467</u>
<u>(29,513,280)</u>	<u>4,154,467</u>	<u>(25,358,813)</u>
2,150,345	0	2,150,345
427,084	0	427,084
251,214	0	251,214
18,845,278	0	18,845,278
358,197	0	358,197
4,214,287	0	4,214,287
369,406	15,908	385,314
1,134,938	0	1,134,938
938,020	(938,020)	0
<u>28,688,769</u>	<u>(922,112)</u>	<u>27,766,657</u>
(824,511)	3,232,355	2,407,844
<u>57,956,705</u>	<u>20,922,598</u>	<u>78,879,303</u>
<u>\$ 57,132,194</u>	<u>\$ 24,154,953</u>	<u>\$ 81,287,147</u>

CITY OF NEWARK, OHIO

**Balance Sheet
Governmental Funds
December 31, 2009**

	General	Income Tax	Community Development
Assets:			
Cash and Cash Equivalents	\$ 99,438	\$ 47,591	\$ 175,420
Investments	2,374,014	0	0
Receivables:			
Taxes	2,296,451	2,741,273	0
Accounts	332,278	0	0
Intergovernmental	1,809,025	0	0
Interest	10,559	0	23
Special Assessments	0	0	0
Loans	0	0	4,196,915
Interfund Loans Receivable	424,915	0	0
Inventory of Supplies, at Cost	91,774	0	0
Prepaid Items	94,141	0	0
Restricted Assets:			
Cash and Cash Equivalents	0	0	0
Cash and Cash Equivalents with Fiscal Agent	0	0	0
Investments	0	0	0
Investments with Fiscal Agent	0	0	0
Total Assets	\$ 7,532,595	\$ 2,788,864	\$ 4,372,358
Liabilities:			
Accounts Payable	\$ 77,471	\$ 32,377	\$ 95,920
Accrued Wages and Benefits Payable	1,176,447	29,471	26,670
Intergovernmental Payable	2,828	0	0
Retainage Payable	0	0	0
Interfund Loans Payable	0	0	0
Deferred Revenue	3,292,589	1,484,425	4,196,915
Accrued Interest Payable	0	0	0
General Obligation Notes Payable	0	0	0
Total Liabilities	4,549,335	1,546,273	4,319,505

CITY OF NEWARK, OHIO

Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$ 26,030	\$ 2,874,523	\$ 3,223,002
925,307	324,802	3,624,123
0	456,155	5,493,879
0	143,299	475,577
0	2,607,762	4,416,787
0	135	10,717
0	11,562	11,562
0	0	4,196,915
0	0	424,915
0	245,926	337,700
0	0	94,141
0	449,143	449,143
0	33,265	33,265
0	443,500	443,500
0	361,190	361,190
<u>\$ 951,337</u>	<u>\$ 7,951,262</u>	<u>\$ 23,596,416</u>
\$ 88,405	\$ 265,448	\$ 559,621
0	97,168	1,329,756
0	0	2,828
4,806	0	4,806
0	424,915	424,915
0	2,484,318	11,458,247
5,535	653	6,188
<u>1,421,000</u>	<u>224,000</u>	<u>1,645,000</u>
<u>1,519,746</u>	<u>3,496,502</u>	<u>15,431,361</u>

(Continued)

CITY OF NEWARK, OHIO

Balance Sheet
Governmental Funds
December 31, 2009

	General	Income Tax	Community Development
Fund Balance:			
Reserved for Encumbrances	394,178	15,214	226,586
Reserved for Prepaid Items	94,141	0	0
Reserved for Supplies Inventory	91,774	0	0
Reserved for Debt Service	0	0	0
Reserved for Endowments	0	0	0
Undesignated, Unreserved in:			
General Fund	2,403,167	0	0
Special Revenue Funds (Deficit)	0	1,227,377	(173,733)
Capital Projects Funds (Deficit)	0	0	0
Total Fund Balance	<u>2,983,260</u>	<u>1,242,591</u>	<u>52,853</u>
Total Liabilities and Fund Balance	<u>\$ 7,532,595</u>	<u>\$ 2,788,864</u>	<u>\$ 4,372,358</u>

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
283,529	886,729	1,806,236
0	0	94,141
0	245,926	337,700
0	8,048	8,048
0	876,562	876,562
0	0	2,403,167
0	1,796,723	2,850,367
<u>(851,938)</u>	<u>640,772</u>	<u>(211,166)</u>
<u>(568,409)</u>	<u>4,454,760</u>	<u>8,165,055</u>
<u>\$ 951,337</u>	<u>\$ 7,951,262</u>	<u>\$ 23,596,416</u>

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
December 31, 2009***

Total Governmental Fund Balances		\$ 8,165,055
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>		
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.		60,311,539
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		8,890,667
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.		2,663,980
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	(14,337,666)	
ODOT State Infrastructure Bank Loan	(1,021,359)	
Capital Leases Payable	(2,253,763)	
Accrued Pension Liability	(1,932,816)	
Compensated Absences Payable	(3,274,879)	
Accrued Interest Payable	<u>(78,564)</u>	<u>(22,899,047)</u>
<i>Net Assets of Governmental Activities</i>		<u><u>\$ 57,132,194</u></u>

See accompanying notes to the basic financial statements



CITY OF NEWARK, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2009**

	General	Income Tax	Community Development
Revenues:			
Taxes	\$ 2,445,743	\$ 18,884,683	\$ 0
Intergovernmental Revenues	4,080,746	0	1,280,949
Charges for Services	2,255,311	7,702	0
Licenses, Permits and Fees	739,218	0	0
Investment Earnings	297,856	469	733
Special Assessments	27,533	0	0
Fines and Forfeitures	1,709,811	0	0
All Other Revenue	274,723	12,649	162,872
Total Revenue	11,830,941	18,905,503	1,444,554
Expenditures:			
Current:			
Security of Persons and Property	17,796,736	0	0
Public Health and Welfare Services	7,911	0	0
Community Environment	1,017,924	0	1,693,890
Transportation	0	0	0
General Government	8,823,508	1,250,584	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	27,646,079	1,250,584	1,693,890
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,815,138)	17,654,919	(249,336)
Other Financing Sources (Uses):			
Loan Proceeds	0	0	0
Transfers In	17,278,424	0	0
Transfers Out	(1,566,790)	(17,648,398)	0
Total Other Financing Sources (Uses)	15,711,634	(17,648,398)	0
Net Change in Fund Balance	(103,504)	6,521	(249,336)
Fund Balance at Beginning of Year	3,079,062	1,236,070	302,189
Increase (Decrease) in Inventory Reserve	7,702	0	0
Fund Balance (Deficit) End of Year	\$ 2,983,260	\$ 1,242,591	\$ 52,853

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 0	\$ 664,986	\$ 21,995,412
113,896	4,302,491	9,778,082
0	221,050	2,484,063
0	0	739,218
11,346	51,902	362,306
0	11,762	39,295
0	424,428	2,134,239
11,239	673,455	1,134,938
<u>136,481</u>	<u>6,350,074</u>	<u>38,667,553</u>
0	502,465	18,299,201
0	0	7,911
0	459,571	3,171,385
0	4,886,329	4,886,329
0	312,986	10,387,078
2,837,910	1,285,310	4,123,220
0	535,000	535,000
57,048	648,716	705,764
<u>2,894,958</u>	<u>8,630,377</u>	<u>42,115,888</u>
(2,758,477)	(2,280,303)	(3,448,335)
0	1,021,359	1,021,359
1,988,372	2,103,977	21,370,773
<u>(69,939)</u>	<u>(1,147,626)</u>	<u>(20,432,753)</u>
<u>1,918,433</u>	<u>1,977,710</u>	<u>1,959,379</u>
(840,044)	(302,593)	(1,488,956)
271,635	4,827,100	9,716,056
0	(69,747)	(62,045)
<u>\$ (568,409)</u>	<u>\$ 4,454,760</u>	<u>\$ 8,165,055</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, 2009***

Net Change in Fund Balances - Total Governmental Funds \$ (1,488,956)

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

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

Capital Outlay	4,087,327	
Depreciation Expense	<u>(2,925,750)</u>	1,161,577

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.	(450,917)
--	-----------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	173,875
--	---------

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

ODOT State Infrastructure Bank Loan	(1,021,359)
-------------------------------------	-------------

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	(56,549)	
General Obligation Bond Principal Payment	535,000	
Capital Lease Principal Payment	650,458	
Pension Liability Principal Payment	<u>41,526</u>	1,170,435

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	2,157
--	-------

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	134,497	
Change in Inventory	<u>(62,045)</u>	72,452

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>(443,775)</u>
--	------------------

<i>Change in Net Assets of Governmental Activities</i>	<u><u>\$ (824,511)</u></u>
---	-----------------------------------

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 2,743,508	\$ 2,707,813	\$ 2,444,113	\$ (263,700)
Intergovernmental Revenue	3,792,237	3,796,425	3,801,484	5,059
Charges for Services	2,169,438	2,169,438	2,269,194	99,756
Licenses, Permits and Fees	900,550	900,550	745,955	(154,595)
Investment Earnings	416,280	416,280	309,957	(106,323)
Special Assessments	10,500	10,500	27,533	17,033
Fines and Forfeitures	1,655,500	1,655,500	1,717,425	61,925
All Other Revenue	85,672	116,249	257,221	140,972
Total Revenues	<u>11,773,685</u>	<u>11,772,755</u>	<u>11,572,882</u>	<u>(199,873)</u>
Expenditures:				
Current:				
Security of Persons and Property	19,129,783	19,336,691	18,095,951	1,240,740
Public Health and Welfare Services	458	30,875	30,518	357
Community Environment	1,064,765	1,077,582	1,040,561	37,021
General Government	9,519,724	9,888,465	9,066,834	821,631
Total Expenditures	<u>29,714,730</u>	<u>30,333,613</u>	<u>28,233,864</u>	<u>2,099,749</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,941,045)	(18,560,858)	(16,660,982)	1,899,876
Other Financing Sources (Uses):				
Transfers In	38,256,383	38,350,986	36,632,205	(1,718,781)
Transfers Out	(22,136,468)	(22,423,915)	(20,920,571)	1,503,344
Advances Out	0	(424,915)	(424,915)	0
Total Other Financing Sources (Uses):	<u>16,119,915</u>	<u>15,502,156</u>	<u>15,286,719</u>	<u>(215,437)</u>
Net Change in Fund Balance	(1,821,130)	(3,058,702)	(1,374,263)	1,684,439
Fund Balance at Beginning of Year	2,879,076	2,879,076	2,879,076	0
Prior Year Encumbrances	494,161	494,161	494,161	0
Fund Balance at End of Year	<u>\$ 1,552,107</u>	<u>\$ 314,535</u>	<u>\$ 1,998,974</u>	<u>\$ 1,684,439</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, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 20,000,000	\$ 19,650,000	\$ 18,879,844	\$ (770,156)
Charges for Services	7,425	7,425	7,702	277
Investment Earnings	0	0	469	469
All Other Revenue	0	0	12,649	12,649
Total Revenues	<u>20,007,425</u>	<u>19,657,425</u>	<u>18,900,664</u>	<u>(756,761)</u>
Expenditures:				
Current:				
General Government	<u>1,344,754</u>	<u>1,593,252</u>	<u>1,295,424</u>	<u>297,828</u>
Total Expenditures	<u>1,344,754</u>	<u>1,593,252</u>	<u>1,295,424</u>	<u>297,828</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	18,662,671	18,064,173	17,605,240	(458,933)
Other Financing Sources (Uses):				
Transfers Out	<u>(18,609,030)</u>	<u>(18,059,030)</u>	<u>(17,648,398)</u>	<u>410,632</u>
Total Other Financing Sources (Uses)	<u>(18,609,030)</u>	<u>(18,059,030)</u>	<u>(17,648,398)</u>	<u>410,632</u>
Net Change in Fund Balance	53,641	5,143	(43,158)	(48,301)
Fund Balance at Beginning of Year	2,480	2,480	2,480	0
Prior Year Encumbrances	<u>40,678</u>	<u>40,678</u>	<u>40,678</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 96,799</u>	<u>\$ 48,301</u>	<u>\$ 0</u>	<u>\$ (48,301)</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, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 2,285,662	\$ 2,892,602	\$ 1,636,303	\$ (1,256,299)
Investment Earnings	22,000	22,000	1,026	(20,974)
All Other Revenue	229,193	328,673	162,930	(165,743)
Total Revenues	<u>2,536,855</u>	<u>3,243,275</u>	<u>1,800,259</u>	<u>(1,443,016)</u>
Expenditures:				
Current:				
Community Environment	2,871,483	3,340,902	2,069,800	1,271,102
Total Expenditures	<u>2,871,483</u>	<u>3,340,902</u>	<u>2,069,800</u>	<u>1,271,102</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(334,628)	(97,627)	(269,541)	(171,914)
Fund Balance at Beginning of Year	(260,487)	(260,487)	(260,487)	0
Prior Year Encumbrances	382,938	382,938	382,938	0
Fund Balance at End of Year	<u>\$ (212,177)</u>	<u>\$ 24,824</u>	<u>\$ (147,090)</u>	<u>\$ (171,914)</u>

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

**Statement of Net Assets
Proprietary Funds
December 31, 2009**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 91,902	\$ 165,278	\$ 88,636
Investments	2,193,835	3,945,200	2,115,780
Receivables:			
Accounts	610,404	615,981	198,199
Interest	982	820	0
Inventory of Supplies at Cost	336,394	215,972	0
Prepaid Items	17,151	1,466	0
Total Current Assets	3,250,668	4,944,717	2,402,615
Noncurrent Assets:			
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agent	352	13,705	0
Total Restricted Assets	352	13,705	0
Deferred Charges	21,457	0	0
Non Depreciable Capital Assets	1,172,006	11,374,450	466,319
Depreciable Capital Assets, Net	18,905,629	8,032,910	1,201,486
Total Noncurrent Assets	20,099,444	19,421,065	1,667,805
Total Assets	23,350,112	24,365,782	4,070,420
LIABILITIES:			
Current Liabilities:			
Accounts Payable	255,030	1,563,682	71,953
Accrued Wages and Benefits	154,088	91,294	7,928
Claims Payable	0	0	0
Compensated Absences Payable - Current	227,500	161,766	7,117
Accrued Interest Payable	0	165,409	6,904
Capital Leases Payable - Current	42,400	0	0
General Obligation Bonds Payable - Current	825,975	0	45,000
Special Assessment Bonds Payable - Current	0	5,128	0
OWDA Loans Payable - Current	0	947,698	0
OPWC Loans Payable - Current	0	28,433	0
Total Current Liabilities	1,504,993	2,963,410	138,902

CITY OF NEWARK, OHIO

<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 345,816	\$ 4,285,367
8,254,815	0
1,424,584	1,691
1,802	231
552,366	0
18,617	0
<u>10,598,000</u>	<u>4,287,289</u>
<u>14,057</u>	<u>0</u>
<u>14,057</u>	<u>0</u>
21,457	0
13,012,775	0
<u>28,140,025</u>	<u>0</u>
<u>41,188,314</u>	<u>0</u>
<u>51,786,314</u>	<u>4,287,289</u>
1,890,665	5,603
253,310	516,272
0	271,096
396,383	0
172,313	0
42,400	0
870,975	0
5,128	0
947,698	0
28,433	0
<u>4,607,305</u>	<u>792,971</u>

(Continued)

CITY OF NEWARK, OHIO

**Statement of Net Assets
Proprietary Funds
December 31, 2009**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
Noncurrent Liabilities:			
Matured Bonds and Interest Payable	352	13,705	0
Capital Leases Payable	319,995	0	0
General Obligation Bonds Payable	9,293,891	0	1,755,000
Special Assessment Bonds Payable	0	20,516	0
OWDA Loans Payable	783,397	10,200,840	755,732
OPWC Loans Payable	0	469,141	0
Compensated Absences Payable	136,178	105,647	0
Total Noncurrent Liabilities	<u>10,533,813</u>	<u>10,809,849</u>	<u>2,510,732</u>
Total Liabilities	<u>12,038,806</u>	<u>13,773,259</u>	<u>2,649,634</u>
NET ASSETS:			
Invested in Capital Assets, Net of Related Debt	13,398,090	7,735,604	1,201,486
Unrestricted	(2,086,784)	2,856,919	219,300
Total Net Assets	<u>\$ 11,311,306</u>	<u>\$ 10,592,523</u>	<u>\$ 1,420,786</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
319,995	0
11,048,891	0
20,516	0
11,739,969	0
469,141	0
241,825	0
<u>23,854,394</u>	<u>0</u>
<u>28,461,699</u>	<u>792,971</u>
22,335,180	0
989,435	3,494,318
<u>\$ 23,324,615</u>	<u>\$ 3,494,318</u>
830,338	
<u>\$ 24,154,953</u>	

CITY OF NEWARK, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2009**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
Operating Revenues:			
Charges for Services	\$ 5,847,104	\$ 5,918,315	\$ 2,229,720
Other Operating Revenues	3,067	149	0
Total Operating Revenues	5,850,171	5,918,464	2,229,720
Operating Expenses:			
Personal Services	2,979,698	1,772,791	148,499
Contractual Services	1,117,803	1,536,292	715,085
Materials and Supplies	783,907	396,209	26,279
Depreciation	818,899	1,574,496	23,762
Total Operating Expenses	5,700,307	5,279,788	913,625
Operating Income (Loss)	149,864	638,676	1,316,095
Non-Operating Revenue (Expenses):			
Interest Income	9,076	6,832	0
Interest and Fiscal Charges	(625,163)	(411,394)	(72,990)
Loss on Disposal of Capital Assets	(163,370)	(249,824)	0
Other Nonoperating Expense	(9,832)	0	(2,547)
Total Non-Operating Revenues (Expenses)	(789,289)	(654,386)	(75,537)
Income (Loss) Before Transfers and Contributions	(639,425)	(15,710)	1,240,558
Transfers and Contributions:			
Transfers In	1,043,974	439,810	0
Transfers Out	(136,000)	(1,005,061)	(1,280,743)
Capital Contributions	0	3,691,191	0
Total Transfers and Contributions	907,974	3,125,940	(1,280,743)
Change in Net Assets	268,549	3,110,230	(40,185)
Net Assets Beginning of Year - Restated	11,042,757	7,482,293	1,460,971
Net Assets End of Year	\$ 11,311,306	\$ 10,592,523	\$ 1,420,786

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>
\$ 13,995,139	\$ 4,844,384
3,216	9,940
<u>13,998,355</u>	<u>4,854,324</u>
4,900,988	5,401,316
3,369,180	10,122
1,206,395	0
<u>2,417,157</u>	<u>0</u>
<u>11,893,720</u>	<u>5,411,438</u>
2,104,635	(557,114)
15,908	7,100
(1,109,547)	0
(413,194)	0
<u>(12,379)</u>	<u>0</u>
<u>(1,519,212)</u>	<u>7,100</u>
585,423	(550,014)
1,483,784	0
(2,421,804)	0
<u>3,691,191</u>	<u>0</u>
<u>2,753,171</u>	<u>0</u>
3,338,594	(550,014)
19,986,021	4,044,332
<u>\$ 23,324,615</u>	<u>\$ 3,494,318</u>
\$ 3,338,594	
<u>(106,239)</u>	
<u>\$ 3,232,355</u>	

CITY OF NEWARK, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2009**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$5,867,166	\$5,929,882	\$2,235,791
Cash Payments for Goods and Services	(2,032,397)	(1,805,523)	(727,837)
Cash Payments to Employees	(2,997,885)	(1,765,396)	(148,744)
Net Cash Provided (Used) by Operating Activities	836,884	2,358,963	1,359,210
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	1,234,659	1,006,048	0
Transfers Out to Other Funds	(291,000)	(1,577,889)	(1,280,743)
Net Cash Provided (Used) by Noncapital Financing Activities	943,659	(571,841)	(1,280,743)
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(928,841)	(4,704,122)	(570,556)
Capital Contributions	0	349,170	0
Principal Paid on Capital Lease	(35,685)	0	0
General Obligation Bonds Issued	0	0	1,800,000
Principal Paid on General Obligation Bonds	(1,435,000)	0	0
Ohio Water Development Authority Loans Issued	768,032	4,470,334	0
Principal Paid on Ohio Water Development Authority Loans	0	(1,009,817)	(44,707)
Principal Paid on Ohio Public Works Commission Loan	0	(28,433)	0
Interest Paid on All Debt	(64,575)	(398,433)	(66,086)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,696,069)	(1,321,301)	1,118,651
<u>Cash Flows from Investing Activities:</u>			
Purchase of Investments	(82,230)	(441,878)	(1,145,942)
Receipts of Interest	8,094	6,012	0
Net Cash Provided (Used) by Investing Activities	(74,136)	(435,866)	(1,145,942)
Net Increase (Decrease) in Cash and Cash Equivalents	10,338	29,955	51,176
Cash and Cash Equivalents at Beginning of Year	81,916	149,028	37,460
Cash and Cash Equivalents at End of Year	\$92,254	\$178,983	\$88,636
<u>Reconciliation of Cash and Cash Equivalents per the Statement of Net Assets:</u>			
Cash and Cash Equivalents	\$91,902	\$165,278	\$88,636
Restricted Cash with Fiscal Agent	352	13,705	0
Cash and Cash Equivalents at End of Year	\$92,254	\$178,983	\$88,636

CITY OF NEWARK, OHIO

<u>Totals</u>	<u>Governmental- Activities Internal Services</u>
\$14,032,839	\$4,854,118
(4,565,757)	(10,122)
<u>(4,912,025)</u>	<u>(5,095,463)</u>
4,555,057	(251,467)
2,240,707	0
<u>(3,149,632)</u>	<u>0</u>
(908,925)	0
(6,203,519)	0
349,170	0
(35,685)	0
1,800,000	0
(1,435,000)	0
5,238,366	0
(1,054,524)	0
(28,433)	0
<u>(529,094)</u>	<u>0</u>
(1,898,719)	0
(1,670,050)	0
14,106	9,429
<u>(1,655,944)</u>	<u>9,429</u>
91,469	(242,038)
<u>268,404</u>	<u>4,527,405</u>
<u>\$359,873</u>	<u>\$4,285,367</u>
\$345,816	\$4,285,367
14,057	0
<u>\$359,873</u>	<u>\$4,285,367</u>

(Continued)

CITY OF NEWARK, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2009**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	\$149,864	\$638,676	\$1,316,095
Adjustments to Reconcile Operating Income (Loss) to			
Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	818,899	1,574,496	23,762
Nonoperating Revenue	0	0	0
Nonoperating Expense	(9,832)	0	(2,547)
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	16,995	11,418	6,071
(Increase) Decrease in Inventory	(78,935)	32,083	0
(Increase) Decrease in Prepaid Items	(2,225)	11,053	0
Increase (Decrease) in Accounts Payable	(39,695)	83,842	16,074
Increase in Accrued Wages and Benefits	2,228	2,992	717
Increase in Claims Payable	0	0	0
Increase (Decrease) in Compensated Absences	(20,415)	4,403	(962)
Total Adjustments	687,020	1,720,287	43,115
Net Cash Provided by Operating Activities	\$836,884	\$2,358,963	\$1,359,210

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2009 the Water, Sewer and Storm Water Funds had outstanding liabilities of \$121,086, \$1,395,718, and \$40,983, respectively, for the purchase of certain capital assets. In addition, the Sewer Fund received capital contributions of \$3,342,021 in the form of OWDA loan forgiveness.

See accompanying notes to the basic financial statements

CITY OF NEWARK, OHIO

<u>Totals</u>	<u>Governmental- Activities Internal Services</u>
\$2,104,635	(\$557,114)
2,417,157	0
0	0
(12,379)	0
34,484	(206)
(46,852)	0
8,828	0
60,221	448
5,937	34,309
0	271,096
(16,974)	0
<u>2,450,422</u>	<u>305,647</u>
<u>\$4,555,057</u>	<u>(\$251,467)</u>

CITY OF NEWARK, OHIO

***Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2009***

	<u>Agency Funds</u>
Assets:	
Receivables:	
Taxes	\$ 9,567
Restricted Assets:	
Cash and Cash Equivalents	<u>748,345</u>
Total Assets	<u>757,912</u>
Liabilities:	
Intergovernmental Payable	359,749
Due to Others	<u>398,163</u>
Total Liabilities	<u>\$ 757,912</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

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, 2009 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, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Governmental Funds

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

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

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

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

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

Proprietary Funds

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

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

Fiduciary Funds

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

C. Basis of Presentation – Financial Statements

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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

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

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

D. Basis of Accounting

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

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

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

Special assessment installments including related accrued interest, which are measurable but not available at December 31, are recorded as deferred revenue. Property taxes, which are measurable at December 31, 2009 but are not intended to finance 2009 operations, and delinquent property taxes whose availability is indeterminate, are recorded as deferred revenue as further described in Note 5.

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

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

E. Budgetary Process

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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

1. Tax Budget

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

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2009.

3. Appropriations

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

3. Appropriations (Continued)

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

4. Lapsing of Appropriations

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

This space intentionally left blank.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

5. Budgetary Basis of Accounting

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

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

	Net Change in Fund Balances		
	General Fund	Income Tax Fund	Community Development Fund
GAAP Basis (as reported)	(\$103,504)	\$6,521	(\$249,336)
Increase (Decrease):			
Accrued Revenues at December 31, 2009 received during 2010	(1,580,639)	(1,256,848)	(23)
Accrued Revenues at December 31, 2008 received during 2009	897,665	1,252,009	355,728
Accrued Expenditures at December 31, 2009 paid during 2010	1,256,746	61,848	122,590
Accrued Expenditures at December 31, 2008 paid during 2009	(1,340,834)	(59,097)	(175,990)
2008 Prepays for 2009	64,922	0	0
2009 Prepays for 2010	(94,141)	0	0
Outstanding Encumbrances	(474,478)	(47,591)	(322,510)
Budget Basis	<u>(\$1,374,263)</u>	<u>(\$43,158)</u>	<u>(\$269,541)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

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 2009. 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, 2009.

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, 2009, 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, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation

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

1. Property, Plant and Equipment - Governmental Activities

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

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

2. Property, Plant and Equipment – Business Type Activities

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

3. Depreciation

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Long-Term Obligations

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

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	Water Fund, Storm Water Fund Tax Increment Financing Fund Debt Service Fund
Special Assessment Bonds	Sewer Fund
OWDA Loan	Water Fund, Sewer Fund, Storm Water Fund
OPWC Loan	Sewer Fund
Capital Leases	Street Department Fund Capital Improvement Fund, Water Fund
Compensated Absences	General Fund Street Department Fund Income Tax Fund 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, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Compensated Absences (Continued)

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

M. Net Assets

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

N. Interfund Activity

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Pensions

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

P. Reservations of Fund Balance

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

Q. Restricted Assets

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

R. Operating Revenues and Expenses

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City and that are either unusual in nature or infrequent in occurrence. The City had no special or extraordinary items to report during 2009.

NOTE 2 - COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Equities – The fund deficits at December 31, 2009 of \$568,409 in the Capital Improvement Fund (capital projects fund) and \$224,653 in the Ice Arena Renovation Fund (special revenue fund) is the result of recording notes payable amounts in the individual fund balance sheets. The fund deficits of \$302,606 in the American Recovery and Reinvestment Act/Housing and Economic Recovery Act (ARRA/HERA) Fund (special revenue fund) and \$2,090 in the Local Public Agency Project Fund (capital projects fund) arise from the recognition of expenditures on the modified accrual basis which are greater than expenditures recognized on the budgetary/cash basis. The General Fund provides transfers when cash is required, not when accruals occur.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 3 – RESTATEMENT OF NET ASSETS/FUND BALANCE

Certain adjustments were made to the Governmental Activities, Business Type Activities and Enterprise Fund net asset beginning balances due to errors in accounting for accreted interest on long term debt and capital assets. This restatement had the following effect on beginning of year net assets/fund balance:

Net Assets	Governmental Activities	Business-Type Activities	Enterprise Funds	Water Fund
Reported December 31, 2008	\$59,201,165	\$25,445,328	\$24,508,751	\$15,565,487
Interest Accretion	0	(4,069,425)	(4,069,425)	(4,069,425)
Capital Assets	(1,244,460)	(453,305)	(453,305)	(453,305)
Restated December 31, 2008	\$57,956,705	\$20,922,598	\$19,986,021	\$11,042,757

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, 2009***

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 \$14,890,923 and the bank balance was \$15,650,394. Federal depository insurance covered \$868,938 of the bank balance and \$14,781,456 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>\$14,781,456</u>
Total Balance	<u><u>\$14,781,456</u></u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

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

B. Investments

The City's investments at December 31, 2009 are summarized below:

	Fair Value	Credit Rating	Investment Maturities (in Years)		
			less than 1	1-3	3-5
Repurchase Agreement	\$1,753,248	N/A	\$1,753,248	\$0	\$0
STAR Ohio	3,777,262	AAAm ¹	3,777,262	0	0
Government Agency MM	1,000,000	AAAm ¹	1,000,000	0	0
Corporate Equities	291,221	N/A	291,221	0	0
Corporate Notes/Bonds	19,734	AAA ^{1,2}	0	0	19,734
FHLB	30,403	AAA ^{1,2}	0	10,091	20,312
FFCB	19,832	AAA ^{1,2}	0	0	19,832
Total Investments	<u>\$6,891,700</u>		<u>\$6,821,731</u>	<u>\$10,091</u>	<u>\$59,878</u>

¹ Standard & Poor's

² Moody's Investor Service

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

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

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

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

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, 2009**

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	\$9,098,995	\$12,683,628
Certificates of Deposit (with maturities of more than 3 months)	11,322,438	(11,322,438)
Investments:		
STAR Ohio	(3,777,262)	3,777,262
Repurchase Agreement	(1,753,248)	1,753,248
Per GASB Statement No. 3	<u>\$14,890,923</u>	<u>\$6,891,700</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 2009 were levied after October 1, 2008 on assessed values as of January 1, 2008, 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 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, 2009***

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, 2009 was \$3.70 per \$1,000 of assessed value. The assessed value upon which the 2009 collections were based was \$789,272,045. This amount constitutes \$766,697,730 in real property assessed value, \$20,809,550 in public utility assessed value and \$1,764,765 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, 2009 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, 2009**

NOTE 7 – INTERFUND ACTIVITY

A. Transfers

Following is a summary of transfers in and out for all funds for 2009:

Fund	Transfer In	Transfer Out
General Fund	\$17,278,424	\$1,566,790
Income Tax Fund	0	17,648,398
Capital Improvement Fund	1,988,372	69,939
Other Governmental Funds	2,103,977	1,147,626
Total Governmental Funds	21,370,773	20,432,753
Water Fund	1,043,974	136,000
Sewer Fund	439,810	1,005,061
Storm Water Fund	0	1,280,743
Total Proprietary Funds	1,483,784	2,421,804
Totals	\$22,854,557	\$22,854,557

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.

Transfers for the year ended December 31, 2009 included \$582,129 transferred from the Storm Water Fund to the Street Fund as reimbursement for work performed by street department employees, a \$272,000 transfer from the Proprietary Funds to the General Fund for central services provided, a \$869,061 transfer from the Sewer Fund to the Water Fund for reimbursement of administrative costs, and a \$611,668 transfer from the General Fund to Capital Improvement Fund which were EMS receipts dedicated to capital improvements. Transfers out of Other Governmental Funds included \$508,486 transferred from the Police and Fire Pension fund to the General Fund for police and fire pension contributions and \$145,808 from the State Highway Fund to the Street Fund for work performed on state highways within the City. The Storm Water fund transferred \$360,000 to the Sewer fund for costs related to the High Rate Treatment System improvement project.

B. Interfund Receivables/Payables

The following is a summary of interfund loans receivable and payable for all funds for 2009:

Fund	Interfund Loans Receivable	Interfund Loans Payable
General Fund	\$424,915	\$0
Other Governmental Funds	0	424,915
Totals	\$424,915	\$424,915

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 8 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2009:

<i>Historical Cost:</i>	Restated December 31, 2008	Additions	Deletions	December 31, 2009
Class				
<i>Capital assets not being depreciated:</i>				
Land	\$16,277,390	\$0	(\$18,320)	\$16,259,070
Construction in Progress	0	1,464,652	0	1,464,652
Sub-Total	<u>16,277,390</u>	<u>1,464,652</u>	<u>(18,320)</u>	<u>17,723,722</u>
<i>Capital assets being depreciated:</i>				
Buildings	18,115,507	0	(120,072)	17,995,435
Improvements Other than Buildings	5,385,345	0	(189,461)	5,195,884
Infrastructure	54,811,587	1,024,319	(259,779)	55,576,127
Machinery and Equipment	14,570,560	1,598,356	(3,160,630)	13,008,286
Total Cost	<u>\$109,160,389</u>	<u>\$4,087,327</u>	<u>(\$3,748,262)</u>	<u>\$109,499,454</u>
<i>Accumulated Depreciation:</i>				
Class	December 31, 2008	Additions	Deletions	December 31, 2009
Buildings	(\$5,033,607)	(\$364,346)	\$62,110	(\$5,335,843)
Improvements Other than Buildings	(3,358,783)	(139,759)	161,094	(3,337,448)
Infrastructure	(29,302,718)	(1,621,544)	241,364	(30,682,898)
Machinery and Equipment	(11,864,402)	(800,101)	2,832,777	(9,831,726)
Total Depreciation	<u>(\$49,559,510)</u>	<u>(\$2,925,750) *</u>	<u>\$3,297,345</u>	<u>(\$49,187,915)</u>
<i>Net Value:</i>	<u>\$59,600,879</u>			<u>\$60,311,539</u>

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$679,770
Leisure Time Activities	57,692
Community Environment	98,049
Public Health and Welfare Services	18,702
Transportation	1,819,099
General Government	252,438
Total Depreciation Expense	<u>\$2,925,750</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 8 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2009:

<i>Historical Cost:</i>	Restated December 31, 2008	Additions	Deletions	December 31, 2009
Class				
<i>Capital assets not being depreciated:</i>				
Land	\$170,500	\$0	(\$8,700)	\$161,800
Construction in Progress	5,523,861	7,327,114	0	12,850,975
Sub-Total	5,694,361	7,327,114	(8,700)	13,012,775
<i>Capital assets being depreciated:</i>				
Buildings and Improvements	28,772,805	0	(74,785)	28,698,020
Infrastructure	12,904,946	107,051	(403,036)	12,608,961
Machinery and Equipment	31,994,228	224,887	(1,726,391)	30,492,724
Total Cost	<u>\$79,366,340</u>	<u>\$7,659,052</u>	<u>(\$2,212,912)</u>	<u>\$84,812,480</u>
 <i>Accumulated Depreciation:</i>				
Class	December 31, 2008	Additions	Deletions	December 31, 2009
Buildings and Improvements	(\$10,857,627)	(\$762,609)	\$60,600	(\$11,559,636)
Infrastructure	(3,712,944)	(194,550)	252,587	(3,654,907)
Machinery and Equipment	(28,479,936)	(1,459,998)	1,494,797	(28,445,137)
Total Depreciation	<u>(\$43,050,507)</u>	<u>(\$2,417,157)</u>	<u>\$1,807,984</u>	<u>(\$43,659,680)</u>
 <i>Net Value:</i>	 <u>\$36,315,833</u>			 <u>\$41,152,800</u>

NOTE 9 – DEFINED BENEFIT PENSION PLANS

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

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

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

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in one of the three pension plans administered by OPERS: the Traditional Pension Plan (TP), the Member-Directed Plan (MD), and the Combined Plan (CO). The TP Plan is a cost-sharing multiple employer defined benefit pension plan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

The MD Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. The CO Plan is a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Under the CO Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP Plan. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

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

The ORC provides statutory authority for employee and employer contributions. For 2009, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 10.0%. The 2009 employer contribution rate for local government employer units was 14.00%, of covered payroll which is the maximum contribution rate set by State statutes. Employer contribution rates are actuarially determined. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for 2009, from January 1 through March 31, 2009 7.0% of annual covered salary was the portion used to fund pension obligations, and from April 1 through December 31, 2009 8.5% of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and the City are established and may be amended by the OPERS Board. The City's required contributions for pension obligations to OPERS for the years ending December 31, 2009, 2008, and 2007 were \$907,495, \$733,231 and \$1,017,653, respectively, which were equal to the required contributions for each year. Contributions to the member-directed plan for 2009 were \$17,782 made by the City and \$12,702 made by the plan members.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for 2009, 12.75% of annual covered salary for police and 17.25% of annual covered salary for firefighters, respectively, were the portions used to fund pension obligations. The City’s contributions for pension obligations to the OP&F Fund for the years ending December 31, 2009, 2008, and 2007 were \$599,294, \$596,102 and \$567,095 for police and \$897,510, \$923,318 and \$913,743 for firefighters, respectively, which were equal to the required contributions for each year.

NOTE 10 - POSTEMPLOYMENT BENEFITS

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 10 - POSTEMPLOYMENT BENEFITS (Continued)

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

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

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

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009, local government employers contributed at a rate of 14.00% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

The OPERS Postemployment Health Care plan was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. For 2009, the employer contribution allocated to the health care plan was 7.0% of covered payroll from January 1 through March 31, 2009 and 5.5% from April 1 through December 31, 2009. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OPERS for the years ending December 31, 2009, 2008, and 2007 were \$651,471, \$733,231 and \$670,033, respectively, which were equal to the required contributions for each year.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 10 - POSTEMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2009, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees’ primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OP&F for the years ending December 31, 2009, 2008, and 2007 were \$317,273, \$315,584 and \$300,227 for police and \$351,200, \$361,298 and \$357,551 for firefighters, respectively, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 11 - NOTES PAYABLE

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

	Balance January 1, 2009	Issued (Retired)	Balance December 31, 2009
Capital Projects Notes Payable:			
3.40% Police and Fire Facilities	\$871,000	(\$871,000)	\$0
1.65% Police and Fire Facilities	0	871,000	871,000
3.50% Ice Rink Renovations	224,000	(224,000)	0
1.25% Ice Rink Renovations	0	224,000	224,000
3.40% Evans Boulevard	550,000	(550,000)	0
1.70% Evans Boulevard	0	550,000	550,000
Total Capital Projects Notes Payable	<u>\$1,645,000</u>	<u>\$0</u>	<u>\$1,645,000</u>

This space intentionally left blank.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

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

Long-term debt and other long-term obligations of the City at December 31, 2009 were as follows:

			Balance December 31, 2008	Additions	Deductions	Balance December 31, 2009	Amount Due Within One Year
Governmental Activities:							
General Obligation Bonds:							
East Main Street							
Improvement Refunding (TIF)	4.0%-4.25%	2028	\$2,505,000	\$0	(\$85,000)	\$2,420,000	\$85,000
East Main Street Bridge	4.50%	2021	1,300,000	0	(100,000)	1,200,000	100,000
Police and Fire Facilities	2.0%-4.75%	2031	9,674,991	0	(305,000)	9,369,991	320,000
Deo Drive Improvement (TIF)	3.75%-4.38%	2027	1,130,000	0	(45,000)	1,085,000	45,000
			14,609,991	0	(535,000)	14,074,991	550,000
Interest Accretion			206,126	56,549	0	262,675	0
Total General Obligation Bonds			14,816,117	56,549	(535,000)	14,337,666	550,000
ODOT State Infrastructure Bank Loan:							
Waterworks Road Improvements	3.00%	2018	0	1,021,359	0	1,021,359	0
Capital Leases			2,904,221	0	(650,458)	2,253,763	603,928
Accrued Pension Liability			1,974,342	0	(41,526)	1,932,816	43,310
Compensated Absences Payable			3,409,376	770,450	(904,947)	3,274,879	2,061,136
Total Governmental Activities			\$23,104,056	\$1,848,358	(\$2,131,931)	\$22,820,483	\$3,258,374

This space intentionally left blank.

CITY OF NEWARK, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

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

			Restated Balance December 31, 2008	Additions	Deductions	Balance December 31, 2009	Amount Due Within One Year
Business-Type Activities:							
General Obligation Bonds:							
Water System Improvement Refunding	3.75%-4.50%	2018	\$7,358,825	\$0	(\$1,435,000)	\$5,923,825	\$825,975
Deferred Loss on Early Retirement of Debt			(433,414)	0	43,342	(390,072)	0
			6,925,411	0	(1,391,658)	5,533,753	825,975
Interest Accretion			4,069,425	516,688	0	4,586,113	0
			10,994,836	516,688	(1,391,658)	10,119,866	825,975
Storm Water Improvement	2.50%-5.50%	2034	0	1,800,000	0	1,800,000	45,000
Total General Obligation Bonds			10,994,836	2,316,688	(1,391,658)	11,919,866	870,975
Special Assessment Bond:							
(with governmental commitment)							
Morgan Manor	4.75%	2015	30,772	0	(5,128)	25,644	5,128
Ohio Water Development:							
Authority Loan (OWDA):							
Sewer Improvements	7.00%	2012	4,016,849	0	(783,056)	3,233,793	842,960
Licking River Interceptor Construction	3.25%	2026	2,318,388	39,564	(24,683)	2,333,269	104,738
Stormwater Utility Planning	3.36%	2028	800,439	0	(44,707)	755,732	0
Wastewater Electrical Improvements	0.61%	2027	2,684,948	20,775	(143,097)	2,562,626	0
Wastewater High Rate Treatment System	4.67%	2013	1,397,981	4,129,734	(3,379,521)	2,148,194	0
CSO Sewer Separation	3.36%	2028	611,876	280,260	(21,481)	870,655	0
Water Plant Generator	3.53%	2030	15,365	768,033	0	783,398	0
Total OWDA Loans			11,845,846	5,238,366	(4,396,545)	12,687,667	947,698
Ohio Public Works:							
Commission Loan (OPWC):							
Licking River Interceptor Construction	0.00%	2026	526,007	0	(28,433)	497,574	28,433
Capital Leases			398,080	5,090	(40,775)	362,395	42,400
Compensated Absences			655,182	216,809	(233,783)	638,208	396,383
Total Business-Type Activities			\$24,450,723	\$7,776,953	(\$6,096,322)	\$26,131,354	\$2,291,017

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

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

The principal amount of the City's special assessment debt outstanding at December 31, 2009, \$25,644, 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, 2009 was \$3,181,874 in principal and interest payments through the year 2035. Only the principal amount of \$1,932,816 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 Deo Drive Improvement bonds were issued in 2008 in the amount of \$1.2 million to provide for improvements to Deo Drive.

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 12 - 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 collection and treatment charges. This project was additionally financed by an Ohio Public Works Commission Loan in the amount of \$568,655 at an interest rate of 0%.

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

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

Wastewater High Rate Treatment System - In 2007 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for installation of a wastewater high rate treatment system. The total amount is subject to change and has not been finalized. The interest rate on the loan is 4.67%, per annum. This loan is payable from wastewater collection and treatment charges and is received by the City in increments as the project is completed. As of December 31, 2009, the City had received \$5,565,216 from OWDA. In 2009, the City received \$3,342,021 of American Recovery and Reinvestment Act monies in the form of OWDA loan forgiveness for the High Rate Treatment System Loan. Subsequent amounts will be received in future years. An estimate of future financing requirements has been made based on the \$2,148,194 loan balance at December 31, 2009.

Combined Sewer Overflow (CSO) Separation - In 2008 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for the combined sewer overflow separation project. The total amount is subject to change and has not been finalized. The interest rate on the loan is 3.36%, per annum. This loan is payable from wastewater collection and treatment charges and is received by the City in increments as the project is completed. As of December 31, 2009, the City had received \$892,136 from OWDA. Subsequent amounts will be received in future years. An estimate of future financing requirements has been made based on the \$870,655 loan balance at December 31, 2009.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

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

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

Water Plant Generator - In 2008 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for installation of a back up power generator at the water plant. The total amount is subject to change and has not been finalized. The interest rate on the loan is 3.53%, per annum. This loan is payable from water charges and is received by the City in increments as the project is completed. As of December 31, 2009, the City had received \$783,398 from OWDA. Subsequent amounts will be received in future years. An estimate of future financing requirements has been made based on the \$783,398 loan balance at December 31, 2009.

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, 2009 follows:

Years	Business-Type Activities			
	General Obligation Bonds		Special Assessment Bond	
	Principal	Interest	Principal	Interest
2010	\$870,975	\$759,731	\$5,128	\$1,218
2011	819,290	805,290	5,128	974
2012	774,934	848,522	5,128	730
2013	731,920	885,410	5,128	488
2014	700,176	926,031	5,132	244
2015-2019	2,521,530	4,099,194	0	0
2020-2024	325,000	319,750	0	0
2025-2029	425,000	225,502	0	0
2030-2034	555,000	94,878	0	0
Totals	<u>\$7,723,825</u>	<u>\$8,964,308</u>	<u>\$25,644</u>	<u>\$3,654</u>
Years	OWDA Loans		OPWC Loan	
	Principal	Interest	Principal	Interest
	Principal	Interest	Principal	Interest
2010	\$947,698	\$301,353	\$28,433	\$0
2011	1,292,918	421,592	28,433	0
2012	1,372,530	347,875	28,433	0
2013	912,725	268,857	28,433	0
2014	417,104	222,598	28,433	0
2015-2019	2,262,533	935,977	142,165	0
2020-2024	2,722,764	611,658	142,165	0
2025-2029	2,759,395	199,866	71,079	0
Totals	<u>\$12,687,667</u>	<u>\$3,309,776</u>	<u>\$497,574</u>	<u>\$0</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

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

B. Future Long-Term Financing Requirements (Continued)

Years	Governmental Activities					
	General Obligation Bonds		Accrued Pension Liability		ODOT SIB Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$550,000	\$616,011	\$43,310	\$81,690	\$0	\$0
2011	575,000	595,223	45,170	79,830	88,923	29,425
2012	590,000	571,861	47,112	77,888	91,628	26,720
2013	610,000	547,899	49,134	75,866	94,415	23,933
2014	625,000	523,135	51,244	73,756	97,286	21,061
2015-2019	2,419,991	3,268,789	291,194	333,806	532,661	59,078
2020-2024	3,610,000	1,659,041	359,338	265,662	116,446	1,901
2025-2029	3,720,000	839,983	443,428	181,572	0	0
2030-2034	1,375,000	98,801	547,196	77,804	0	0
2035	0	0	55,690	1,184	0	0
Totals	<u>\$14,074,991</u>	<u>\$8,720,743</u>	<u>\$1,932,816</u>	<u>\$1,249,058</u>	<u>\$1,021,359</u>	<u>\$162,118</u>

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 \$10,385,000 at December 31, 2009 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In September 2006, the City defeased \$2,405,000 of General Obligation Bonds for East Main Street Improvements dated September 1, 1999 (the "1999 Bonds") through the issuance of \$2,645,000 of East Main Street Improvement Refunding Bonds (the "2006 Bonds"). The net proceeds of the 2006 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$1,980,000 at December 31, 2009 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 13 - CAPITALIZED LEASES

The City leases several assets under capital leases. The original cost of equipment of \$3,231,981, and the related liability reported as Governmental Activities capital leases are reported on the Government – wide Statement of Net Assets. The original cost of equipment of \$458,396 and the related liability reported as Business Type activities capital leases are reported on the Government – wide Statement of Net Assets as well as in the respective funds.

The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 2009:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2010	\$696,443	\$56,302
2011	447,119	56,302
2012	380,726	56,302
2013	242,432	56,302
2014	242,432	56,302
2015 - 2017	<u>560,976</u>	<u>140,755</u>
Minimum Lease Payments	2,570,128	422,265
Less amount representing interest at the City's incremental borrowing rate of interest	<u>(316,365)</u>	<u>(59,870)</u>
Present value of minimum lease payments	<u><u>\$2,253,763</u></u>	<u><u>\$362,395</u></u>

NOTE 14 - INSURANCE AND RISK MANAGEMENT

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

A. Shared Risk Pool

The City of Newark is a participant in the Public Entities Pool of Ohio (the “PEP Pool”). The PEP Pool was established in 1987 and is administered under contract by the American Risk Pooling Company of Ohio (ARPCO) 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 provide Members with broader coverage than is available in the conventional insurance marketplace and provide coverage on a basis that will allow Members to level costs and accurately budget over a long period of time. Members of the Pool may withdraw coverage upon 60 days written notice to ARPCO prior to their renewal date by certified return receipt mail. Each participant makes an annual “contribution” to the Pool for the coverage they are provided based on their exposures and rates established by the Pool using anticipated and actual results of operation for the various coverage’s provided.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 14 - INSURANCE AND RISK MANAGEMENT (Continued)

A. Shared Risk Pool (Continued)

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

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

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

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

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

B. Self Insurance

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 14 - INSURANCE AND RISK MANAGEMENT (Continued)

B. Self Insurance (Continued)

A liability of unpaid claims cost of \$271,096 is based on the requirements of GASB 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Interfund premiums are based primarily upon the insured funds' claims experience.

Changes in the fund's claims liability in 2008 and 2009 were:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year End</u>
2008	\$301,214	\$4,894,301	(\$4,834,579)	\$360,936
2009	360,936	4,510,268	(4,600,108)	271,096

NOTE 15 - 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 16 - CONSTRUCTION COMMITMENTS

The City had the following contractual commitments at December 31, 2009:

<u>Project</u>	<u>Remaining Contractual Commitment</u>	<u>Expected Date of Completion</u>
Waste Water High Rate Treatment System	\$13,882,131	2010
Water Plant Back Up Generator	236,283	2010
Waste Water Biogas Project	496,000	2010
Evans Boulevard	135,149	2010

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Street Department Fund

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

Cemetery Fund

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

Parks and Recreation Fund

To account for the operation and maintenance of public parks and recreational facilities. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Special Improvement District Fund

To account for funds received through a voluntary assessment for improvements to properties located on the downtown square.

Compost Facility Fund

To account for monies collected from composting fees. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Veterans Memorial Sidewalk Fund

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

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

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

Safety Grants Fund

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

Police/Fire Pension Fund

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

(Continued)

Special Revenue Funds

Cemetery Rental Fund

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

State Highway Fund

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

Law Enforcement Fund

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

Court Computerization Fund

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

Ice Arena Renovation Fund

To account for note proceeds and donations used for renovation of the ice arena. (This fund is not part of the City's appropriated budget, therefore no budgetary schedule is presented.)

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. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

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. (The Balance Sheet is not presented because there are no assets or liabilities at year end. In addition, no revenues or expenditures exist on a GAAP basis, therefore no income statement is presented.)

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. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Deo Drive Improvement Fund

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

Local Public Agency Projects (LPA) Fund

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

Court Capital Improvement Fund

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

Tax Increment Financing (TIF) Fund

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

Permanent Fund

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

Cemetery Endowment Fund

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

CITY OF NEWARK, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2009**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Cash and Cash Equivalents	\$ 2,192,924	\$ 8,059	\$ 673,540	\$ 0	\$ 2,874,523
Investments	324,802	0	0	0	324,802
Receivables:					
Taxes	456,155	0	0	0	456,155
Accounts	141,531	0	1,768	0	143,299
Intergovernmental	2,607,762	0	0	0	2,607,762
Interest	135	0	0	0	135
Special Assessments	0	11,562	0	0	11,562
Inventory of Supplies, at Cost	245,926	0	0	0	245,926
Restricted Assets:					
Cash and Cash Equivalents	267,586	0	0	181,557	449,143
Cash and Cash Equivalents with Fiscal Agent	14,392	0	0	18,873	33,265
Investments	0	0	0	443,500	443,500
Investments with Fiscal Agent	128,558	0	0	232,632	361,190
Total Assets	\$ 6,379,771	\$ 19,621	\$ 675,308	\$ 876,562	\$ 7,951,262
Liabilities:					
Accounts Payable	\$ 263,358	\$ 0	\$ 2,090	\$ 0	\$ 265,448
Accrued Wages and Benefits Payable	97,168	0	0	0	97,168
Interfund Loans Payable	424,915	0	0	0	424,915
Deferred Revenue	2,472,756	11,562	0	0	2,484,318
Accrued Interest Payable	653	0	0	0	653
General Obligation Notes Payable	224,000	0	0	0	224,000
Total Liabilities	3,482,850	11,562	2,090	0	3,496,502
Fund Balance:					
Reserved for Encumbrances	854,272	11	32,446	0	886,729
Reserved for Supplies Inventory	245,926	0	0	0	245,926
Reserved for Debt Service	0	8,048	0	0	8,048
Reserved for Endowments	0	0	0	876,562	876,562
Undesignated/Unreserved	1,796,723	0	640,772	0	2,437,495
Total Fund Balance	2,896,921	8,059	673,218	876,562	4,454,760
Total Liabilities and Fund Balance	\$ 6,379,771	\$ 19,621	\$ 675,308	\$ 876,562	\$ 7,951,262

CITY OF NEWARK, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2009**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Taxes	\$ 413,772	\$ 0	\$ 251,214	\$ 0	\$ 664,986
Intergovernmental Revenues	4,302,491	0	0	0	4,302,491
Charges for Services	214,505	0	0	6,545	221,050
Investment Earnings	23,476	0	0	28,426	51,902
Special Assessments	4,949	6,813	0	0	11,762
Fines and Forfeitures	399,513	0	24,915	0	424,428
All Other Revenue	383,244	4,830	62,302	223,079	673,455
Total Revenue	5,741,950	11,643	338,431	258,050	6,350,074
Expenditures:					
Current:					
Security of Persons and Property	502,465	0	0	0	502,465
Community Environment	459,571	0	0	0	459,571
Transportation	4,886,329	0	0	0	4,886,329
General Government	312,986	0	0	0	312,986
Capital Outlay	0	0	1,285,310	0	1,285,310
Debt Service:					
Principal Retirement	0	405,000	130,000	0	535,000
Interest and Fiscal Charges	6,707	493,887	148,122	0	648,716
Total Expenditures	6,168,058	898,887	1,563,432	0	8,630,377
Excess (Deficiency) of Revenues Over (Under) Expenditures	(426,108)	(887,244)	(1,225,001)	258,050	(2,280,303)
Other Financing Sources (Uses):					
Loan Proceeds	0	0	1,021,359	0	1,021,359
Transfers In	901,020	803,064	399,893	0	2,103,977
Transfers Out	(844,144)	(62,744)	(240,738)	0	(1,147,626)
Total Other Financing Sources (Uses)	56,876	740,320	1,180,514	0	1,977,710
Net Change in Fund Balance	(369,232)	(146,924)	(44,487)	258,050	(302,593)
Fund Balance at Beginning of Year	3,335,900	154,983	717,705	618,512	4,827,100
Decrease in Inventory Reserve	(69,747)	0	0	0	(69,747)
Fund Balance End of Year	\$ 2,896,921	\$ 8,059	\$ 673,218	\$ 876,562	\$ 4,454,760

CITY OF NEWARK, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2009**

	Street Department	Cemetery	Special Improvement District	Veterans Memorial Sidewalk
Assets:				
Cash and Cash Equivalents	\$ 10,470	\$ 335,166	\$ 4,805	\$ 19,943
Investments	249,802	0	0	75,000
Receivables:				
Taxes	0	0	0	0
Accounts	4,689	93,136	0	0
Intergovernmental	877,576	0	0	0
Interest	0	22	0	113
Inventory of Supplies, at Cost	245,926	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	0	0	0
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
Investments with Fiscal Agent	0	0	0	0
Total Assets	\$ 1,388,463	\$ 428,324	\$ 4,805	\$ 95,056
Liabilities:				
Accounts Payable	\$ 78,430	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	85,392	0	0	0
Interfund Loans Payable	0	0	0	0
Deferred Revenue	585,051	93,136	0	0
Accrued Interest Payable	0	0	0	0
General Obligation Notes Payable	0	0	0	0
Total Liabilities	748,873	93,136	0	0
Fund Balance:				
Reserved for Encumbrances	167,735	0	0	645
Reserved for Supplies Inventory	245,926	0	0	0
Undesignated/Unreserved	225,929	335,188	4,805	94,411
Total Fund Balance	639,590	335,188	4,805	95,056
Total Liabilities and Fund Balance	\$ 1,388,463	\$ 428,324	\$ 4,805	\$ 95,056

CITY OF NEWARK, OHIO

<u>ARRA/HERA</u>	<u>Safety Grants</u>	<u>Police/Fire Pension</u>	<u>Cemetery Rental</u>	<u>State Highway</u>	<u>Law Enforcement</u>
\$ 0	\$ 0	\$ 44,896	\$ 22,735	\$ 0	\$ 165,059
0	0	0	0	0	0
0	0	456,155	0	0	0
0	0	0	300	0	5,040
359,646	136,187	33,305	0	71,155	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 359,646</u>	<u>\$ 136,187</u>	<u>\$ 534,356</u>	<u>\$ 23,035</u>	<u>\$ 71,155</u>	<u>\$ 170,099</u>
\$ 153,455	\$ 7,053	\$ 0	\$ 0	\$ 0	\$ 4,823
2,242	0	0	0	0	0
302,655	96,130	0	0	0	0
203,900	0	489,460	0	47,437	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>662,252</u>	<u>103,183</u>	<u>489,460</u>	<u>0</u>	<u>47,437</u>	<u>4,823</u>
392,527	8,036	0	0	0	11,154
0	0	0	0	0	0
<u>(695,133)</u>	<u>24,968</u>	<u>44,896</u>	<u>23,035</u>	<u>23,718</u>	<u>154,122</u>
<u>(302,606)</u>	<u>33,004</u>	<u>44,896</u>	<u>23,035</u>	<u>23,718</u>	<u>165,276</u>
<u>\$ 359,646</u>	<u>\$ 136,187</u>	<u>\$ 534,356</u>	<u>\$ 23,035</u>	<u>\$ 71,155</u>	<u>\$ 170,099</u>

(Continued)

CITY OF NEWARK, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2009**

	Court Computerization	Ice Arena Renovation	Permissive License Tax	Probation Grant
Assets:				
Cash and Cash Equivalents	\$ 195,927	\$ 0	\$ 753,852	\$ 54,661
Investments	0	0	0	0
Receivables:				
Taxes	0	0	0	0
Accounts	15,822	0	0	0
Intergovernmental	0	0	299,064	34,350
Interest	0	0	0	0
Inventory of Supplies, at Cost	0	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	0	267,586	0
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
Investments with Fiscal Agent	0	0	0	0
Total Assets	\$ 211,749	\$ 0	\$ 1,320,502	\$ 89,011
Liabilities:				
Accounts Payable	\$ 525	\$ 0	\$ 5,419	\$ 7,728
Accrued Wages and Benefits Payable	3,282	0	0	2,754
Interfund Loans Payable	0	0	0	0
Deferred Revenue	0	0	466,962	0
Accrued Interest Payable	0	653	0	0
General Obligation Notes Payable	0	224,000	0	0
Total Liabilities	3,807	224,653	472,381	10,482
Fund Balance:				
Reserved for Encumbrances	2,945	0	229,094	3,564
Reserved for Supplies Inventory	0	0	0	0
Undesignated/Unreserved	204,997	(224,653)	619,027	74,965
Total Fund Balance	207,942	(224,653)	848,121	78,529
Total Liabilities and Fund Balance	\$ 211,749	\$ 0	\$ 1,320,502	\$ 89,011

CITY OF NEWARK, OHIO

<u>Impound</u>	<u>Federal Transit Administration</u>	<u>FEMA</u>	<u>Mary E. Barnes Trust</u>	<u>Judicial</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 133,795	\$ 0	\$ 8,842	\$ 0	\$ 442,773	\$ 2,192,924
0	0	0	0	0	324,802
0	0	0	0	0	456,155
9,963	531	0	0	12,050	141,531
0	796,479	0	0	0	2,607,762
0	0	0	0	0	135
0	0	0	0	0	245,926
0	0	0	0	0	267,586
0	0	0	14,392	0	14,392
0	0	0	128,558	0	128,558
<u>\$ 143,758</u>	<u>\$ 797,010</u>	<u>\$ 8,842</u>	<u>\$ 142,950</u>	<u>\$ 454,823</u>	<u>\$ 6,379,771</u>
\$ 2,799	\$ 225	\$ 2,901	\$ 0	\$ 0	\$ 263,358
0	3,498	0	0	0	97,168
0	26,130	0	0	0	424,915
0	586,810	0	0	0	2,472,756
0	0	0	0	0	653
0	0	0	0	0	224,000
<u>2,799</u>	<u>616,663</u>	<u>2,901</u>	<u>0</u>	<u>0</u>	<u>3,482,850</u>
18,650	13,968	5,941	0	13	854,272
0	0	0	0	0	245,926
<u>122,309</u>	<u>166,379</u>	<u>0</u>	<u>142,950</u>	<u>454,810</u>	<u>1,796,723</u>
<u>140,959</u>	<u>180,347</u>	<u>5,941</u>	<u>142,950</u>	<u>454,823</u>	<u>2,896,921</u>
<u>\$ 143,758</u>	<u>\$ 797,010</u>	<u>\$ 8,842</u>	<u>\$ 142,950</u>	<u>\$ 454,823</u>	<u>\$ 6,379,771</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, 2009**

	Street Department	Cemetery	Parks and Recreation	Special Improvement District
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	1,866,393	0	0	0
Charges for Services	0	3,300	0	0
Investment Earnings	0	993	0	0
Special Assessments	0	0	0	4,949
Fines and Forfeitures	0	0	0	0
All Other Revenue	341,886	0	0	0
Total Revenue	<u>2,208,279</u>	<u>4,293</u>	<u>0</u>	<u>4,949</u>
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Community Environment	0	0	0	144
Transportation	3,589,033	0	0	0
General Government	0	0	0	0
Debt Service:				
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	<u>3,589,033</u>	<u>0</u>	<u>0</u>	<u>144</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,380,754)	4,293	0	4,805
Other Financing Sources (Uses):				
Transfers In	843,230	0	0	0
Transfers Out	0	(24,150)	(509)	0
Total Other Financing Sources (Uses)	<u>843,230</u>	<u>(24,150)</u>	<u>(509)</u>	<u>0</u>
Net Change in Fund Balance	(537,524)	(19,857)	(509)	4,805
Fund Balance (Deficit) at Beginning of Year	1,246,861	355,045	509	0
Decrease in Inventory Reserve	(69,747)	0	0	0
Fund Balance (Deficit) End of Year	<u>\$ 639,590</u>	<u>\$ 335,188</u>	<u>\$ 0</u>	<u>\$ 4,805</u>

CITY OF NEWARK, OHIO

<u>Compost Facility</u>	<u>Veterans Memorial Sidewalk</u>	<u>ARRA/HERA</u>	<u>Safety Grants</u>	<u>Police/Fire Pension</u>	<u>Cemetery Rental</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 413,772	\$ 0
0	0	236,796	201,367	102,185	0
0	0	0	0	0	3,600
0	1,628	0	24	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	2,450	936	0	0	0
<u>0</u>	<u>4,078</u>	<u>237,732</u>	<u>201,391</u>	<u>515,957</u>	<u>3,600</u>
0	0	80,911	201,700	7,483	0
0	0	459,427	0	0	0
0	0	0	0	0	0
0	8,454	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>8,454</u>	<u>540,338</u>	<u>201,700</u>	<u>7,483</u>	<u>0</u>
0	(4,376)	(302,606)	(309)	508,474	3,600
0	0	0	33,313	0	0
<u>(9,163)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(508,486)</u>	<u>0</u>
<u>(9,163)</u>	<u>0</u>	<u>0</u>	<u>33,313</u>	<u>(508,486)</u>	<u>0</u>
(9,163)	(4,376)	(302,606)	33,004	(12)	3,600
9,163	99,432	0	0	44,908	19,435
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 0</u>	<u>\$ 95,056</u>	<u>\$ (302,606)</u>	<u>\$ 33,004</u>	<u>\$ 44,896</u>	<u>\$ 23,035</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, 2009**

	State Highway	Law Enforcement	Court Computerization	Ice Arena Renovation
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	149,328	31,073	0	0
Charges for Services	0	0	0	0
Investment Earnings	0	0	0	0
Special Assessments	0	0	0	0
Fines and Forfeitures	0	54,963	193,995	0
All Other Revenue	0	0	0	0
Total Revenue	149,328	86,036	193,995	0
Expenditures:				
Current:				
Security of Persons and Property	0	58,846	0	0
Community Environment	0	0	0	0
Transportation	0	0	0	0
General Government	0	0	233,484	0
Debt Service:				
Interest and Fiscal Charges	0	0	0	6,707
Total Expenditures	0	58,846	233,484	6,707
Excess (Deficiency) of Revenues Over (Under) Expenditures	149,328	27,190	(39,489)	(6,707)
Other Financing Sources (Uses):				
Transfers In	0	0	0	7,840
Transfers Out	(145,808)	0	0	0
Total Other Financing Sources (Uses)	(145,808)	0	0	7,840
Net Change in Fund Balance	3,520	27,190	(39,489)	1,133
Fund Balance (Deficit) at Beginning of Year	20,198	138,086	247,431	(225,786)
Decrease in Inventory Reserve	0	0	0	0
Fund Balance (Deficit) End of Year	\$ 23,718	\$ 165,276	\$ 207,942	\$ (224,653)

CITY OF NEWARK, OHIO

<u>Permissive License Tax</u>	<u>Probation Grant</u>	<u>Impound</u>	<u>Federal Transit Administration</u>	<u>Litter Grant</u>	<u>FEMA</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
818,537	109,067	0	694,680	0	93,065
0	0	65,110	142,495	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	31,782	6,190	0	0
<u>818,537</u>	<u>109,067</u>	<u>96,892</u>	<u>843,365</u>	<u>0</u>	<u>93,065</u>
0	106,016	42,841	0	0	0
0	0	0	0	0	0
223,457	0	0	1,073,839	0	0
0	0	0	0	0	2,901
0	0	0	0	0	0
<u>223,457</u>	<u>106,016</u>	<u>42,841</u>	<u>1,073,839</u>	<u>0</u>	<u>2,901</u>
595,080	3,051	54,051	(230,474)	0	90,164
0	16,637	0	0	0	0
0	0	(1,500)	0	(12,936)	(141,592)
0	16,637	(1,500)	0	(12,936)	(141,592)
595,080	19,688	52,551	(230,474)	(12,936)	(51,428)
253,041	58,841	88,408	410,821	12,936	57,369
0	0	0	0	0	0
<u>\$ 848,121</u>	<u>\$ 78,529</u>	<u>\$ 140,959</u>	<u>\$ 180,347</u>	<u>\$ 0</u>	<u>\$ 5,941</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, 2009**

	Mary E. Barnes Trust	Judicial	Total Nonmajor Special Revenue Funds
Revenues:			
Taxes	\$ 0	\$ 0	\$ 413,772
Intergovernmental Revenues	0	0	4,302,491
Charges for Services	0	0	214,505
Investment Earnings	20,831	0	23,476
Special Assessments	0	0	4,949
Fines and Forfeitures	0	150,555	399,513
All Other Revenue	0	0	383,244
Total Revenue	<u>20,831</u>	<u>150,555</u>	<u>5,741,950</u>
Expenditures:			
Current:			
Security of Persons and Property	4,668	0	502,465
Community Environment	0	0	459,571
Transportation	0	0	4,886,329
General Government	0	68,147	312,986
Debt Service:			
Interest and Fiscal Charges	0	0	6,707
Total Expenditures	<u>4,668</u>	<u>68,147</u>	<u>6,168,058</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,163	82,408	(426,108)
Other Financing Sources (Uses):			
Transfers In	0	0	901,020
Transfers Out	0	0	(844,144)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>56,876</u>
Net Change in Fund Balance	16,163	82,408	(369,232)
Fund Balance (Deficit) at Beginning of Year	126,787	372,415	3,335,900
Decrease in Inventory Reserve	0	0	(69,747)
Fund Balance (Deficit) End of Year	<u>\$ 142,950</u>	<u>\$ 454,823</u>	<u>\$ 2,896,921</u>



CITY OF NEWARK, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2009**

	<u>Deo Drive Improvement</u>	<u>LPA Projects</u>	<u>Court Capital Improvement</u>	<u>Tax Increment Financing</u>
Assets:				
Cash and Cash Equivalents	\$ 21,050	\$ 0	\$ 313,708	\$ 338,782
Receivables:				
Accounts	0	0	1,768	0
Total Assets	<u>\$ 21,050</u>	<u>\$ 0</u>	<u>\$ 315,476</u>	<u>\$ 338,782</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 2,090	\$ 0	\$ 0
Total Liabilities	<u>0</u>	<u>2,090</u>	<u>0</u>	<u>0</u>
Fund Balance:				
Reserved for Encumbrances	18,850	13,596	0	0
Undesignated/Unreserved	2,200	(15,686)	315,476	338,782
Total Fund Balance	<u>21,050</u>	<u>(2,090)</u>	<u>315,476</u>	<u>338,782</u>
Total Liabilities and Fund Balance	<u>\$ 21,050</u>	<u>\$ 0</u>	<u>\$ 315,476</u>	<u>\$ 338,782</u>

CITY OF NEWARK, OHIO

Total Nonmajor
Capital Projects
Funds

\$ 673,540

1,768

\$ 675,308

\$ 2,090

2,090

32,446

640,772

673,218

\$ 675,308

CITY OF NEWARK, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2009**

	City Hall Upgrade	Deo Drive Improvement	LPA Projects	Court Capital Improvement
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Fines and Forfeitures	0	0	0	24,915
All Other Revenue	0	0	0	0
Total Revenue	0	0	0	24,915
Expenditures:				
Capital Outlay	0	2,770	1,186,404	17,887
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	0	2,770	1,186,404	17,887
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(2,770)	(1,186,404)	7,028
Other Financing Sources (Uses):				
Loan Proceeds	0	0	1,021,359	0
Transfers In	0	0	162,955	0
Transfers Out	(3,800)	(236,938)	0	0
Total Other Financing Sources (Uses)	(3,800)	(236,938)	1,184,314	0
Net Change in Fund Balance	(3,800)	(239,708)	(2,090)	7,028
Fund Balance at Beginning of Year	3,800	260,758	0	308,448
Fund Balance (Deficit) End of Year	\$ 0	\$ 21,050	\$ (2,090)	\$ 315,476

CITY OF NEWARK, OHIO

<u>Tax Increment Financing</u>	<u>Total Nonmajor Capital Project Funds</u>
\$ 251,214	\$ 251,214
0	24,915
<u>62,302</u>	<u>62,302</u>
<u>313,516</u>	<u>338,431</u>
78,249	1,285,310
130,000	130,000
<u>148,122</u>	<u>148,122</u>
<u>356,371</u>	<u>1,563,432</u>
(42,855)	(1,225,001)
0	1,021,359
236,938	399,893
<u>0</u>	<u>(240,738)</u>
<u>236,938</u>	<u>1,180,514</u>
194,083	(44,487)
<u>144,699</u>	<u>717,705</u>
<u>\$ 338,782</u>	<u>\$ 673,218</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, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 2,743,508	\$ 2,707,813	\$ 2,444,113	\$ (263,700)
Intergovernmental Revenues	3,792,237	3,796,425	3,801,484	5,059
Charges for Services	2,169,438	2,169,438	2,269,194	99,756
Licenses, Permits and Fees	900,550	900,550	745,955	(154,595)
Investment Earnings	416,280	416,280	309,957	(106,323)
Special Assessments	10,500	10,500	27,533	17,033
Fines and Forfeitures	1,655,500	1,655,500	1,717,425	61,925
All Other Revenue	85,672	116,249	257,221	140,972
Total Revenues	<u>11,773,685</u>	<u>11,772,755</u>	<u>11,572,882</u>	<u>(199,873)</u>
Expenditures:				
Security of Persons and Property:				
Police:				
Personal Services	8,745,194	8,728,323	8,365,978	362,345
Materials and Supplies	229,000	221,822	202,863	18,959
Contractual Services	420,500	491,045	452,589	38,456
Other Expenditures	25,691	47,289	46,398	891
Capital Outlay	4,500	7,666	5,250	2,416
Total Police	<u>9,424,885</u>	<u>9,496,145</u>	<u>9,073,078</u>	<u>423,067</u>
Fire:				
Personal Services	8,479,294	8,466,839	7,863,466	603,373
Materials and Supplies	430,064	416,256	323,278	92,978
Contractual Services	779,543	919,354	812,197	107,157
Other Expenditures	7,382	7,382	85	7,297
Capital Outlay	8,615	30,715	23,847	6,868
Total Fire	<u>9,704,898</u>	<u>9,840,546</u>	<u>9,022,873</u>	<u>817,673</u>
Total Security of Persons and Property	<u>19,129,783</u>	<u>19,336,691</u>	<u>18,095,951</u>	<u>1,240,740</u>
Public Health and Welfare Services:				
Solid Waste:				
Contractual Services	458	30,875	30,518	357
Total Public Health and Welfare Services	<u>458</u>	<u>30,875</u>	<u>30,518</u>	<u>357</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, 2009***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Community Environment:				
Code Administration:				
Personal Services	913,809	965,343	943,468	21,875
Materials and Supplies	38,260	23,488	20,353	3,135
Contractual Services	71,521	64,836	56,661	8,175
Other Expenditures	25,250	16,850	15,751	1,099
Capital Outlay	15,925	7,065	4,328	2,737
Total Community Environment	<u>1,064,765</u>	<u>1,077,582</u>	<u>1,040,561</u>	<u>37,021</u>
General Government:				
City Council:				
Personal Services	99,406	99,934	99,116	818
Contractual Services	2,000	150	150	0
Total City Council	<u>101,406</u>	<u>100,084</u>	<u>99,266</u>	<u>818</u>
Clerk of Council:				
Personal Services	58,826	59,325	57,458	1,867
Materials and Supplies	1,200	1,553	1,163	390
Contractual Services	22,047	29,397	28,981	416
Total Clerk of Council	<u>82,073</u>	<u>90,275</u>	<u>87,602</u>	<u>2,673</u>
Mayor:				
Personal Services	167,966	167,966	149,197	18,769
Materials and Supplies	500	556	425	131
Contractual Services	816,038	816,038	815,363	675
Total Mayor	<u>984,504</u>	<u>984,560</u>	<u>964,985</u>	<u>19,575</u>
Auditor:				
Personal Services	418,128	418,128	412,245	5,883
Materials and Supplies	5,000	8,019	7,028	991
Contractual Services	192,440	201,306	140,882	60,424
Total Auditor	<u>615,568</u>	<u>627,453</u>	<u>560,155</u>	<u>67,298</u>
Treasurer:				
Personal Services	116,666	116,666	98,122	18,544
Materials and Supplies	1,910	1,963	1,949	14
Contractual Services	12,629	12,879	12,370	509
Total Treasurer	<u>131,205</u>	<u>131,508</u>	<u>112,441</u>	<u>19,067</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, 2009***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Law Director:				
Personal Services	775,405	775,405	736,068	39,337
Materials and Supplies	5,000	5,230	4,103	1,127
Contractual Services	35,870	53,359	49,809	3,550
Capital Outlay	0	123	0	123
Total Law Director	<u>816,275</u>	<u>834,117</u>	<u>789,980</u>	<u>44,137</u>
Clerk of Courts:				
Personal Services	1,065,668	1,065,669	970,152	95,517
Materials and Supplies	18,000	19,953	19,177	776
Contractual Services	87,952	89,363	78,926	10,437
Other Expenditures	0	164	164	0
Total Clerk of Courts	<u>1,171,620</u>	<u>1,175,149</u>	<u>1,068,419</u>	<u>106,730</u>
Civil Service:				
Contractual Services	<u>48,212</u>	<u>76,080</u>	<u>67,752</u>	<u>8,328</u>
Total Civil Service	48,212	76,080	67,752	8,328
Contingency-Reserve:				
Claims and Judgments	<u>100,000</u>	<u>60,776</u>	<u>0</u>	<u>60,776</u>
Total Contingency-Reserve	100,000	60,776	0	60,776
Judiciary:				
Personal Services	689,500	693,501	645,235	48,266
Materials and Supplies	13,489	16,355	14,020	2,335
Contractual Services	<u>58,857</u>	<u>66,562</u>	<u>61,591</u>	<u>4,971</u>
Total Judiciary	761,846	776,418	720,846	55,572
Personnel:				
Personal Services	166,793	194,105	186,385	7,720
Materials and Supplies	5,161	3,399	2,742	657
Contractual Services	54,448	102,830	89,772	13,058
Other Expenditures	0	11,000	11,000	0
Capital Outlay	<u>2,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Personnel	228,402	311,334	289,899	21,435

(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, 2009***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Adult Probation:				
Personal Services	635,471	636,471	605,685	30,786
Materials and Supplies	18,800	20,185	19,369	816
Contractual Services	38,900	43,761	35,293	8,468
Capital Outlay	4,500	4,851	4,810	41
Total Adult Probation	697,671	705,268	665,157	40,111
Service Department:				
Personal Services	725,843	724,167	680,089	44,078
Materials and Supplies	66,463	90,026	80,447	9,579
Contractual Services	1,554,667	1,651,077	1,442,091	208,986
Other Expenditures	1,000	1,495	1,419	76
Capital Outlay	152,850	152,850	152,849	1
Total Service Department	2,500,823	2,619,615	2,356,895	262,720
Engineer Department:				
Personal Services	451,460	451,409	412,428	38,981
Materials and Supplies	9,900	10,354	6,923	3,431
Contractual Services	42,050	51,009	47,713	3,296
Total Engineer Department	503,410	512,772	467,064	45,708
Information Services:				
Personal Services	77,395	77,396	70,828	6,568
Materials and Supplies	2,172	3,112	2,073	1,039
Contractual Services	36,100	47,970	40,098	7,872
Capital Outlay	32,644	35,500	28,878	6,622
Total Information Services	148,311	163,978	141,877	22,101
Custodial:				
Personal Services	171,143	171,143	157,584	13,559
Materials and Supplies	10,406	14,630	6,999	7,631
Contractual Services	27,050	99,568	84,756	14,812
Total Custodial	208,599	285,341	249,339	36,002

(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, 2009***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Economic Development:				
Personal Services	104,398	104,845	100,559	4,286
Materials and Supplies	701	1,990	1,990	0
Contractual Services	42,461	41,241	40,775	466
Other Expenditures	25	0	0	0
Capital Outlay	0	887	887	0
Total Economic Development	<u>147,585</u>	<u>148,963</u>	<u>144,211</u>	<u>4,752</u>
Safety Director:				
Personal Services	153,411	156,807	156,764	43
Materials and Supplies	2,075	1,402	690	712
Contractual Services	106,728	110,932	108,050	2,882
Other Expenditures	10,000	15,534	15,442	92
Capital Outlay	0	99	0	99
Total Safety Director	<u>272,214</u>	<u>284,774</u>	<u>280,946</u>	<u>3,828</u>
Total General Government	<u>9,519,724</u>	<u>9,888,465</u>	<u>9,066,834</u>	<u>821,631</u>
Total Expenditures	<u>29,714,730</u>	<u>30,333,613</u>	<u>28,233,864</u>	<u>2,099,749</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,941,045)	(18,560,858)	(16,660,982)	1,899,876
Other Financing Sources (Uses):				
Transfers In	38,256,383	38,350,986	36,632,205	(1,718,781)
Transfers Out	(22,136,468)	(22,423,915)	(20,920,571)	1,503,344
Advances Out	0	(424,915)	(424,915)	0
Total Other Financing Sources (Uses)	<u>16,119,915</u>	<u>15,502,156</u>	<u>15,286,719</u>	<u>(215,437)</u>
Net Change in Fund Balance	(1,821,130)	(3,058,702)	(1,374,263)	1,684,439
Fund Balance at Beginning of Year	2,879,076	2,879,076	2,879,076	0
Prior Year Encumbrances	494,161	494,161	494,161	0
Fund Balance at End of Year	<u>\$ 1,552,107</u>	<u>\$ 314,535</u>	<u>\$ 1,998,974</u>	<u>\$ 1,684,439</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, 2009**

INCOME TAX FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 20,000,000	\$ 19,650,000	\$ 18,879,844	\$ (770,156)
Charges for Services	7,425	7,425	7,702	277
Investment Earnings	0	0	469	469
All Other Revenue	0	0	12,649	12,649
Total Revenues	<u>20,007,425</u>	<u>19,657,425</u>	<u>18,900,664</u>	<u>(756,761)</u>
Expenditures:				
General Government:				
Personal Services	751,059	751,060	686,504	64,556
Materials and Supplies	30,650	51,664	47,883	3,781
Contractual Services	154,045	166,884	89,192	77,692
Other Expenditures	375,000	575,000	456,894	118,106
Capital Outlay	34,000	48,644	14,951	33,693
Total Expenditures	<u>1,344,754</u>	<u>1,593,252</u>	<u>1,295,424</u>	<u>297,828</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	18,662,671	18,064,173	17,605,240	(458,933)
Other Financing Sources (Uses):				
Transfers Out	<u>(18,609,030)</u>	<u>(18,059,030)</u>	<u>(17,648,398)</u>	<u>410,632</u>
Total Other Financing Sources (Uses)	<u>(18,609,030)</u>	<u>(18,059,030)</u>	<u>(17,648,398)</u>	<u>410,632</u>
Net Change in Fund Balance	53,641	5,143	(43,158)	(48,301)
Fund Balance at Beginning of Year	2,480	2,480	2,480	0
Prior Year Encumbrances	40,678	40,678	40,678	0
Fund Balance at End of Year	<u>\$ 96,799</u>	<u>\$ 48,301</u>	<u>\$ 0</u>	<u>\$ (48,301)</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, 2009**

COMMUNITY DEVELOPMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 2,285,662	\$ 2,892,602	\$ 1,636,303	\$ (1,256,299)
Investment Earnings	22,000	22,000	1,026	(20,974)
All Other Revenue	229,193	328,673	162,930	(165,743)
Total Revenues	<u>2,536,855</u>	<u>3,243,275</u>	<u>1,800,259</u>	<u>(1,443,016)</u>
Expenditures:				
Community Environment:				
Personal Services	578,315	588,121	543,096	45,025
Materials and Supplies	4,300	10,222	7,068	3,154
Contractual Services	2,249,868	2,590,851	1,418,513	1,172,338
Other Expenditures	39,000	58,588	38,688	19,900
Capital Outlay	0	93,120	62,435	30,685
Total Expenditures	<u>2,871,483</u>	<u>3,340,902</u>	<u>2,069,800</u>	<u>1,271,102</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(334,628)	(97,627)	(269,541)	(171,914)
Fund Balance at Beginning of Year	(260,487)	(260,487)	(260,487)	0
Prior Year Encumbrances	382,938	382,938	382,938	0
Fund Balance at End of Year	<u>\$ (212,177)</u>	<u>\$ 24,824</u>	<u>\$ (147,090)</u>	<u>\$ (171,914)</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, 2009***

CAPITAL IMPROVEMENT FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 0	\$ 113,896	\$ 113,896
Investment Earnings	11,200	11,458	258
All Other Revenue	0	11,239	11,239
Total Revenues	<u>11,200</u>	<u>136,593</u>	<u>125,393</u>
Expenditures:			
Capital Outlay	<u>3,473,761</u>	<u>3,264,198</u>	<u>209,563</u>
Total Expenditures	<u>3,473,761</u>	<u>3,264,198</u>	<u>209,563</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,462,561)	(3,127,605)	334,956
Other Financing Sources (Uses):			
Transfers In	2,472,608	1,851,075	(621,533)
Transfers Out	<u>(222,400)</u>	<u>(69,939)</u>	<u>152,461</u>
Total Other Financing Sources (Uses)	<u>2,250,208</u>	<u>1,781,136</u>	<u>(469,072)</u>
Net Change in Fund Balance	(1,212,353)	(1,346,469)	(134,116)
Fund Balance at Beginning of Year	761,286	761,286	0
Prior Year Encumbrances	1,164,586	1,164,586	0
Fund Balance at End of Year	<u>\$ 713,519</u>	<u>\$ 579,403</u>	<u>\$ (134,116)</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, 2009***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
STREET DEPARTMENT FUND			
Revenues:			
Intergovernmental Revenues	\$ 2,010,306	\$ 1,868,421	\$ (141,885)
All Other Revenue	365,960	337,197	(28,763)
Total Revenues	<u>2,376,266</u>	<u>2,205,618</u>	<u>(170,648)</u>
Expenditures:			
Transportation:			
Personal Services	1,932,947	1,805,771	127,176
Materials and Supplies	595,459	546,306	49,153
Contractual Services	1,164,867	1,137,801	27,066
Other Expenditures	1,490	1,490	0
Capital Outlay	1,051	1,051	0
Total Expenditures	<u>3,695,814</u>	<u>3,492,419</u>	<u>203,395</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,319,548)	(1,286,801)	32,747
Other Financing Sources (Uses):			
Transfers In	878,793	843,230	(35,563)
Total Other Financing Sources (Uses)	<u>878,793</u>	<u>843,230</u>	<u>(35,563)</u>
Net Change in Fund Balance	(440,755)	(443,571)	(2,816)
Fund Balance at Beginning of Year	123,400	123,400	0
Prior Year Encumbrances	334,275	334,275	0
Fund Balance at End of Year	<u>\$ 16,920</u>	<u>\$ 14,104</u>	<u>\$ (2,816)</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, 2009***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
CEMETERY FUND			
Revenues:			
Charges for Services	\$ 0	\$ 3,355	\$ 3,355
Investment Earnings	9,400	1,421	(7,979)
Total Revenues	9,400	4,776	(4,624)
Expenditures:			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,400	4,776	(4,624)
Other Financing Sources (Uses):			
Transfers Out	(24,150)	(24,150)	0
Total Other Financing Sources (Uses)	(24,150)	(24,150)	0
Net Change in Fund Balance	(14,750)	(19,374)	(4,624)
Fund Balance at Beginning of Year	354,540	354,540	0
Fund Balance at End of Year	\$ 339,790	\$ 335,166	\$ (4,624)

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, 2009**

	<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:			
Parks and Recreation:			
Contractual Services	<u>511</u>	<u>0</u>	<u>511</u>
Total Expenditures	<u>511</u>	<u>0</u>	<u>511</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(511)	0	511
Other Financing Sources (Uses):			
Transfers Out	<u>(509)</u>	<u>(509)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(509)</u>	<u>(509)</u>	<u>0</u>
Net Change in Fund Balance	(1,020)	(509)	511
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances	<u>509</u>	<u>509</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (511)</u>	<u>\$ 0</u>	<u>\$ 511</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, 2009***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments	<u>\$ 6,000</u>	<u>\$ 4,949</u>	<u>\$ (1,051)</u>
Total Revenues	<u>6,000</u>	<u>4,949</u>	<u>(1,051)</u>
Expenditures:			
Community Environment:			
Contractual Services	<u>200</u>	<u>144</u>	<u>56</u>
Total Expenditures	<u>200</u>	<u>144</u>	<u>56</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,800	4,805	(995)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 5,800</u>	<u>\$ 4,805</u>	<u>\$ (995)</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, 2009***

	<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
Other Financing Sources (Uses):			
Transfers Out	<u>(9,163)</u>	<u>(9,163)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(9,163)</u>	<u>(9,163)</u>	<u>0</u>
Net Change in Fund Balance	(9,163)	(9,163)	0
Fund Balance at Beginning of Year	<u>9,163</u>	<u>9,163</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, 2009***

VETERANS MEMORIAL SIDEWALK FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 2,100	\$ 1,736	\$ (364)
All Other Revenue	<u>1,800</u>	<u>2,450</u>	<u>650</u>
Total Revenues	<u>3,900</u>	<u>4,186</u>	<u>286</u>
Expenditures:			
General Government:			
Contractual Services	<u>11,176</u>	<u>9,099</u>	<u>2,077</u>
Total Expenditures	<u>11,176</u>	<u>9,099</u>	<u>2,077</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,276)	(4,913)	2,363
Fund Balance at Beginning of Year	98,085	98,085	0
Prior Year Encumbrances	<u>1,126</u>	<u>1,126</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 91,935</u>	<u>\$ 94,298</u>	<u>\$ 2,363</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, 2009***

ARRA/HERA FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 2,240,636	\$ 81,050	\$ (2,159,586)
All Other Revenue	0	936	936
Total Revenues	<u>2,240,636</u>	<u>81,986</u>	<u>(2,158,650)</u>
Expenditures:			
Security of Persons and Property:			
Justice Assistance Grant:			
Materials and Supplies	40,000	40,000	0
Contractual Services	41,050	41,050	0
Total Security of Persons and Property	<u>81,050</u>	<u>81,050</u>	<u>0</u>
Community Environment:			
Community Development Block Grant:			
Contractual Services	226,355	203,719	22,636
Total Community Development Block Grant	<u>226,355</u>	<u>203,719</u>	<u>22,636</u>
Energy Efficiency and Conservation Grant:			
Contractual Services	203,900	203,900	0
Total Energy Efficiency and Conservation Grant	<u>203,900</u>	<u>203,900</u>	<u>0</u>
Neighborhood Stabilization Program:			
Personal Services	9,030	8,862	168
Contractual Services	626,604	212,321	414,283
Capital Outlay	222,950	220,770	2,180
Total Neighborhood Stabilization Program	<u>858,584</u>	<u>441,953</u>	<u>416,631</u>
Total Community Environment	<u>1,288,839</u>	<u>849,572</u>	<u>439,267</u>
Transportation:			
Federal Transit Authority:			
Contractual Services	870,747	0	870,747
Total Transportation	<u>870,747</u>	<u>0</u>	<u>870,747</u>
Total Expenditures	<u>2,240,636</u>	<u>930,622</u>	<u>1,310,014</u>

(Continued)

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009***

	ARRA/HERA FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u></u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	0	(848,636)	(848,636)
Other Financing Sources (Uses):			
Advances In	<u>302,655</u>	<u>302,655</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>302,655</u>	<u>302,655</u>	<u>0</u>
Net Change in Fund Balance	302,655	(545,981)	(848,636)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 302,655</u>	<u>\$ (545,981)</u>	<u>\$ (848,636)</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, 2009***

	SAFETY GRANTS FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	
Revenues:			
Intergovernmental Revenues	\$ 320,320	\$ 65,180	\$ (255,140)
Investment Earnings	<u>0</u>	<u>24</u>	<u>24</u>
Total Revenues	<u>320,320</u>	<u>65,204</u>	<u>(255,116)</u>
Expenditures:			
Security of Persons and Property:			
Personal Services	35,831	31,043	4,788
Materials and Supplies	4,000	0	4,000
Contractual Services	123,376	13,342	110,034
Capital Outlay	<u>190,395</u>	<u>165,352</u>	<u>25,043</u>
Total Expenditures	<u>353,602</u>	<u>209,737</u>	<u>143,865</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(33,282)	(144,533)	(111,251)
Other Financing Sources (Uses):			
Transfers In	33,313	33,313	0
Advances In	<u>96,130</u>	<u>96,130</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>129,443</u>	<u>129,443</u>	<u>0</u>
Net Change in Fund Balance	96,161	(15,090)	(111,251)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 96,161</u>	<u>\$ (15,090)</u>	<u>\$ (111,251)</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, 2009***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 461,226	\$ 413,772	\$ (47,454)
Intergovernmental Revenues	<u>107,754</u>	<u>102,185</u>	<u>(5,569)</u>
Total Revenues	<u>568,980</u>	<u>515,957</u>	<u>(53,023)</u>
Expenditures:			
Security of Persons and Property			
Contractual Services	<u>7,826</u>	<u>7,483</u>	<u>343</u>
Total Expenditures	<u>7,826</u>	<u>7,483</u>	<u>343</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	561,154	508,474	(52,680)
Other Financing Sources (Uses):			
Transfers Out	<u>(508,486)</u>	<u>(508,486)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(508,486)</u>	<u>(508,486)</u>	<u>0</u>
Net Change in Fund Balance	52,668	(12)	(52,680)
Fund Balance at Beginning of Year	<u>44,908</u>	<u>44,908</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 97,576</u>	<u>\$ 44,896</u>	<u>\$ (52,680)</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, 2009**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 3,600	\$ 3,600	\$ 0
Total Revenues	<u>3,600</u>	<u>3,600</u>	<u>0</u>
Expenditures:			
General Government:			
Contractual Services	<u>3,600</u>	<u>0</u>	<u>3,600</u>
Total Expenditures	<u>3,600</u>	<u>0</u>	<u>3,600</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	3,600	3,600
Fund Balance at Beginning of Year	<u>19,135</u>	<u>19,135</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 19,135</u>	<u>\$ 22,735</u>	<u>\$ 3,600</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 162,592	\$ 145,808	\$ (16,784)
Total Revenues	<u>162,592</u>	<u>145,808</u>	<u>(16,784)</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	162,592	145,808	(16,784)
Other Financing Sources (Uses):			
Transfers Out	<u>(162,592)</u>	<u>(145,808)</u>	<u>16,784</u>
Total Other Financing Sources (Uses)	<u>(162,592)</u>	<u>(145,808)</u>	<u>16,784</u>
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF NEWARK, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
LAW ENFORCEMENT FUND			
Revenues:			
Intergovernmental Revenues	\$ 41,000	\$ 31,073	\$ (9,927)
Fines and Forfeitures	232,450	51,668	(180,782)
Total Revenues	273,450	82,741	(190,709)
Expenditures:			
Security of Persons and Property:			
Contractual Services	83,457	70,000	13,457
Total Expenditures	83,457	70,000	13,457
Excess (Deficiency) of Revenues Over (Under) Expenditures	189,993	12,741	(177,252)
Fund Balance at Beginning of Year	122,884	122,884	0
Prior Year Encumbrances	13,457	13,457	0
Fund Balance at End of Year	\$ 326,334	\$ 149,082	\$ (177,252)

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, 2009***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 167,850	\$ 191,047	\$ 23,197
Total Revenues	<u>167,850</u>	<u>191,047</u>	<u>23,197</u>
Expenditures:			
General Government:			
Personal Services	71,229	68,626	2,603
Materials and Supplies	13,171	6,496	6,675
Contractual Services	67,989	42,609	25,380
Capital Outlay	<u>136,258</u>	<u>126,263</u>	<u>9,995</u>
Total Expenditures	<u>288,647</u>	<u>243,994</u>	<u>44,653</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(120,797)	(52,947)	67,850
Fund Balance at Beginning of Year	167,876	167,876	0
Prior Year Encumbrances	<u>77,528</u>	<u>77,528</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 124,607</u>	<u>\$ 192,457</u>	<u>\$ 67,850</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, 2009***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 800,000	\$ 785,584	\$ (14,416)
Total Revenues	<u>800,000</u>	<u>785,584</u>	<u>(14,416)</u>
Expenditures:			
Transportation:			
Contractual Services	391,541	391,541	0
Capital Outlay	<u>142,410</u>	<u>142,410</u>	<u>0</u>
Total Expenditures	<u>533,951</u>	<u>533,951</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	266,049	251,633	(14,416)
Fund Balance at Beginning of Year	108,755	108,755	0
Prior Year Encumbrances	<u>158,951</u>	<u>158,951</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 533,755</u>	<u>\$ 519,339</u>	<u>\$ (14,416)</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, 2009***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
PROBATION GRANT FUND			
Revenues:			
Intergovernmental Revenues	\$ 80,734	\$ 94,901	\$ 14,167
Total Revenues	<u>80,734</u>	<u>94,901</u>	<u>14,167</u>
Expenditures:			
Security of Persons and Property:			
Personal Services	65,722	58,608	7,114
Materials and Supplies	13,026	12,974	52
Contractual Services	36,741	36,740	1
Other Expenditures	1,479	0	1,479
Capital Outlay	1,000	1,000	0
Total Expenditures	<u>117,968</u>	<u>109,322</u>	<u>8,646</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(37,234)	(14,421)	22,813
Other Financing Sources (Uses):			
Transfers In	16,637	16,637	0
Total Other Financing Sources (Uses)	<u>16,637</u>	<u>16,637</u>	<u>0</u>
Net Change in Fund Balance	(20,597)	2,216	22,813
Fund Balance at Beginning of Year	32,720	32,720	0
Prior Year Encumbrances	8,433	8,433	0
Fund Balance at End of Year	<u>\$ 20,556</u>	<u>\$ 43,369</u>	<u>\$ 22,813</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, 2009***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
IMPOUND FUND			
Revenues:			
Charges for Services	\$ 80,000	\$ 57,193	\$ (22,807)
All Other Revenue	30,000	31,782	1,782
Total Revenues	110,000	88,975	(21,025)
Expenditures:			
Security of Persons and Property:			
Materials and Supplies	3,929	1,400	2,529
Contractual Services	74,254	60,641	13,613
Total Expenditures	78,183	62,041	16,142
Excess (Deficiency) of Revenues Over (Under) Expenditures	31,817	26,934	(4,883)
Other Financing Sources (Uses):			
Transfers Out	(1,500)	(1,500)	0
Total Other Financing Sources (Uses)	(1,500)	(1,500)	0
Net Change in Fund Balance	30,317	25,434	(4,883)
Fund Balance at Beginning of Year	76,929	76,929	0
Prior Year Encumbrances	9,983	9,983	0
Fund Balance at End of Year	\$ 117,229	\$ 112,346	\$ (4,883)

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, 2009***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 3,273,421	\$ 887,253	\$ (2,386,168)
Charges for Services	400,000	173,110	(226,890)
All Other Revenue	12,000	6,204	(5,796)
Total Revenues	<u>3,685,421</u>	<u>1,066,567</u>	<u>(2,618,854)</u>
Expenditures:			
Transportation:			
Personal Services	87,369	86,848	521
Materials and Supplies	278,109	54,959	223,150
Contractual Services	822,905	760,200	62,705
Other Expenditures	1,147	177	970
Capital Outlay	356,292	331,264	25,028
Total Expenditures	<u>1,545,822</u>	<u>1,233,448</u>	<u>312,374</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,139,599	(166,881)	(2,306,480)
Other Financing Sources (Uses):			
Advances In	26,130	26,130	0
Total Other Financing Sources (Uses)	<u>26,130</u>	<u>26,130</u>	<u>0</u>
Net Change in Fund Balance	2,165,729	(140,751)	(2,306,480)
Fund Balance at Beginning of Year	(77,915)	(77,915)	0
Prior Year Encumbrances	204,474	204,474	0
Fund Balance at End of Year	<u>\$ 2,292,288</u>	<u>\$ (14,192)</u>	<u>\$ (2,306,480)</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, 2009***

	LITTER GRANT FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u></u>
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Other Financing Sources (Uses):			
Transfers Out	<u>(12,939)</u>	<u>(12,936)</u>	<u>3</u>
Total Other Financing Sources (Uses)	<u>(12,939)</u>	<u>(12,936)</u>	<u>3</u>
Net Change in Fund Balance	(12,939)	(12,936)	3
Fund Balance at Beginning of Year	<u>12,936</u>	<u>12,936</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (3)</u>	<u>\$ 0</u>	<u>\$ 3</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, 2009***

	FEMA FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	
Revenues:			
Intergovernmental Revenues	<u>\$ 93,065</u>	<u>\$ 93,065</u>	<u>\$ 0</u>
Total Revenues	<u>93,065</u>	<u>93,065</u>	<u>0</u>
Expenditures:			
General Government:			
Contractual Services	<u>8,842</u>	<u>8,842</u>	<u>0</u>
Total Expenditures	<u>8,842</u>	<u>8,842</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	84,223	84,223	0
Other Financing Sources (Uses):			
Transfers Out	<u>(141,592)</u>	<u>(141,592)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(141,592)</u>	<u>(141,592)</u>	<u>0</u>
Net Change in Fund Balance	(57,369)	(57,369)	0
Fund Balance at Beginning of Year	48,527	48,527	0
Prior Year Encumbrances	<u>8,842</u>	<u>8,842</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, 2009***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 118,857	\$ 0	\$ (118,857)
Total Revenues	<u>118,857</u>	<u>0</u>	<u>(118,857)</u>
Expenditures:			
Public Health and Welfare Services:			
Contractual Services	<u>121,857</u>	<u>3,000</u>	<u>118,857</u>
Total Expenditures	<u>121,857</u>	<u>3,000</u>	<u>118,857</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,000)	(3,000)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances	<u>3,000</u>	<u>3,000</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, 2009***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
JUDICIAL FUND			
Revenues:			
Fines and Forfeitures	\$ 98,100	\$ 146,025	\$ 47,925
Total Revenues	<u>98,100</u>	<u>146,025</u>	<u>47,925</u>
Expenditures:			
General Government:			
Personal Services	10,000	2,502	7,498
Contractual Services	50,000	300	49,700
Capital Outlay	<u>72,051</u>	<u>66,170</u>	<u>5,881</u>
Total Expenditures	<u>132,051</u>	<u>68,972</u>	<u>63,079</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(33,951)	77,053	111,004
Fund Balance at Beginning of Year	363,656	363,656	0
Prior Year Encumbrances	<u>2,051</u>	<u>2,051</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 331,756</u>	<u>\$ 442,760</u>	<u>\$ 111,004</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, 2009**

	DEBT SERVICE FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Special Assessments	\$ 0	\$ 6,813	\$ 6,813
All Other Revenue	0	4,830	4,830
Total Revenues	0	11,643	11,643
Expenditures:			
General Government:			
Contractual Services	1,000	0	1,000
Debt Service:			
Principal Retirement	2,055,128	2,055,128	0
Interest and Fiscal Charges	556,451	551,514	4,937
Total Expenditures	2,612,579	2,606,642	5,937
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,612,579)	(2,594,999)	17,580
Other Financing Sources (Uses):			
General Obligation Notes Issued	2,640,369	1,645,000	(995,369)
Transfers In	460,965	803,064	342,099
Total Other Financing Sources (Uses)	3,101,334	2,448,064	(653,270)
Net Change in Fund Balance	488,755	(146,935)	(635,690)
Fund Balance at Beginning of Year	154,983	154,983	0
Fund Balance at End of Year	\$ 643,738	\$ 8,048	\$ (635,690)

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, 2009***

	<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
Other Financing Sources (Uses):			
Transfers Out	<u>(3,800)</u>	<u>(3,800)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(3,800)</u>	<u>(3,800)</u>	<u>0</u>
Net Change in Fund Balance	(3,800)	(3,800)	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>\$ 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, 2009***

	<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>23,821</u>	<u>21,620</u>	<u>2,201</u>
Total Expenditures	<u>23,821</u>	<u>21,620</u>	<u>2,201</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,821)	(21,620)	2,201
Other Financing Sources (Uses):			
Transfers Out	<u>(236,938)</u>	<u>(236,938)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(236,938)</u>	<u>(236,938)</u>	<u>0</u>
Net Change in Fund Balance	(260,759)	(258,558)	2,201
Fund Balance at Beginning of Year	236,937	236,937	0
Prior Year Encumbrances	<u>23,821</u>	<u>23,821</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (1)</u>	<u>\$ 2,200</u>	<u>\$ 2,201</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, 2009**

	<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>1,200,000</u>	<u>1,200,000</u>	<u>0</u>
Total Expenditures	<u>1,200,000</u>	<u>1,200,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,200,000)	(1,200,000)	0
Other Financing Sources (Uses):			
Loan Proceeds	1,200,000	1,021,359	(178,641)
Transfers In	<u>0</u>	<u>162,955</u>	<u>162,955</u>
Total Other Financing Sources (Uses)	<u>1,200,000</u>	<u>1,184,314</u>	<u>(15,686)</u>
Net Change in Fund Balance	0	(15,686)	(15,686)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ (15,686)</u>	<u>\$ (15,686)</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, 2009***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	<u>\$ 30,000</u>	<u>\$ 25,446</u>	<u>\$ (4,554)</u>
Total Revenues	<u>30,000</u>	<u>25,446</u>	<u>(4,554)</u>
Expenditures:			
Capital Outlay	<u>86,782</u>	<u>31,224</u>	<u>55,558</u>
Total Expenditures	<u>86,782</u>	<u>31,224</u>	<u>55,558</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(56,782)	(5,778)	51,004
Fund Balance at Beginning of Year	282,704	282,704	0
Prior Year Encumbrances	<u>36,782</u>	<u>36,782</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 262,704</u>	<u>\$ 313,708</u>	<u>\$ 51,004</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, 2009***

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Taxes	\$ 286,618	\$ 251,214	\$ (35,404)
All Other Revenue	50,000	62,302	12,302
Total Revenues	<u>336,618</u>	<u>313,516</u>	<u>(23,102)</u>
Expenditures:			
Capital Outlay	99,799	78,249	21,550
Debt Service:			
Principal Retirement	130,000	130,000	0
Interest and Fiscal Charges	148,122	148,122	0
Total Expenditures	<u>377,921</u>	<u>356,371</u>	<u>21,550</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(41,303)	(42,855)	(1,552)
Other Financing Sources (Uses):			
Transfers In	<u>286,938</u>	<u>236,938</u>	<u>(50,000)</u>
Total Other Financing Sources (Uses)	<u>286,938</u>	<u>236,938</u>	<u>(50,000)</u>
Net Change in Fund Balance	245,635	194,083	(51,552)
Fund Balance at Beginning of Year	<u>144,699</u>	<u>144,699</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 390,334</u>	<u>\$ 338,782</u>	<u>\$ (51,552)</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, 2009**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 3,750	\$ 6,545	\$ 2,795
Total Revenues	<u>3,750</u>	<u>6,545</u>	<u>2,795</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,750	6,545	2,795
Fund Balance at Beginning of Year	<u>618,512</u>	<u>618,512</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 622,262</u>	<u>\$ 625,057</u>	<u>\$ 2,795</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, 2009**

	<u>Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 2,700,285	\$ 1,585,082	\$ 4,285,367
Receivables:			
Accounts	1,691	0	1,691
Interest	231	0	231
Total Current Assets	<u>2,702,207</u>	<u>1,585,082</u>	<u>4,287,289</u>
Total Assets	<u>2,702,207</u>	<u>1,585,082</u>	<u>4,287,289</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable	5,603	0	5,603
Accrued Wages and Benefits	0	516,272	516,272
Claims Payable	271,096	0	271,096
Total Current Liabilities	<u>276,699</u>	<u>516,272</u>	<u>792,971</u>
Total Liabilities	<u>276,699</u>	<u>516,272</u>	<u>792,971</u>
NET ASSETS:			
Unrestricted	<u>2,425,508</u>	<u>1,068,810</u>	<u>3,494,318</u>
Total Net Assets	<u>\$ 2,425,508</u>	<u>\$ 1,068,810</u>	<u>\$ 3,494,318</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, 2009**

	<u>Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
Operating Revenues:			
Charges for Services	\$ 4,391,578	\$ 452,806	\$ 4,844,384
Other Operating Revenue	0	9,940	9,940
Total Operating Revenues	<u>4,391,578</u>	<u>462,746</u>	<u>4,854,324</u>
Operating Expenses:			
Personal Services	4,781,812	619,504	5,401,316
Contractual Services	0	10,122	10,122
Total Operating Expenses	<u>4,781,812</u>	<u>629,626</u>	<u>5,411,438</u>
Operating Loss	(390,234)	(166,880)	(557,114)
Nonoperating Revenue (Expenses):			
Investment Earnings	7,100	0	7,100
Total Nonoperating Revenues (Expenses)	<u>7,100</u>	<u>0</u>	<u>7,100</u>
Change in Net Assets	(383,134)	(166,880)	(550,014)
Net Assets Beginning of Year	2,808,642	1,235,690	4,044,332
Net Assets End of Year	<u>\$ 2,425,508</u>	<u>\$ 1,068,810</u>	<u>\$ 3,494,318</u>

CITY OF NEWARK, OHIO

**Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2009**

	<u>Insurance</u>	<u>Workers' Compensation</u>	<u>Totals</u>
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$4,391,372	\$462,746	\$4,854,118
Cash Payments for Goods and Services	0	(10,122)	(10,122)
Cash Payments for Employees	(4,510,268)	(585,195)	(5,095,463)
Net Used by Operating Activities	<u>(118,896)</u>	<u>(132,571)</u>	<u>(251,467)</u>
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	9,429	0	9,429
Net Cash Provided by Investing Activities	<u>9,429</u>	<u>0</u>	<u>9,429</u>
Net Decrease in Cash and Cash Equivalents	(109,467)	(132,571)	(242,038)
Cash and Cash Equivalents at Beginning of Year	2,809,752	1,717,653	4,527,405
Cash and Cash Equivalents at End of Year	<u>\$2,700,285</u>	<u>\$1,585,082</u>	<u>\$4,285,367</u>
<u>Reconciliation of Operating Loss to Net Cash Used by Operating Activities:</u>			
Operating Loss	(\$390,234)	(\$166,880)	(\$557,114)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities			
Changes in Assets and Liabilities:			
Increase in Accounts Receivable	(206)	0	(206)
Increase in Accounts Payable	448	0	448
Increase in Accrued Wages and Benefits	0	34,309	34,309
Increase in Claims Payable	271,096	0	271,096
Total Adjustments	<u>271,338</u>	<u>34,309</u>	<u>305,647</u>
Net Cash Used by Operating Activities	<u>(\$118,896)</u>	<u>(\$132,571)</u>	<u>(\$251,467)</u>

Fiduciary Funds

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

Agency Funds

Municipal Court Fund

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

Fire Code Fund

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

Law Library Fund

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

Joint Economic Development Zone Fund

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

CITY OF NEWARK, OHIO

**Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2009**

	Balance December 31, 2008	Additions	Deductions	Balance December 31, 2009
Municipal Court Fund				
Restricted Assets:				
Cash and Cash Equivalents	\$518,071	\$6,590,242	(\$6,552,517)	\$555,796
Total Assets	<u>\$518,071</u>	<u>\$6,590,242</u>	<u>(\$6,552,517)</u>	<u>\$555,796</u>
Liabilities:				
Intergovernmental Payable	\$197,460	\$3,531,905	(\$3,544,539)	\$184,826
Due to Others	320,611	3,058,337	(3,007,978)	370,970
Total Liabilities	<u>\$518,071</u>	<u>\$6,590,242</u>	<u>(\$6,552,517)</u>	<u>\$555,796</u>
Fire Code Fund				
Restricted Assets:				
Cash and Cash Equivalents	\$14,224	\$79,212	(\$71,925)	\$21,511
Total Assets	<u>\$14,224</u>	<u>\$79,212</u>	<u>(\$71,925)</u>	<u>\$21,511</u>
Liabilities:				
Due to Others	\$14,224	\$79,212	(\$71,925)	\$21,511
Total Liabilities	<u>\$14,224</u>	<u>\$79,212</u>	<u>(\$71,925)</u>	<u>\$21,511</u>
Law Library Fund				
Restricted Assets:				
Cash and Cash Equivalents	\$12,052	\$147,744	(\$154,114)	\$5,682
Total Assets	<u>\$12,052</u>	<u>\$147,744</u>	<u>(\$154,114)</u>	<u>\$5,682</u>
Liabilities:				
Due to Others	\$12,052	\$147,744	(\$154,114)	\$5,682
Total Liabilities	<u>\$12,052</u>	<u>\$147,744</u>	<u>(\$154,114)</u>	<u>\$5,682</u>
Joint Economic Development Zone Fund				
Receivables:				
Taxes	\$7,306	\$9,567	(\$7,306)	\$9,567
Restricted Assets:				
Cash and Cash Equivalents	167,595	169,018	(171,257)	165,356
Total Assets	<u>\$174,901</u>	<u>\$178,585</u>	<u>(\$178,563)</u>	<u>\$174,923</u>
Liabilities:				
Intergovernmental Payable	\$174,901	\$178,585	(\$178,563)	\$174,923
Total Liabilities	<u>\$174,901</u>	<u>\$178,585</u>	<u>(\$178,563)</u>	<u>\$174,923</u>
Totals - All Agency Funds				
Receivables:				
Taxes	\$7,306	\$9,567	(\$7,306)	\$9,567
Restricted Assets:				
Cash and Cash Equivalents	711,942	6,986,216	(6,949,813)	748,345
Total Assets	<u>\$719,248</u>	<u>\$6,995,783</u>	<u>(\$6,957,119)</u>	<u>\$757,912</u>
Liabilities:				
Intergovernmental Payable	\$372,361	\$3,710,490	(\$3,723,102)	\$359,749
Due to Others	346,887	3,285,293	(3,234,017)	398,163
Total Liabilities	<u>\$719,248</u>	<u>\$6,995,783</u>	<u>(\$6,957,119)</u>	<u>\$757,912</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, 2009***

Capital Assets

Land	\$16,259,070
Construction in Progress	1,464,652
Buildings	17,995,435
Improvements other than Buildings	5,195,884
Infrastructure	55,576,127
Machinery and Equipment	13,008,286
Total Capital Assets	<u>\$109,499,454</u>

Investment in Capital Assets

General Fund	\$9,176,051
Special Revenue Funds	5,909,724
Capital Projects Funds	91,559,105
Enterprise Funds	130,588
Bonds	982,580
Grants	496,699
Donated	1,244,707
Total Investment in Capital Assets	<u>\$109,499,454</u>

CITY OF NEWARK, OHIO

**Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2009**

Function and Activity	Land	Construction in Progress	Buildings	Improvements other than Buildings
General Government:				
Auditor	\$0	\$0	\$0	\$0
General Administration	430,917	0	2,157,367	0
Service	0	0	1,496,540	288,947
Engineer	0	1,464,652	0	515,738
Information System	0	0	0	793,998
Income Tax	0	0	0	0
Code Administration	0	0	0	0
Municipal Court	0	0	0	0
Adult Probation	0	0	0	124,492
Clerk of Court	0	0	0	0
Total	430,917	1,464,652	3,653,907	1,723,175
Security of Persons and Property:				
Police	535,816	0	8,405,762	0
Fire	315,901	0	3,214,083	0
Total	851,717	0	11,619,845	0
Transportation:				
Street	14,976,436	0	1,416,880	1,244,446
Traffic Control	0	0	0	0
Total	14,976,436	0	1,416,880	1,244,446
Public Health and Welfare:				
Health	0	0	0	0
Cemetery	0	0	718,335	554,061
Total	0	0	718,335	554,061
Leisure Time Activities:				
Recreation/Seniors	0	0	586,468	1,069,888
Community Environment:				
Economic and Community Development	0	0	0	604,314
Total Capital Assets	\$16,259,070	\$1,464,652	\$17,995,435	\$5,195,884

CITY OF NEWARK, OHIO

<u>Infrastructure</u>	<u>Machinery and Equipment</u>	<u>Total</u>
\$0	\$550,000	\$550,000
0	556,768	3,145,052
0	152,878	1,938,365
0	131,635	2,112,025
0	144,412	938,410
0	42,556	42,556
0	272,008	272,008
0	227,418	227,418
0	0	124,492
0	418,910	418,910
<u>0</u>	<u>2,496,585</u>	<u>9,769,236</u>
0	1,226,894	10,168,472
<u>0</u>	<u>4,810,855</u>	<u>8,340,839</u>
<u>0</u>	<u>6,037,749</u>	<u>18,509,311</u>
55,576,127	2,659,010	75,872,899
0	382,593	382,593
<u>55,576,127</u>	<u>3,041,603</u>	<u>76,255,492</u>
0	15,492	15,492
<u>0</u>	<u>133,055</u>	<u>1,405,451</u>
<u>0</u>	<u>148,547</u>	<u>1,420,943</u>
<u>0</u>	<u>402,700</u>	<u>2,059,056</u>
0	881,102	1,485,416
<u>\$55,576,127</u>	<u>\$13,008,286</u>	<u>\$109,499,454</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, 2009**

Function and Activity	Restated December 31, 2008	Transfers	Additions	Deletions	December 31, 2009
General Government:					
Auditor	\$25,057	\$0	\$550,000	(\$25,057)	\$550,000
General Administration	3,189,437	0	0	(44,385)	3,145,052
Service	1,991,080	0	0	(52,715)	1,938,365
Engineer	696,613	0	1,464,652	(49,240)	2,112,025
Information System	989,116	0	0	(50,706)	938,410
Public Safety	18,979	(18,979)	0	0	0
Income Tax	68,674	0	0	(26,118)	42,556
Code Administration	296,380	(14,672)	0	(9,700)	272,008
Municipal Court	212,746	14,672	0	0	227,418
Adult Probation	7,200	124,492	0	(7,200)	124,492
Clerk of Court	77,880	0	378,056	(37,026)	418,910
Total	7,573,162	105,513	2,392,708	(302,147)	9,769,236
Security of Persons and Property:					
Police	10,984,921	(105,513)	0	(710,936)	10,168,472
Fire	9,050,996	0	48,907	(759,064)	8,340,839
Total	20,035,917	(105,513)	48,907	(1,470,000)	18,509,311
Transportation:					
Street	75,690,886	0	1,289,448	(1,107,435)	75,872,899
Traffic Control	476,212	0	0	(93,619)	382,593
Total	76,167,098	0	1,289,448	(1,201,054)	76,255,492
Public Health and Welfare:					
Health	313,663	(19,551)	0	(278,620)	15,492
Cemetery	1,550,628	0	0	(145,177)	1,405,451
Total	1,864,291	(19,551)	0	(423,797)	1,420,943
Leisure Time Activities:					
Recreation/Seniors	2,400,670	0	0	(341,614)	2,059,056
Community Environment:					
Economic and Community Development	1,119,251	19,551	356,264	(9,650)	1,485,416
Total Capital Assets	\$109,160,389	\$0	\$4,087,327	(\$3,748,262)	\$109,499,454

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 Seven Years
(accrual basis of accounting)*

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

Source: City Auditor's Office

City of Newark

<u>2007</u>	<u>2008</u>	<u>2009</u>
\$42,336,454	\$40,441,667	\$41,316,426
10,651,987	11,110,542	10,280,743
8,161,990	6,404,496	5,535,025
<u>\$61,150,431</u>	<u>\$57,956,705</u>	<u>\$57,132,194</u>
\$17,699,290	\$16,956,742	\$22,335,180
7,143,040	3,965,856	1,819,773
<u>\$24,842,330</u>	<u>\$20,922,598</u>	<u>\$24,154,953</u>
\$60,035,744	\$57,398,409	\$63,651,606
10,651,987	11,110,542	10,280,743
15,305,030	10,370,352	7,354,798
<u>\$85,992,761</u>	<u>\$78,879,303</u>	<u>\$81,287,147</u>

City of Newark

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

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

City of Newark

2006	2007	2008	2009
\$17,480,448	\$18,150,460	\$19,619,726	\$18,993,822
765,014	524,374	321,313	52,511
3,167,222	2,921,535	3,059,820	2,984,886
2,395,607	2,375,792	599,601	10,329
4,323,012	5,927,546	6,060,496	6,762,557
7,467,121	9,020,333	10,635,436	11,046,798
973,340	900,691	800,191	760,156
<u>36,571,764</u>	<u>39,820,731</u>	<u>41,096,583</u>	<u>40,611,059</u>
6,269,588	7,006,340	6,650,976	6,604,911
5,226,934	5,161,535	5,291,774	5,941,006
574,598	323,709	614,380	989,162
<u>12,071,120</u>	<u>12,491,584</u>	<u>12,557,130</u>	<u>13,535,079</u>
<u>\$48,642,884</u>	<u>\$52,312,315</u>	<u>\$53,653,713</u>	<u>\$54,146,138</u>
\$1,799,406	\$2,412,289	\$3,411,136	\$3,886,667
14,944	17,489	16,428	16,031
8,338	59,808	55,384	45,885
785,037	749,119	190,593	202,895
737,628	408,675	411,174	142,495
1,605,988	1,450,658	1,011,575	1,131,397
5,054,184	6,773,027	4,730,482	5,488,390
470,643	490,142	10,000	184,019
<u>10,476,168</u>	<u>12,361,207</u>	<u>9,836,772</u>	<u>11,097,779</u>

(Continued)

City of Newark

Changes in Net Assets Last Seven 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

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

City of Newark

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
General Fund					
Reserved	\$385,433	\$501,281	\$634,867	\$1,395,063	\$487,274
Unreserved	<u>2,903,345</u>	<u>1,169,716</u>	<u>2,677,438</u>	<u>792,041</u>	<u>970,399</u>
<i>Total General Fund</i>	<u>3,288,778</u>	<u>1,670,997</u>	<u>3,312,305</u>	<u>2,187,104</u>	<u>1,457,673</u>
All Other Governmental Funds					
Reserved	7,140,691	4,004,611	4,606,077	10,474,790	4,689,768
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	(1,483,505)	(769,124)	(789,461)	(175,460)	4,371,326
Capital Projects Funds	<u>(1,378,125)</u>	<u>(2,469,407)</u>	<u>(3,183,244)</u>	<u>3,007,832</u>	<u>(2,213,005)</u>
Total All Other Governmental Funds	<u>4,279,061</u>	<u>766,080</u>	<u>633,372</u>	<u>13,307,162</u>	<u>6,848,089</u>
<i>Total Governmental Funds</i>	<u><u>\$7,567,839</u></u>	<u><u>\$2,437,077</u></u>	<u><u>\$3,945,677</u></u>	<u><u>\$15,494,266</u></u>	<u><u>\$8,305,762</u></u>

Source: City Auditor's Office

NOTE: Years 2000-2002 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$307,378	\$739,920	\$848,097	\$470,901	\$580,093
<u>528,313</u>	<u>1,114,748</u>	<u>2,717,746</u>	<u>2,608,161</u>	<u>2,403,167</u>
<u>835,691</u>	<u>1,854,668</u>	<u>3,565,843</u>	<u>3,079,062</u>	<u>2,983,260</u>
2,546,268	4,515,664	2,531,396	2,867,626	2,542,594
4,428,725	4,891,038	4,329,307	3,774,340	2,850,367
<u>(2,889,968)</u>	<u>(1,997,460)</u>	<u>(849,552)</u>	<u>(4,972)</u>	<u>(211,166)</u>
<u>4,085,025</u>	<u>7,409,242</u>	<u>6,011,151</u>	<u>6,636,994</u>	<u>5,181,795</u>
<u>\$4,920,716</u>	<u>\$9,263,910</u>	<u>\$9,576,994</u>	<u>\$9,716,056</u>	<u>\$8,165,055</u>

City of Newark

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

	2000	2001	2002	2003
Revenues:				
Taxes	\$14,460,762	\$14,473,914	\$19,361,211	\$20,584,344
Intergovernmental Revenues	10,529,901	8,665,294	9,722,122	10,505,105
Charges for Services	1,230,212	1,150,907	1,068,884	1,158,161
Licenses, Permits and Fees	1,422,641	1,565,619	1,773,593	1,724,167
Investment Earnings	1,139,430	818,298	460,223	363,604
Special Assessments	41,321	32,609	18,807	43,758
Fines and Forfeitures	1,686,475	1,627,706	1,611,441	1,758,405
All Other Revenue	469,901	556,491	472,350	622,613
Total Revenue	30,980,643	28,890,838	34,488,631	36,760,157
Expenditures:				
Current:				
Security of Persons and Property	12,401,045	13,314,367	14,331,955	17,017,236
Public Health and Welfare Services	2,028,556	2,326,795	2,400,745	2,591,268
Leisure Time Activities	774,609	849,014	857,314	753,238
Community Environment	2,518,321	2,571,544	2,745,924	2,899,829
Transportation	2,711,224	3,357,894	3,047,974	3,266,226
General Government	6,150,877	6,301,536	6,756,970	7,097,236
Capital Outlay	2,244,604	5,733,268	3,178,884	3,496,371
Debt Service:				
Principal Retirement	123,093	128,095	125,000	130,000
Interest and Fiscal Charges	247,845	229,860	276,391	331,057
Total Expenditures	29,200,174	34,812,373	33,721,157	37,582,461
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,780,469	(5,921,535)	767,474	(822,304)

City of Newark

2004	2005	2006	2007	2008	2009
\$20,867,126	\$21,765,717	\$22,853,652	\$23,795,166	\$24,141,533	\$21,995,412
11,438,931	10,751,711	9,577,436	10,137,168	8,458,536	9,778,082
1,195,072	1,143,484	1,432,375	1,615,096	2,341,997	2,484,063
1,647,136	1,628,325	1,549,917	1,343,140	672,053	739,218
322,867	433,890	880,326	1,034,943	582,307	362,306
123,112	48,518	25,230	71,218	7,198	39,295
1,520,015	1,556,778	1,975,088	2,092,652	2,072,203	2,134,239
732,231	1,297,389	1,500,256	755,691	431,212	1,134,938
<u>37,846,490</u>	<u>38,625,812</u>	<u>39,794,280</u>	<u>40,845,074</u>	<u>38,707,039</u>	<u>38,667,553</u>
17,238,670	17,422,539	17,248,660	18,093,642	18,603,640	18,299,201
2,895,378	2,957,320	2,418,915	2,464,530	622,243	7,911
690,045	1,842,136	673,150	468,478	297,683	0
2,978,113	2,791,767	3,162,051	2,790,461	2,823,629	3,171,385
4,004,744	3,754,392	3,281,101	4,880,029	4,161,938	4,886,329
7,307,835	7,761,611	7,728,635	8,769,728	10,243,203	10,387,078
9,965,693	7,095,408	2,980,071	4,222,928	2,915,007	4,123,220
300,000	425,000	544,000	475,000	530,000	535,000
781,949	733,591	775,132	765,960	748,092	705,764
<u>46,162,427</u>	<u>44,783,764</u>	<u>38,811,715</u>	<u>42,930,756</u>	<u>40,945,435</u>	<u>42,115,888</u>
(8,315,937)	(6,157,952)	982,565	(2,085,682)	(2,238,396)	(3,448,335)

(Continued)

City of Newark

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	34,578	43,292	52,057	58,092
Other Financing Sources - Capital Lease	0	181,886	0	0
Loan Proceeds	0	0	0	0
General Obligation Bonds Issued	0	0	0	10,994,991
Refunding General Obligation Bonds Issued	0	0	0	0
Discount on General Obligation Bonds Issued	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Transfers In	14,036,821	14,726,342	19,183,191	18,514,967
Transfers Out	(13,837,271)	(14,529,965)	(18,536,149)	(18,307,917)
Total Other Financing Sources (Uses)	<u>234,128</u>	<u>421,555</u>	<u>699,099</u>	<u>11,260,133</u>
Net Change in Fund Balance	<u>\$2,014,597</u>	<u>(\$5,499,980)</u>	<u>\$1,466,573</u>	<u>\$10,437,829</u>
 Debt Service as a Percentage of Noncapital Expenditures	 1.38%	 1.23%	 1.31%	 1.29%

Source: City Auditor's Office

NOTE: Years 2000-2002 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

2004	2005	2006	2007	2008	2009
103,027	237,727	74,790	81,510	43,321	0
0	1,698,762	1,097,605	1,413,634	402,087	0
0	0	0	0	0	1,021,359
0	0	1,609,000	0	1,180,000	0
0	0	2,645,000	0	0	0
0	0	(23,223)	0	0	0
0	0	(2,555,973)	0	0	0
21,796,392	21,261,231	21,394,511	24,517,996	23,984,004	21,370,773
(20,774,982)	(20,420,361)	(20,949,831)	(23,714,241)	(23,059,011)	(20,432,753)
1,124,437	2,777,359	3,291,879	2,298,899	2,550,401	1,959,379
(\$7,191,500)	(\$3,380,593)	\$4,274,444	\$213,217	\$312,005	(\$1,488,956)
2.93%	3.24%	3.80%	3.19%	3.24%	3.26%

City of Newark

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	2000	2001	2002	2003	2004
Income Tax Rate	1.25%	1.25%	1.75%	1.75%	1.75%
Total Tax Collected	\$11,995,005	\$12,103,631	\$16,420,774	\$17,371,837	\$17,850,043
Income Tax Receipts					
Withholding	9,609,444	9,936,227	13,422,267	13,948,507	14,210,186
Percentage	80.11%	82.09%	81.74%	80.29%	79.61%
Corporate	851,867	1,469,348	858,596	975,996	1,070,876
Percentage	7.10%	12.14%	5.23%	5.62%	6.00%
Individuals	1,533,695	698,056	2,139,911	2,447,334	2,568,982
Percentage	12.79%	5.77%	13.03%	14.09%	14.39%

Source: City Income Tax Department

City of Newark

2005	2006	2007	2008	2009
1.75%	1.75%	1.75%	1.75%	1.75%
\$18,657,251	\$20,337,124	\$20,420,533	\$20,708,589	\$18,880,102
14,790,929	16,103,101	15,928,540	15,761,577	15,034,690
79.28%	79.18%	78.00%	76.11%	79.63%
1,235,602	1,555,677	1,850,596	2,399,014	1,264,276
6.62%	7.65%	9.06%	11.58%	6.70%
2,630,720	2,678,345	2,641,397	2,547,998	2,581,136
14.10%	13.17%	12.94%	12.30%	13.67%



City of Newark

Income Tax Statistics Current Year and Nine Years Ago

Calendar Year 2009

<u>Income Tax Filers</u>	<u>Number of Filers</u>	<u>Percent of Total</u>	<u>Taxable Income</u>	<u>Percent of Income</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	10	0.06%	\$32,396,495	4.54%	\$566,939	4.54%
All Others	16,881	99.94%	680,550,852	95.46%	11,909,640	95.46%
Total	16,891	100.00%	\$712,947,347	100.00%	\$12,476,579	100.00%

Calendar Year 2000

<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%	\$23,682,860	3.55%	\$296,036	3.55%
All Others	22,244	99.96%	642,650,707	96.45%	8,033,134	96.45%
Total	22,254	100.00%	\$666,333,567	100.00%	\$8,329,170	100.00%

Source: City Income Tax Department

City of Newark

Ratio of Outstanding Debt By Type Last Ten Years

	2000	2001	2002	2003
Governmental Activities (1)				
Special Assessment Bonds	\$143,095	\$120,000	\$105,000	\$85,000
General Obligation Bonds Payable	3,100,000	2,995,000	2,885,000	13,769,991
Capital Leases	372,623	443,508	310,923	173,021
ODOT State Infrastructure Bank Loan	0	0	0	0
Business-type Activities (1)				
General Obligation Bonds Payable	\$15,656,860	\$14,329,016	\$12,705,888	\$11,537,306
Ohio Water Development Authority Loans Payable	8,577,181	8,142,990	7,675,584	7,172,421
Ohio Public Works Commission Loan Payable	0	0	0	0
Special Assessment Bonds	0	0	0	0
Capital Leases	0	0	0	0
Total Primary Government	<u>\$27,849,759</u>	<u>\$26,030,514</u>	<u>\$23,682,395</u>	<u>\$32,737,739</u>
Population (2)				
City of Newark	46,279	46,279	46,279	46,279
Outstanding Debt Per Capita	\$602	\$562	\$512	\$707
Income (3)				
Personal (in thousands)	1,241,203	1,262,028	1,284,474	1,307,243
Percentage of Personal Income	2.24%	2.06%	1.84%	2.50%

Sources:

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

City of Newark

2004	2005	2006	2007	2008	2009
\$65,000	\$45,000	\$25,000	\$0	\$0	\$0
13,489,991	13,084,991	14,409,991	14,115,868	14,609,991	14,074,991
133,235	1,748,827	2,464,526	3,255,703	2,904,221	2,253,763
0	0	0	0	0	1,021,359
\$10,711,128	\$9,887,329	\$9,069,717	\$8,252,069	\$6,925,411	\$7,333,753
6,630,766	6,912,121	9,006,413	10,754,578	11,845,846	12,687,667
0	0	568,655	554,439	526,007	497,574
51,284	46,156	41,028	35,900	30,772	25,644
0	0	43,517	418,364	398,080	362,395
<u>\$31,081,404</u>	<u>\$31,724,424</u>	<u>\$35,628,847</u>	<u>\$37,386,921</u>	<u>\$37,240,328</u>	<u>\$38,257,146</u>
46,279	46,279	46,279	46,279	46,279	46,279
\$672	\$686	\$770	\$808	\$805	\$827
1,373,792	1,411,926	1,483,242	1,569,876	1,663,823	1,663,823
2.26%	2.25%	2.40%	2.38%	2.24%	2.30%

City of Newark

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2000	2001	2002	2003
Population (1)	46,279	46,279	46,279	46,279
Personal Income (2)	\$1,241,202,780	\$1,262,028,330	\$1,284,473,645	\$1,307,242,913
General Bonded Debt				
General Obligation Bonds	\$18,756,860	\$17,324,016	\$15,590,888	\$25,307,297
Resources Available to Pay Principal	\$72,182	\$9,889	\$6,765	\$31,546
Net General Bonded Debt	\$18,684,678	\$17,314,127	\$15,584,123	\$25,275,751
Ratio of Net Bonded Debt to Personal Income	1.51%	1.37%	1.21%	1.93%
Net Bonded Debt per Capita	\$403.74	\$374.12	\$336.74	\$546.16

Source:

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

City of Newark

2004	2005	2006	2007	2008	2009
46,279	46,279	46,279	46,279	46,279	46,279
\$1,373,792,115	\$1,411,926,011	\$1,483,241,950	\$1,569,876,238	\$1,663,822,608	\$1,663,822,608
\$24,201,119	\$22,972,320	\$23,479,708	\$22,367,937	\$21,535,402	\$21,408,744
\$128,603	\$145,622	\$137,693	\$6,126	\$154,983	\$8,059
\$24,072,516	\$22,826,698	\$23,342,015	\$22,361,811	\$21,380,419	\$21,400,685
1.75%	1.62%	1.57%	1.42%	1.29%	1.29%
\$520.16	\$493.24	\$504.38	\$483.20	\$461.99	\$462.43



City of Newark

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2009*

<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	\$12,214,991	100.00%	\$12,214,991
Overlapping:			
Licking County	12,855,219	21.66%	<u>2,784,440</u>
		Total	<u><u>\$14,999,431</u></u>

Source: Licking County Auditor

City of Newark

Debt Limitations Last Ten Years

Collection Year	2000	2001	2002	2003
<u>Total Debt</u>				
Net Assessed Valuation	\$631,518,960	\$654,701,680	\$658,882,190	\$718,973,460
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	66,309,491	68,743,676	69,182,630	75,492,213
City Debt Outstanding (2)	795,000	2,804,000	12,189,000	14,258,991
Less: Applicable Debt Service Fund Amounts	<u>(72,182)</u>	<u>(8,359)</u>	<u>(1,924)</u>	<u>(17,864)</u>
Net Indebtedness Subject to Limitation	<u>722,818</u>	<u>2,795,641</u>	<u>12,187,076</u>	<u>14,241,127</u>
Overall Legal Debt Margin	<u>\$65,586,673</u>	<u>\$65,948,035</u>	<u>\$56,995,554</u>	<u>\$61,251,086</u>
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$631,518,960	\$654,701,680	\$658,882,190	\$718,973,460
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	34,733,543	36,008,592	36,238,520	39,543,540
City Debt Outstanding (2)	795,000	2,804,000	12,189,000	14,258,991
Less: Applicable Debt Service Fund Amounts	<u>(72,182)</u>	<u>(8,359)</u>	<u>(1,924)</u>	<u>(17,864)</u>
Net Indebtedness Subject to Limitation	<u>722,818</u>	<u>2,795,641</u>	<u>12,187,076</u>	<u>14,241,127</u>
Overall Legal Debt Margin	<u>\$34,010,725</u>	<u>\$33,212,951</u>	<u>\$24,051,444</u>	<u>\$25,302,413</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

2004	2005	2006	2007	2008	2009
\$736,438,580	\$742,972,970	\$828,435,710	\$810,786,940	\$799,331,100	\$789,272,045
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
77,326,051	78,012,162	86,985,750	85,132,629	83,929,766	82,873,565
15,015,991	15,377,491	13,465,991	12,744,991	12,619,991	12,214,991
(125,902)	(145,622)	(137,693)	(6,126)	(154,983)	(8,059)
<u>14,890,089</u>	<u>15,231,869</u>	<u>13,328,298</u>	<u>12,738,865</u>	<u>12,465,008</u>	<u>12,206,932</u>
<u>\$62,435,962</u>	<u>\$62,780,293</u>	<u>\$73,657,452</u>	<u>\$72,393,764</u>	<u>\$71,464,758</u>	<u>\$70,666,633</u>
\$736,438,580	\$742,972,970	\$828,435,710	\$810,786,940	\$799,331,100	\$789,272,045
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
40,504,122	40,863,513	45,563,964	44,593,282	43,963,211	43,409,962
15,015,991	15,377,491	13,465,991	12,744,991	12,619,991	12,214,991
(125,902)	(145,622)	(137,693)	(6,126)	(154,983)	(8,059)
<u>14,890,089</u>	<u>15,231,869</u>	<u>13,328,298</u>	<u>12,738,865</u>	<u>12,465,008</u>	<u>12,206,932</u>
<u>\$25,614,033</u>	<u>\$25,631,644</u>	<u>\$32,235,666</u>	<u>\$31,854,417</u>	<u>\$31,498,203</u>	<u>\$31,203,030</u>

City of Newark

*Pledged Revenue Coverage
Last Ten Years*

	2000	2001	2002	2003	2004
Special Assessment Bonds (1)					
Special Assessment Collections	\$41,321	\$32,609	\$18,807	\$43,758	\$123,112
Debt Service					
Principal	23,093	23,095	15,000	20,000	20,000
Interest	8,650	7,312	5,963	5,963	4,230
Coverage	1.30	1.07	0.90	1.69	5.08
Special Assessment Bonds (2)					
Special Assessment Collections	\$0	\$0	\$0	\$0	\$15,864
Debt Service					
Principal	0	0	0	0	0
Interest	0	0	0	0	609
Coverage	0.00	0.00	0.00	0.00	26.05
Tax Increment Financing (TIF) (3)					
Payment in Lieu of Taxes	\$355,400	\$353,135	\$396,527	\$349,731	\$346,398
Debt Service					
Principal	100,000	105,000	110,000	110,000	115,000
Interest	204,609	159,838	155,428	150,698	145,858
Coverage	1.17	1.33	1.49	1.34	1.33
Tax Increment Financing (TIF) (4)					
Payment in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0
Debt Service					
Principal	0	0	0	0	0
Interest	0	0	0	0	0
Coverage	0.00	0.00	0.00	0.00	0.00

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

(2) Morgan Manor Sewer, Business-type Activities

(3) East Main Street Improvement, Governmental Activities

(4) Deo Drive Improvement, Governmental Activities

Source: City Auditor's Office

City of Newark

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

City of Newark

Demographic and Economic Statistics Last Ten Years

Calendar Year	2000	2001	2002	2003	2004
Population (1)					
City of Newark	46,279	46,279	46,279	46,279	46,279
Licking County	145,491	145,491	145,491	145,491	145,491
Income (2) (a)					
Total Personal (in thousands)	1,241,203	1,262,028	1,284,474	1,307,243	1,373,792
Per Capita	26,820	27,270	27,755	28,247	29,685
Unemployment Rate (3)					
Federal	4.2%	3.8%	4.8%	5.8%	6.0%
State	4.3%	3.7%	4.3%	5.7%	6.1%
Licking County	3.6%	3.6%	4.7%	5.3%	5.9%
Civilian Work Force Estimates (3)					
State	5,900,400	5,857,000	5,828,000	5,915,000	5,875,300
Licking County	73,100	75,100	77,800	78,800	80,500

Sources:

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

(2) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2008, for the presentation of 2009 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

2005	2006	2007	2008	2009
46,279	46,279	46,279	46,279	46,279
154,806	154,806	154,806	154,806	154,806
1,411,926	1,483,242	1,569,876	1,663,823	1,663,823
30,509	32,050	33,922	35,952	35,952
5.5%	5.0%	4.6%	5.8%	9.7%
6.0%	5.9%	5.6%	6.6%	10.2%
5.8%	5.1%	5.2%	6.1%	11.1%
5,900,400	5,934,000	5,976,500	5,986,400	5,979,100
81,100	82,700	84,500	85,600	85,700



City of Newark

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2009		
		Number of Employees	Rank	Percentage of Total Employment
Licking Memorial Health Sys.	Hospital	1,130	1	6.27%
Licking County	Government	1,124	2	6.24%
Anomatic	Metal Finishings	960	3	5.33%
Newark City Schools	School District	948	4	5.26%
State Farm	Insurance	900	5	4.99%
OSUN/COTC	Education	900	6	4.99%
Meijer, Inc.	Retail	700	7	3.88%
Walmart	Retail	695	8	3.86%
Owens Corning	Fiberglass Insulation	590	9	3.27%
Longaberger Corporation	Decorative Basket Manufacture	480	10	2.66%
Total		<u>8,427</u>		
Total Employment within the City		<u><u>18,021</u></u>		

Employer	Nature of Business	2000		
		Number of Employees	Rank	Percentage of Total Employment
Owens Corning, Inc.	Fiberglass Insulation	1,620	1	7.92%
Licking County Government	Government	1,150	2	5.62%
Licking Memorial Hospital	Hospital	1,128	3	5.52%
Anomatic Corp.	Metal Finishings	959	4	4.69%
Newark City Schools	School District	949	5	4.64%
OSUN/COTC	Education	903	6	4.42%
State Farm Insurance	Insurance	900	7	4.40%
Meijer, Inc.	Retail	702	8	3.43%
Holophane, Inc.	Lighting	520	9	2.54%
Longaberger Corp.	Decorative Basket Manufacturer	520	10	2.54%
Total		<u>9,351</u>		
Total Employment within the City		<u><u>20,448</u></u>		

Source: City Auditor's Office

City of Newark

Full Time Equivalent Employees by Function Last Ten Years

	2000	2001	2002	2003	2004
Governmental Activities					
General Government					
Finance	19.00	19.00	20.00	20.00	20.00
Legal/Court	52.00	52.00	53.00	51.00	51.00
Administration	29.00	31.00	31.00	33.00	32.00
Maintenance	20.00	21.00	19.00	19.00	20.00
Security of Persons and Property					
Police	101.00	100.00	100.00	101.00	103.00
Fire	82.00	82.00	82.00	85.00	85.00
Transportation					
Street	35.00	35.00	34.00	34.00	34.00
Leisure Time Activities					
Recreation/Seniors	20.00	20.00	20.00	20.00	20.00
Community Environment					
Community Development	6.00	6.00	6.00	7.00	6.00
Business-Type Activities					
Utilities					
Water	43.00	44.00	44.00	44.00	45.00
Sewer	24.00	24.00	25.00	25.00	26.00
Storm Water	0.00	0.00	0.00	0.00	1.00
<i>Total Employees</i>	<u>475.00</u>	<u>464.00</u>	<u>476.00</u>	<u>483.00</u>	<u>486.00</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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
20.00	20.00	20.00	20.00	19.00
52.00	52.00	52.00	52.00	51.00
32.00	31.00	31.00	30.00	29.00
19.00	18.00	18.00	18.00	16.00
104.00	106.00	106.00	106.00	104.00
85.00	85.00	86.00	88.00	88.00
32.00	32.00	32.00	32.00	29.00
20.00	20.00	20.00	18.00	16.00
43.00	42.00	42.00	42.00	40.00
6.00	7.00	7.00	7.00	9.00
45.00	45.00	45.00	45.00	44.00
26.00	26.00	26.00	26.00	25.00
1.00	1.00	1.00	2.00	3.00
<u>485.00</u>	<u>485.00</u>	<u>486.00</u>	<u>486.00</u>	<u>473.00</u>

City of Newark

Operating Indicators by Function Last Ten Years

	2000	2001	2002	2003	2004
Governmental Activities					
General Government					
Court					
Number of Traffic Cases	3,434	3,519	3,601	3,612	3,498
Licenses and Permits					
Number of Building Permits	524	500	573	777	568
Security of Persons and Property					
Police					
Number of Citations Issued	1,732	1,902	1,818	1,845	2,096
Number of Arrests	1,599	1,520	1,667	1,629	1,882
Fire					
Number of Fire Calls	5,361	5,416	5,420	5,583	5,764
Number of EMS Runs	6,434	6,567	6,999	7,095	6,949
Transportation					
Street					
Number of Streets Resurfaced	24	20	13	16	20
Leisure Time Activities					
Recreation/Seniors					
Number of Programs Offered	9	9	9	9	N/A
Number of Pool Passes Issued	265	277	290	199	N/A
Community Environment					
Number of Code Violations	N/A	N/A	N/A	N/A	N/A
Business-Type Activities					
Water					
Number of Service Connections	18,021	18,970	19,322	19,867	19,993
Water Main Breaks	21	20	19	26	24
Daily Average Consumption (thousands of gallons)	8.4M	8.5M	8.7M	8.7M	8.8M
Sewer					
Number of Service Connections	16,332	16,899	17,477	17,777	17,936
Daily Average Sewage Treatment (thousands of gallons)	8.2M	8.3M	8.3M	8.3M	8.3M

Source: City Auditor's Office

City of Newark

2005	2006	2007	2008	2009
3,544	3,571	3,602	3,777	3,922
581	534	521	501	450
2,112	2,001	2,213	2,322	2,353
1,723	1,750	1,797	1,832	1,702
5,870	6,146	6,204	6,220	6,316
7,228	7,672	7,737	7,839	6,998
31	33	33	35	35
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	3	7	8	5
20,212	20,342	20,408	20,543	20,543
27	18	29	28	38
8.9M	8.9M	8.9M	9.0M	8.9M
18,243	18,657	18,687	18,703	18,723
8.3M	8.4M	8.4M	8.5M	8.4M

City of Newark

Capital Asset Statistics by Function Last Ten Years

	2000	2001	2002	2003	2004
Governmental Activities					
General Government					
Public Land and Buildings					
Land (acres)	457	457	458	458	459
Buildings	27	28	28	28	29
Security of Persons and Property					
Police					
Stations	1	1	1	1	1
Vehicles	19	19	21	21	21
Fire					
Stations	4	4	4	4	4
Vehicles	16	16	17	17	17
Transportation					
Street					
Streets (lane miles)	217	218	218	220	220
Traffic Signals	3,319	3,326	3,326	3,334	3,334
Vehicles	34	35	35	36	36
Leisure Time Activities					
Recreation/Seniors					
Land (acres)					
Buildings	14	16	16	16	16
Parks	38	38	39	39	39
Playgrounds	14	14	14	14	14
Swimming Pools	1	1	1	1	1
Baseball/Softball Diamonds	12	12	12	12	12
Business-Type Activities					
Utilities					
Water					
Waterlines (Miles)	196	196	197	197	197
Number of Hydrants	256	266	268	277	281
Sewer					
Sewerlines (Miles)	179	181	182	185	185
Lift Stations	7	7	7	7	7
Storm Water Drainage					
Storm Drains (Miles)	86	86	86	93	96
Number of Catch Basins	3,955	3,955	3,999	4,144	4,144

Source: City Auditor's Office

City of Newark

2005	2006	2007	2008	2009
459	459	459	459	459
29	29	29	29	29
1	1	1	1	1
22	22	22	22	22
4	4	4	4	4
18	18	19	20	20
221	226	228	228	228
3,338	3,338	3,342	3,342	3,342
37	37	39	39	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
199	199	201	203	203
281	281	284	290	288
187	187	189	191	191
7	7	7	7	10
100	102	108	110	110
4,167	4,485	4,490	4,494	4,494





Dave Yost • Auditor of State

CITY OF NEWARK

LICKING COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 26, 2012**