

THE CITY OF NEWARK, OHIO

LICKING COUNTY



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Honorable Mayor and Members of Council
City of Newark
Newark, OH 43701

We have reviewed the Independent Auditor's Report of the City of Newark, Licking County, prepared by Wolfe, Wilson, & Phillips, Inc., for the audit period January 1, 2001 through December 31, 2001. 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, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

July 11, 2002

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LICKING COUNTY

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2001

Prepared by:
City Auditor's Office

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INTRODUCTORY SECTION



City of Newark, Ohio

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Stephen E. Johnson

June 25, 2002

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, 2001. 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.

The Report:

This Comprehensive Annual Financial Report (CAFR) is designed to assist and guide the reader in understanding its contents. The report is comprised of the following three sections:

1. *The Introductory Section* includes this letter of transmittal which presents the City's organization, operational structure and accomplishments; an organizational chart; and a list of principal elected officials.
2. *The Financial Section* contains the City's general purpose financial statements and explanatory notes thereto; the combining and individual fund and account group financial statements and schedules; and the Independent Auditors' Report.
3. *The Statistical Section* presents social, economic and historical data in a multi-year format which can be used to identify financial trends and data relative to the fiscal capacity of the City.

The Reporting Entity:

The accompanying general purpose 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 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 and the wastewater treatment and collection system, each of which is reported as an enterprise fund.

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 men 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. In 2002 the City will celebrate it's bicentennial and plans are underway for various events.

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 statutory Mayor-Council form of government as prescribed by 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 two year terms. Elected officials serving four year terms are the Mayor, Law Director, Auditor and Treasurer. Currently, the Mayor and Law Director are serving their third terms, the Auditor his first term, and the Treasurer his seventh term. The Safety, Service, Human Resources, Community Development and Economic Development Directors are approved by the Mayor and serve at the pleasure of the Mayor.

City Charter

On Tuesday, November 4, 1997, the voters of Newark approved a City Charter which became effective January 1, 1998. Among the highlights of the Charter are the following:

- ❖ 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, Ohio, the state capital. Its 19.04 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; yet, the City is able to maintain a pleasant residential setting, free of the "big" city atmosphere and the corresponding crowded, hectic pace of a typical major metropolitan area.

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.

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 two enterprise activities: water treatment and distribution and wastewater collection and treatment. 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 water 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.

The Reporting Standards:

The City's accounts are organized as funds and account groups. Each fund and account group is a separate accounting entity with its own self-balancing set of accounts, assets, liabilities and fund equity. Indicated below are the titles of these funds and account groups with a brief description.

Governmental Funds:

The General Fund is the general operating fund of the City. It is used to account for all financial resources traditionally associated with government which are not required to be accounted for in another fund.

The Special Revenue Funds are used to account for revenues derived from specific taxes, grants or other restricted revenue sources. The uses and limitations of each special revenue fund are specified by local legislation or state or federal statutes.

The Debt Service Fund is used to account for the accumulation of resources used for the payment of general long-term principal, interest and related costs.

The Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

Proprietary Funds:

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where it is the intent of the governing body that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The Internal Service Funds are used to account for the financing of goods or services by one division or agency to other divisions or agencies of the government, generally on a cost reimbursement basis.

Fiduciary Funds:

Fiduciary funds include Trust and Agency Funds. Trust Funds are used to account for assets held by the City in a trustee capacity. Agency Funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

General Fixed Assets Account Group:

Fixed assets of the City other than those accounted for in the proprietary funds are accounted for in the General Fixed Assets Account Group. General fixed assets of \$25,786,601, included in this report, exclude the City's infrastructure. Infrastructure fixed assets are further explained in Note 1 of the general purpose financial statements.

General Long-Term Obligations Account Group:

All long-term obligations of the City except those accounted for in the proprietary funds are accounted for in this account group. These obligations include general obligation bonds payable of \$2,995,000, special assessment bonds payable with governmental commitment of \$120,000, accrued vacation and sick leave benefits of \$2,285,111, the accrued liability to the Ohio Police and Fire Pension Fund of \$2,220,894 and the remaining amount due on capitalized leases used for the acquisition of general fixed assets of \$443,508. These obligations are further explained in Notes 1, 11, 13 and 14.

Bases of Accounting:

Except for that used for budgetary purposes, the bases of accounting used by the City are in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units and are consistent with GASB Codified Section 1600, "Basis of Accounting." All governmental and expendable trust funds are accounted for using a current financial resource (current assets and current liabilities) measurement focus. The modified accrual basis of accounting is utilized for the governmental and expendable trust and agency funds.

Revenues are recognized when they are susceptible to accrual; both measurable and available. Expenditures are recognized when the related liability is incurred, except for interest on long-term debt which is recorded when due.

The measurement focus for the City's proprietary funds is on the flow of economic resources (all assets and all liabilities). The accrual basis of accounting is utilized which recognizes revenues when earned and expenses when incurred.

The City's basis of accounting for budgetary purposes differs from generally accepted accounting principles in that revenues are recognized when received, rather than when susceptible to accrual (measurable and available) and encumbrances are recorded as expenditures rather than as reservations of fund balances. A reconciliation of the results of these two methods and additional accounting policies are further explained in Note 1.

ECONOMIC OUTLOOK

Local Economy:

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

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

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

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

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

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

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

New business to the Newark area include the Bear Creek Corporation which is one of the nation’s leading direct mail marketers. The Bear Creek Corporation includes the companies of Harry and David, Jackson and Perkins, Northwest Express and Bear Creek Gardens. Bear Creek is the largest direct mail marketer of gift fruit. A new Walmart store is being constructed on the City’s north side and is scheduled to open in the fall of 2002.

The city created the position and employed an Economic Development Director. A development strategy has been developed and economic growth projects are underway with completion dates set for early 2002.

Unemployment Rates:

The 2001 unemployment rate for Licking County of 3.6%, was below the state average of 4.3%. The unemployment rate for the County increased slightly from the prior year. The Ohio Bureau of Employment Services does not maintain statistics for the City of Newark, but unemployment within the City was estimated to be 4.3%.

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 2001 through 2003. The contract with the Fraternal Order of Police expires on December 31, 2002.

MAJOR INITIATIVE

During 2001, continuing efforts were made to upgrade services and improve the quality of life for the citizens of Newark through the following projects:

Infrastructure Improvements

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

The City of Newark and the Longaberger Company entered into an agreement to update and improve the infrastructure on East Main Street where the company headquarters are located. The project involved updating and installing a sanitary sewer, road improvements, street lighting and traffic control lights and flood control improvements. In 1999 the City financed the project by issuing approximately \$3.5 million

in general obligation bonds. The infrastructure improvements will eventually be paid by the Longaberger Company through a tax increment financing plan (T.I.F.). The agreement will allow future property taxes collected on the Longaberger site to be divided between the City of Newark and the local school district.

During late 1999 another TIF project was announced. This project, known as the Deo Drive Extension Project, will extend Deo Drive and provide for a major shopping facility on the far north side of the City. Another benefit of the Deo Drive project will be the elimination of an intersection that has created numerous traffic concerns. The street widening and extension was completed in the fall of 2001. The details of the TIF will be finalized in early 2002.

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 are all underway. In the development stage is a theme park with a turn of the century village.

Recently the Longaberger Company acquired and refurbished the former Sheraton Hotel in downtown Newark and plans are under way for the renovation of the historic Midland Theater the company has purchased. 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.

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. Discussions have resurfaced concerning a bypass road west of Heath, Ohio. The proposed bypass would consist of a limited access four-lane highway that would connect SR 16 and SR 79. This Thornwood Drive/Cherry Valley Road Corridor, also known as SR 157, would connect two heavily traveled routes and relieve excessive traffic congestion and improve safety at SR 16 and Cherry Valley Road. The increased interest in this project has resulted in considerable support from many sources.

Parks and Recreation

Throughout 2001, 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.

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. Construction on a new hotel began in the fall of 2000, and completion is expected in early 2002.

DEPARTMENT HIGHLIGHT - Treasurer's Office

The Newark City Treasurer receives all City deposits and transfers these deposits to the various financial institutions charged with keeping City funds. The City Treasurer maintains records on City receipts and disbursements and reconciles these records with those records maintained by the City Auditor and further reconciles with the general depository.

The Treasurer maintains the City's investments and works with the Auditor to manage the City's cash flow.

The City income tax, which was increased from 1.25% to 1.75% by a vote of the citizens at the general election held November 6, 2001, is also under the direction of the Treasurer.

The Treasurer also sits on the City's Treasury Investment Board along with the Auditor and Mayor.

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 fixed asset accounting and payroll. These systems coupled with the review and examination performed by the City Auditor's Office ensure that the financial information generated is both accurate and reliable.

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

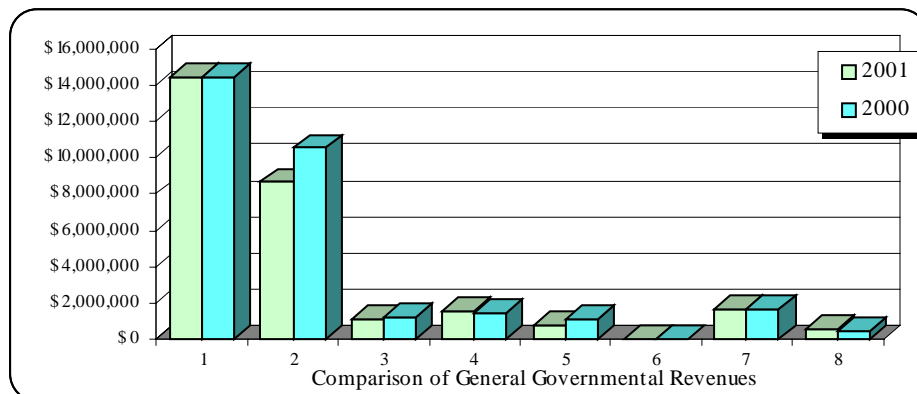
- * Personal services
- * Contractual services
- * Other (Miscellaneous)
- * Transfers
- * Materials and Supplies
- * Capital Outlay
- * Debt Service:
Principal
Interest

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.

General Governmental Functions:

The following schedule presents a summary of general governmental functions revenues (including general, special revenue, debt service and capital projects funds) for the year ended December 31, 2001, the percentage of each revenue source to total revenues, and the amount of increases and decreases in relation to the prior year's revenue.

Revenue Source	Total 2001	Percent of Total	Total 2000	Increase (Decrease) over/under 2000	Percent of Change
1. Taxes	\$14,473,914	50.10%	\$14,460,762	\$13,152	0.09%
2. Intergovernmental Revenue	8,665,294	29.99%	10,529,901	(1,864,607)	(17.71%)
3. Charges for Services	1,150,907	3.98%	1,230,212	(79,305)	(6.45%)
4. Licenses, Permits and Fees	1,565,619	5.42%	1,422,641	142,978	10.05%
5. Investment Earnings	818,298	2.83%	1,139,430	(321,132)	(28.18%)
6. Special Assessments	32,609	0.11%	41,321	(8,712)	(21.08%)
7. Fines and Forfeitures	1,627,706	5.63%	1,686,475	(58,769)	(3.48%)
8. All Other Revenues	556,491	1.94%	469,901	86,590	18.43%
Total	\$28,890,838	100.00%	\$30,980,643	(\$2,089,805)	



Revenue Narrative:

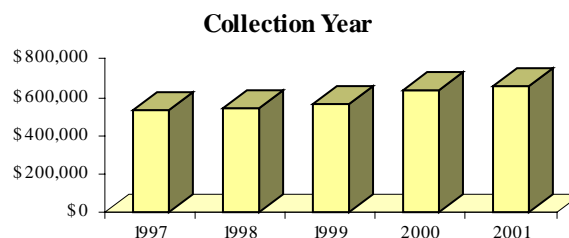
Revenues for General Governmental purposes (including general, special revenue, debt service and capital projects) totaled \$28,890,838, a decrease of \$2,089,805 from 2000. The City's income tax continues to be its primary source of revenue. The tax applies to all wages, salaries, commissions and other compensation paid by employers and/or the net proceeds from the operation of a business, profession or other enterprise activity. The initial tax rate of 1% collected in 1959 was increased to its current 1.75% in 2001. Income tax rates of cities within the State of Ohio are limited to a maximum of 1% unless specifically approved by a majority of the resident voters of the City. Approximately 83% of the City's income taxes collected in 2001 were collected through employer withholdings from employee earnings. The employer must remit withheld income taxes to the City on a quarterly basis.

The City Council approved and the Tax Commissioner initiated mandatory filing of city income tax returns effective January 1, 1993. The 0.09% increase in tax collections from 2000 to 2001 is attributable in part to the continued requirements of mandatory filing, the aggressive approach the City has taken in identifying taxpayers who do not file and primarily from growth of residential and business developments in and around the City of Newark.

Property taxes are levied and collected by the Licking County Treasurer. After collection, the County Auditor distributes portions of the taxes collected to the various political subdivisions within their geographic boundaries. Property tax rates for the City are 3.7 mills, which represents \$3.70 per \$1,000 of taxable valuation. The tax rate is applied to the assessed value of the property located within the City. Assessed value is approximately 35% of appraised value. Increases in the property tax rate can only occur with the approval of the City's voters. Revenues from property taxes are used for general fund operations and for partial funding of police and fire pension costs.

Total assessed values in the City over the past five years are shown below:

Levy Year	Collection Year	Assessed Value (in thousands)
1996	1997	\$531,727
1997	1998	541,274
1998	1999	562,806
1999	2000	634,519
2000	2001	654,702



Investment earnings decreased \$321,132 from 2000. This relative decrease in investment earnings is representative of a less robust national economy during 2001 as compared to 2000. The City's investment policies are discussed in more detail later in this letter under the topic of "cash management."

Intergovernmental Revenues consist primarily of local government assistance provided by the State of Ohio through reimbursement for real and personal property tax reductions, gasoline tax, state-levied motor vehicle license tax, inheritance tax and permissive motor vehicle license tax. These revenues are collected by the state or county and partially redistributed to the City and other political subdivisions. The large decrease in intergovernmental revenues is due to the fact that the City requested no permissive license tax monies held by the County during 2001.

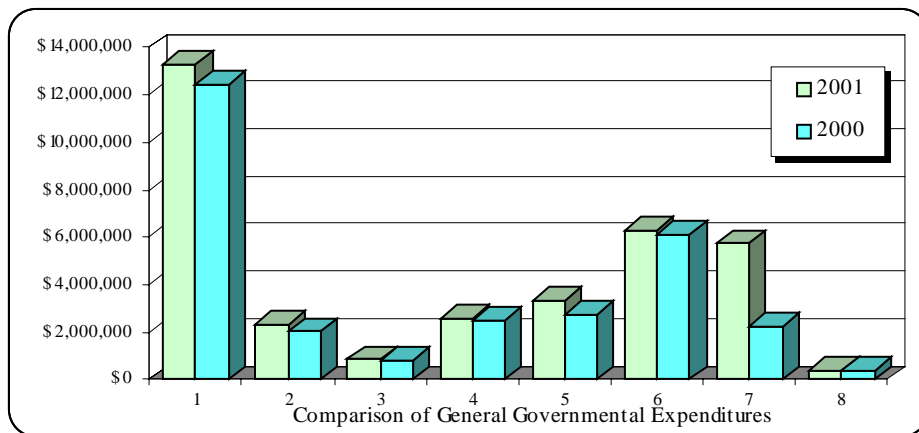
The City performs certain services for the public and other governmental entities for which it levies a charge. These services include those performed by the health department, such as home health visits and certification of birth and death certificates. The fire department offers its services to other communities to aid in the cleanup of hazardous materials spills and charges a fee for the service. The police department charges for the monitoring of commercial establishment alarm systems. The recreation department offers many programs such as summer volleyball leagues and winter basketball leagues for which charges are levied. There are also engineering services, inspection services, health department services and parking facilities that are available at a charge. Charges for services exhibited a decrease resulting from decreased cemetery lot sales.

The City experienced a decrease in special assessment collections during 2001. This is a result of new assessments issued in 2000 that were not repeated in 2001.

Expenditures for General Governmental purposes (including general, special revenue, debt service and capital projects) totaled \$34,812,373, an increase of \$5,612,199 compared to 2000.

Expenditures for the major functions of the City, the percentage of the total, and increases and decreases in relation to prior year expenditures are shown in the following table:

Expenditures	Total 2001	Percent of Total	Total 2000	Increase (Decrease) over/under 2000	Percent of Change
1. Security of Persons and Property	\$13,314,367	38.25%	\$12,401,045	\$913,322	7.36%
2. Public Health and Welfare	2,326,795	6.68%	2,028,556	298,239	14.70%
3. Leisure Time Activities	849,014	2.44%	774,609	74,405	9.61%
4. Community Environment	2,571,544	7.38%	2,518,321	53,223	2.11%
5. Transportation	3,357,894	9.65%	2,711,224	646,670	23.85%
6. General Government	6,301,536	18.10%	6,150,877	150,659	2.45%
7. Capital Outlay	5,733,268	16.47%	2,244,604	3,488,664	155.42%
8. Debt Service	357,955	1.03%	370,938	(12,983)	(3.50%)
Total	\$34,812,373	100.00%	\$29,200,174	\$5,612,199	



Expenditure Narrative:

The City experienced an increase in total governmental expenditures for 2001, which is attributable to a large increase in capital outlay. The increase in capital outlay expenditures can be attributed to an overall increase in capital projects. Security of persons and property increased \$913,322 as a result of the City's demonstrated commitment to providing improved safety programs for its citizens. The increase in expenditures within security of persons and property is attributable to increases in salaries due to new contract negotiations.

Expenditures within the transportation function increased due mainly to increases in street construction, maintenance and repair.

Debt service costs include the payment of principal, interest and related fiscal administration charges for the retirement of the City's outstanding general long-term debt. The expenditures vary with the nature and timing of debt service requirements.

Proprietary Operations:

Enterprise Funds:

The City's enterprise operations include a water treatment plant and distribution system and a wastewater treatment facility and a collection system. The enterprise funds are supported by revenues derived from user charges.

Certain pertinent data relating to the enterprise operations of the City is presented below.

	Total Assets	Net Income (Loss)	Return on Assets
Water	\$26,874,609	\$531,877	1.98%
Sewer	21,317,383	(1,192,209)	(5.59%)

Internal Service Funds:

The City's internal service funds are used to account for the financing of goods and services provided by one department to other departments of the City on a cost-reimbursement basis. The City's two internal service funds account for the accumulation and allocation of costs associated with insurance and workers' compensation costs incurred by the City.

Fiduciary Funds:

Trust Funds

The expendable trust funds of the City include the Parking Lot Fund, the Liability Insurance Trust Fund, the Law Library Fund, the Cemetery Open and Close Fund, Cemetery Vault Fund, the Veterans Memorial Sidewalk Fund, the Mausoleum Trust Fund, the Monument Sales Trust Fund and the Mary E. Barnes Trust Fund. The expendable trust funds are accounted for and reported similarly to governmental funds. Total assets of the expendable trust funds of the City amounted to \$616,351.

In addition to the expendable trust funds noted above, the City maintains a nonexpendable trust fund, associated with the cemeteries operated by the City. The Cemetery Endowment Fund is used to account for principal balances from contributions and endowments where capital maintenance is of primary importance. The nonexpendable trust funds are accounted for and reported in a manner similar to proprietary funds. Total assets of the nonexpendable trust fund amounted to \$573,346.

Agency Funds

Agency funds of the City of Newark include the Municipal Court Fund and the Fire Code Fund. These funds are custodial in nature and do not involve the measurement of results of operations. Total assets of the agency funds amounted to \$407,065.

Debt Administration:

The debt service funds accumulate resources for the payment of principal, interest and associated administrative costs on the City's general and special assessment (with governmental commitment) long-term debt. Resources are derived from property taxes (real and personal), special assessments, investment earnings, income taxes and operating transfers.

The City's general obligation bonds have an excellent rating. Moody's Investors Service maintains the City's bond credit rating at Aaa. The total bonded debt of the City at December 31, 2001 was \$17,444,016, consisting of the following:

Special Assessment Bonds	
with Governmental Commitment	\$120,000
General Obligation Bonds which are Self-Supported	17,324,016

In addition, the City has a loan obtained from the Ohio Water Development Authority (OWDA), which was used to finance the construction of the Wastewater Treatment Plant Improvements. The loan is being repaid from the revenues of the sewer fund in equal annual installments of \$1,090,345 and a final payment of \$545,173 through the year 2014. The principal amount of the loan at December 31, 2001 was \$8,142,990.

The ratio of property tax supported general bonded debt to assessed value and the amount of bonded debt per capita are considered to be good indicators to municipal managers, citizens and investors in general governmental debt of the City's debt position. The City's debt position as of December 31, 2001 was as follows:

Overall Legal Debt Margin	\$66,388,519
Unvoted Legal Debt Margin	33,444,409
General Obligation Notes	2,804,000

A more thorough presentation of the calculation of these figures is located in the statistical section of this report.

Cash Management:

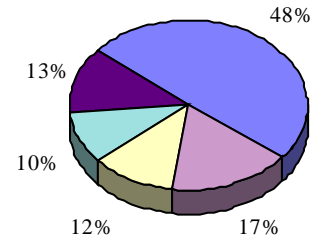
Cash management is a vital component of the City of Newark's overall financial strategy. The primary objective of the City's investment activity is the preservation of capital and the protection of invested principal. The City pools its cash except for that held by fiscal and escrow agents, certain debt service and trust and agency funds for maximum investing efficiency.

Public funds are invested to achieve maximum return on the portfolio without assuming unreasonable risk. The City purchases investments only through member banks of the Federal Reserve System or broker-dealers registered with the U.S. Securities and Exchange Commission. Investments are diversified to avoid incurring unreasonable risks related to a specific type of security or a particular individual financial institution. Portfolio investments remain sufficiently liquid to ensure that all operating requirements are satisfied in a timely manner.

The City's cash resources were invested at December 31, 2001 as follows:

Cash Resources *	2001	%
Cash	\$9,551,229	48%
Certificates of Deposit	3,216,334	17%
STAR Ohio	2,272,558	12%
Repurchase Agreement	1,874,175	10%
Investments/Mutual Funds	2,426,634	13%
Total Resources	\$19,340,930	100%

2001



*Does not include Cash with Fiscal Agent

The City earned interest on investments of \$886,678 for fiscal year 2001, allocated as follows:

Governmental Funds	\$818,298
Proprietary Funds	49,320
Fiduciary Funds	19,060
	<u>\$886,678</u>

At December 31, 2001, the bank balance of the City's deposits was \$13,753,108 of which \$620,000 was insured by Federal Depository Insurance and the remaining balance was collateralized by pooled collateral. The Ohio Revised Code 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. Based upon criteria described in GASB Statement No. 3, "Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements," collateral held in single financial institution collateral pools with securities being held by the pledging financial institution's agent in the pool's name are classified as Category 3.

Risk Management:

The proactive approach that the administration employs in addressing its ongoing operations is reflected in the composition of the City's insurance protection package and its very favorable loss experience.

The City has contracted with the Hartford Insurance Group for the provision of underlying bodily injury, personal injury, property damage and automotive coverages. Additional personal liability protection is provided by the Personal Service Insurance Company. The Ohio Municipal League Joint Self-Insurance Pool provided coverages for general liability, law enforcement liability, public officials liability, emergency medical service liability and garage keepers coverage. Boiler and machinery coverage is provided by the Travelers Insurance Company.

Deductible levels for the various policies have been selected so as not to expose the City to excessive "first dollars" loss in the case of a claim. In the property damage area, deductibles are \$1,000 per loss. In the professional liability areas, deductibles have been increased to help control the cost. The maximum deductible for professional liability coverage is \$50,000. When a notice of claim does arise, in every instance it is referred to the insurance company. Claims monitoring is reviewed both by the administration and by the City's legal counsel to assure that the City's interests are protected.

Through a periodic review of the City's scope of activities and an evaluation of acquisitions and disposals of fixed assets, an up-to-date risk profile is made available to all of our insurance carriers.

OTHER INFORMATION

Independent Audit:

The general purpose financial statements of the City of Newark were audited by Wolfe, Wilson and Phillips, Inc. The independent auditor's 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, 2000. 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 nine consecutive years (1991 - 2000). We believe this current report continues to conform to the Certificate of Achievement for Excellence in Financial Reporting program requirements and are submitting it to the GFOA.

Public Disclosure

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

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.

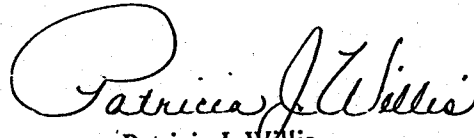
We would also like to extend a special thank you to The Art Department of Powers & Company, Inc. for their imaginative portrayal of the graphics contained within this publication.

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

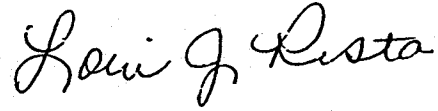
Respectfully,



Stephen E. Johnson
City Auditor



Patricia J. Willis
Budget Analyst



Lori J. Resta
Deputy City Auditor

**THE CITY OF NEWARK, OHIO
LICKING COUNTY**

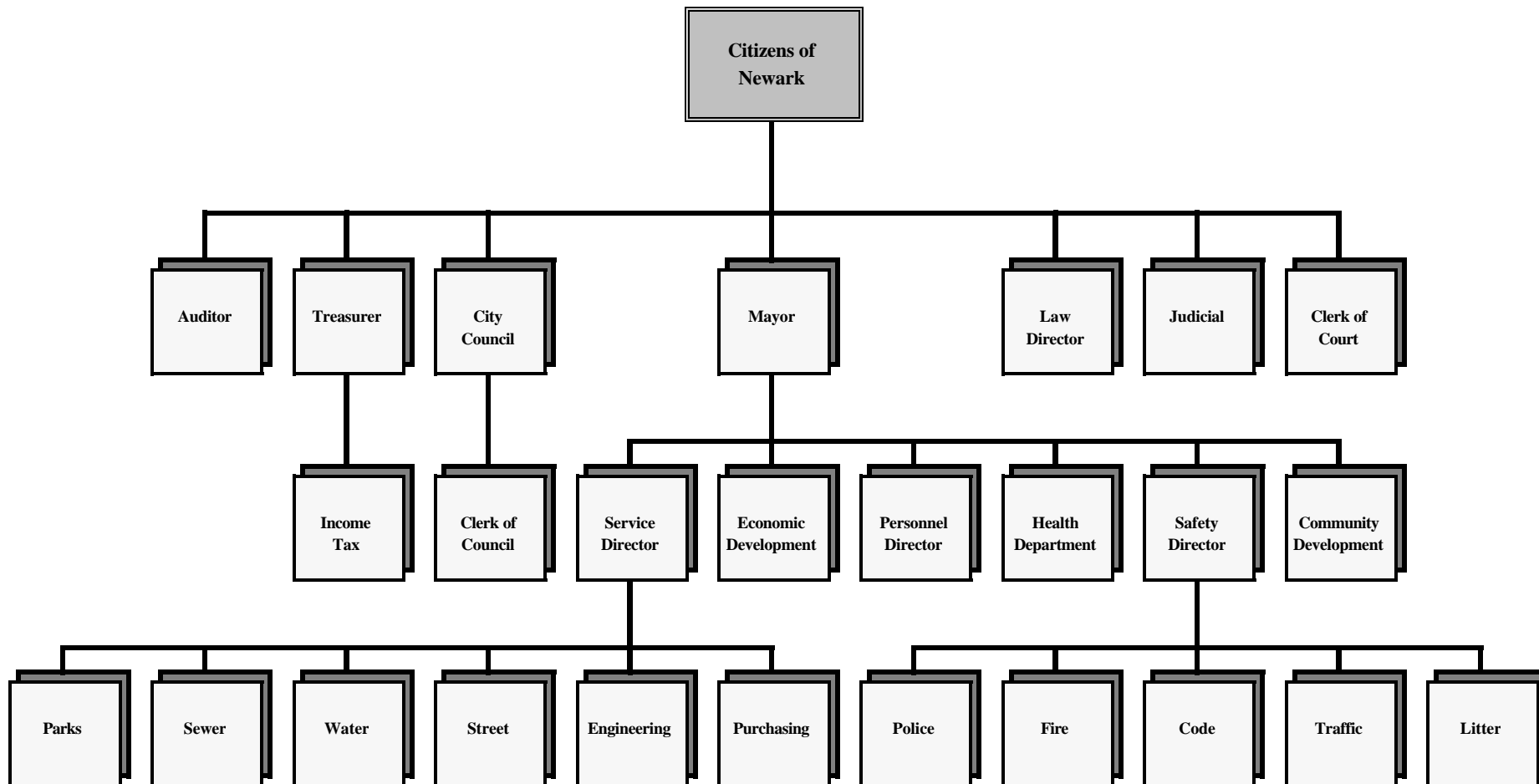
**LIST OF ELECTED OFFICIALS
DECEMBER 31, 2001**

NAME	TITLE	TERM OF OFFICE	SURETY DATA		
Frank L. Stare, III	Mayor	01/01/00 to 12/31/03			
Stephen E. Johnson	Auditor	01/01/00 to 12/31/03	A	\$5,000	01/01/00 to 12/31/03
Michael F. Higgins	Presiding Judge	01/01/98 to 12/31/04			
Thomas M. Marcelain	Judge	01/01/00 to 12/31/05			
James W. Hostetter	Law Director	01/01/00 to 12/31/03			
Charles Johnston	Treasurer	01/01/98 to 12/31/02	A	\$30,000	01/01/98 to 12/31/02
Bruce Bain	President of Council	01/01/00 to 12/31/03			
Julia Ketner Barrett	Council 3rd Ward	01/01/00 to 12/31/01			
Cheri Hottinger	Council-at-Large	01/01/00 to 12/31/03			
Brad Feightner	Council-at-Large	01/01/00 to 12/31/03			
Robert Diebold	Council 1st Ward	01/01/00 to 12/31/01			
Alma C. Hartman	Council 2nd Ward	01/01/00 to 12/31/01			
David Forgrave	Council-at-Large	01/01/00 to 12/31/03			
Kurt Harden	Council 4th Ward	01/01/00 to 12/31/01			
Richard Baker	Council 5th Ward	01/01/00 to 12/31/01			
Billie Allen	Council 6th Ward	01/01/00 to 12/31/01			
William J. Rauch	Council 7th Ward	01/01/00 to 12/31/01			
Robert A. Hill	Clerk of Court	01/01/96 to 12/31/01	A	\$10,000	01/01/96 to 12/31/01

A - Ohio Casualty Insurance Company

The City of Newark, Ohio

Organizational Chart



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, 2000

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.



Timothy A. Brewer
President

Jeffrey L. Esser
Executive Director

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FINANCIAL SECTION

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

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying general-purpose financial statements of City of Newark as of and for the year ended December 31, 2001. These general-purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general-purpose 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 general-purpose financial statements referred to above present fairly, in all material respects, the financial position of City of Newark as of December 31, 2001, and the results of its operations and the cash flows of its proprietary funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 17, 2002, on our consideration of 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. 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.

Our audit was made for the purpose of forming an opinion on the financial statements of the City, taken as a whole. The accompanying Schedule of Federal Awards Expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "*Audits of States, Local Governments, and Non-Profit Organizations*", and is not a required part of the general purpose financial statements. The combining, individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose 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
May 17, 2002



GENERAL PURPOSE FINANCIAL STATEMENTS

THE FOLLOWING GENERAL PURPOSE FINANCIAL STATEMENTS, ALONG WITH THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, PRESENT AN OVERVIEW OF THE CITY'S FINANCIAL POSITION AT DECEMBER 31, 2001 AND THE RESULTS OF OPERATIONS AND CASH FLOWS OF ITS PROPRIETARY AND NONEXPENDABLE TRUST FUND FOR THE YEAR THEN ENDED.

THE CITY OF NEWARK, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2001

	<i>Governmental</i>			
	<i>Fund Types</i>			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds
<u>Assets and Other Debits:</u>				
Assets:				
Cash and Cash Equivalents	\$765,524	\$1,250,024	\$9,889	\$1,236,529
Investments	845,177	393,761	0	1,018,825
Receivables (net of allowance for doubtful accounts):				
Taxes	2,333,454	2,080,501	0	0
Accounts	260,886	258,601	0	2,697
Special Assessments	0	0	302,537	0
Loans	0	2,710,275	0	0
Interest	51,012	3,602	0	0
Interfund Loans Receivable	1,181,955	0	0	0
Intergovernmental Receivables	105,229	1,826,341	0	0
Inventory of Supplies at Cost	65,627	246,234	0	0
Prepaid Items	25,028	6,745	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	0	0	0
Cash With Fiscal Agent	0	468,395	0	0
Investments	0	0	0	0
Deferred Charge	0	0	0	0
Fixed Assets (net of accumulated depreciation)	0	0	0	0
Construction in Progress	0	0	0	0
Other Debits:				
Amount Available in Debt Service Fund	0	0	0	0
Amount to be Provided for General Long-Term Obligations	0	0	0	0
Total Assets and Other Debits	\$5,633,892	\$9,244,479	\$312,426	\$2,258,051

THE CITY OF NEWARK, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2001

<i>Proprietary Fund Types</i>		<i>Fiduciary Fund Types</i>	<i>Account Groups</i>		Totals (Memorandum Only)
Enterprise Funds	Internal Service Funds	Trust and Agency Funds	General Fixed Assets	General Long-Term Obligations	
\$9,336,978	\$2,895,682	\$555,859	\$0	\$0	\$16,050,485
0	0	52,271	0	0	2,310,034
0	0	0	0	0	4,413,955
1,061,990	10,544	7,514	0	0	1,602,232
0	0	0	0	0	302,537
0	0	0	0	0	2,710,275
1,034	0	707	0	0	56,355
0	0	0	0	0	1,181,955
0	0	0	0	0	1,931,570
371,125	0	0	0	0	682,986
13,820	0	0	0	0	45,593
0	0	490,311	0	0	490,311
14,732	0	0	0	0	483,127
0	0	490,100	0	0	490,100
153,031	0	0	0	0	153,031
36,693,725	0	0	25,686,501	0	62,380,226
545,557	0	0	100,100	0	645,657
0	0	0	0	8,359	8,359
0	0	0	0	8,056,154	8,056,154
<u>\$48,191,992</u>	<u>\$2,906,226</u>	<u>\$1,596,762</u>	<u>\$25,786,601</u>	<u>\$8,064,513</u>	<u>\$103,994,942</u>

(Continued)

THE CITY OF NEWARK, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2001

	<i>Governmental</i>			
	<i>Fund Types</i>			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds
<u>Liabilities, Equity and Other Credits:</u>				
Liabilities:				
Accounts Payable	\$206,136	\$362,146	\$0	\$289,382
Accrued Wages and Benefits	1,508,762	275,413	0	0
Interfund Loans Payable	0	25,970	0	1,155,985
Intergovernmental Payables	73,437	5,213	0	0
Due to Others	0	0	0	0
Matured Bonds and Interest Payable	0	0	0	0
Accrued Interest Payable	0	0	0	53,873
Deferred Revenue	2,170,456	5,774,148	302,537	0
General Obligation Notes Payable	0	0	0	2,804,000
Compensated Absences Payable	4,104	209	0	0
Capital Leases Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Special Assessment Bonds Payable with Governmental Commitment	0	0	0	0
Ohio Water Development Authority Loan Payable	0	0	0	0
Accrued Pension Liability	0	0	0	0
Total Liabilities	3,962,895	6,443,099	302,537	4,303,240
Equity and Other Credits:				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings:				
Unreserved:	0	0	0	0
Fund Balances:				
Reserved for Encumbrances	410,626	607,250	1,530	424,218
Reserved for Supplies Inventory	65,627	246,234	0	0
Reserved for Prepaid Items	25,028	6,745	0	0
Reserved for Loans Receivable	0	2,710,275	0	0
Reserved for Debt Service	0	0	8,359	0
Reserved for Endowments	0	0	0	0
Unreserved:				
Undesignated	1,169,716	(769,124)	0	(2,469,407)
Total Equity and Other Credits	1,670,997	2,801,380	9,889	(2,045,189)
Total Liabilities, Equity and Other Credits	\$5,633,892	\$9,244,479	\$312,426	\$2,258,051

The notes to the general purpose financial statements are an integral part of this statement.

THE CITY OF NEWARK, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2001

<i>Proprietary Fund Types</i>		<i>Fiduciary Fund Types</i>	<i>Account Groups</i>		Totals (Memorandum Only)
Enterprise Funds	Internal Service Funds	Trust and Agency Funds	General Fixed Assets	General Long-Term Obligations	
\$511,275	\$2,808	\$17,661	\$0	\$0	\$1,389,408
277,931	41,627	0	0	0	2,103,733
0	0	0	0	0	1,181,955
11,306	0	221,397	0	0	311,353
0	0	185,668	0	0	185,668
14,732	0	0	0	0	14,732
350,229	0	0	0	0	404,102
0	0	0	0	0	8,247,141
0	0	0	0	0	2,804,000
594,715	0	0	0	2,285,111	2,884,139
0	0	0	0	443,508	443,508
14,329,016	0	0	0	2,995,000	17,324,016
0	0	0	0	120,000	120,000
8,142,990	0	0	0	0	8,142,990
0	0	0	0	2,220,894	2,220,894
<u>24,232,194</u>	<u>44,435</u>	<u>424,726</u>	<u>0</u>	<u>8,064,513</u>	<u>47,777,639</u>
0	0	0	25,786,601	0	25,786,601
17,715,089	0	0	0	0	17,715,089
6,244,709	2,861,791	0	0	0	9,106,500
0	0	2,289	0	0	1,445,913
0	0	0	0	0	311,861
0	0	0	0	0	31,773
0	0	0	0	0	2,710,275
0	0	0	0	0	8,359
0	0	573,346	0	0	573,346
0	0	596,401	0	0	(1,472,414)
<u>23,959,798</u>	<u>2,861,791</u>	<u>1,172,036</u>	<u>25,786,601</u>	<u>0</u>	<u>56,217,303</u>
<u>\$48,191,992</u>	<u>\$2,906,226</u>	<u>\$1,596,762</u>	<u>\$25,786,601</u>	<u>\$8,064,513</u>	<u>\$103,994,942</u>



THE CITY OF NEWARK, OHIO
COMBINED STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	<i>Governmental</i>			<i>Fiduciary</i>		Totals (Memorandum Only)
	<i>Fund Types</i>			<i>Fund Type</i>		
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Expendable Trust Funds	
Revenues:						
Taxes	\$1,910,868	\$12,209,911	\$0	\$353,135	\$0	\$14,473,914
Intergovernmental Revenues	4,604,090	3,711,083	0	350,121	0	8,665,294
Charges for Services	249,787	901,120	0	0	214,183	1,365,090
Licenses, Permits and Fees	1,490,958	74,661	0	0	0	1,565,619
Investment Earnings	773,322	44,976	0	0	20,194	838,492
Special Assessments	0	0	32,609	0	0	32,609
Fines and Forfeitures	1,475,819	120,314	0	31,573	0	1,627,706
All Other Revenues	161,293	373,010	11	22,177	3,350	559,841
Total Revenues	<u>10,666,137</u>	<u>17,435,075</u>	<u>32,620</u>	<u>757,006</u>	<u>237,727</u>	<u>29,128,565</u>
Expenditures:						
Current:						
Security of Persons and Property	12,256,278	1,058,089	0	0	8,293	13,322,660
Public Health and Welfare Services	1,788,716	538,079	0	0	0	2,326,795
Leisure Time Activities	0	849,014	0	0	6,387	855,401
Community Environment	1,055,318	1,516,226	0	0	0	2,571,544
Transportation	0	3,357,894	0	0	0	3,357,894
General Government	5,628,477	664,386	8,673	0	136,243	6,437,779
Capital Outlay	0	0	0	5,733,268	0	5,733,268
Debt Service:						
Principal Retirement	0	0	23,095	105,000	0	128,095
Interest and Fiscal Charges	0	0	7,310	222,550	0	229,860
Total Expenditures	<u>20,728,789</u>	<u>7,983,688</u>	<u>39,078</u>	<u>6,060,818</u>	<u>150,923</u>	<u>34,963,296</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,062,652)	9,451,387	(6,458)	(5,303,812)	86,804	(5,834,731)
Other Financing Sources (Uses):						
Proceeds from Sale of Fixed Assets	11,291	32,001	0	0	0	43,292
Operating Transfers In	10,210,501	2,162,438	0	2,353,403	50,000	14,776,342
Operating Transfers Out	(1,767,484)	(12,594,343)	(55,835)	(112,303)	(12,327)	(14,542,292)
Other Financing Sources - Capital Leases	0	0	0	181,886	0	181,886
Total Other Financing Sources (Uses)	<u>8,454,308</u>	<u>(10,399,904)</u>	<u>(55,835)</u>	<u>2,422,986</u>	<u>37,673</u>	<u>459,228</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,608,344)	(948,517)	(62,293)	(2,880,826)	124,477	(5,375,503)
Restated Fund Balance Beginning of Year	3,288,778	3,704,591	72,182	835,637	474,213	8,375,401
Increase (Decrease) in Inventory Reserve	(9,437)	45,306	0	0	0	35,869
Fund Balance (Deficit) End of Year	<u>\$1,670,997</u>	<u>\$2,801,380</u>	<u>\$9,889</u>	<u>(\$2,045,189)</u>	<u>\$598,690</u>	<u>\$3,035,767</u>

The notes to the general purpose financial statements are an integral part of this statement.

THE CITY OF NEWARK, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>General Fund</u>			<u>Special Revenue Funds</u>		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
Taxes	\$1,837,690	\$1,910,868	\$73,178	\$12,312,320	\$12,240,209	(\$72,111)
Intergovernmental Revenues	3,543,298	4,635,865	1,092,567	4,633,819	3,841,258	(792,561)
Charges for Services	16,460	248,896	232,436	998,865	909,648	(89,217)
Licenses, Permits and Fees	1,091,325	1,491,105	399,780	161,000	100,253	(60,747)
Investment Earnings	1,007,500	822,848	(184,652)	45,000	43,518	(1,482)
Special Assessments	0	0	0	0	0	0
Fines and Forfeitures	1,490,000	1,397,823	(92,177)	78,000	104,132	26,132
All Other Revenues	47,900	160,307	112,407	426,398	370,713	(55,685)
Total Revenues	9,034,173	10,667,712	1,633,539	18,655,402	17,609,731	(1,045,671)
Expenditures:						
Current:						
Security of Persons and Property	12,621,496	12,312,378	309,118	1,261,417	1,108,980	152,437
Public Health and Welfare Services	1,979,922	1,796,845	183,077	661,426	630,475	30,951
Leisure Time Activities	0	0	0	1,109,507	991,061	118,446
Community Environment	1,078,088	1,050,464	27,624	2,749,578	1,718,599	1,030,979
Transportation	0	0	0	3,959,551	3,644,265	315,286
General Government	6,514,505	5,884,602	629,903	926,419	690,752	235,667
Capital Outlay	0	0	0	0	0	0
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
Total Expenditures	22,194,011	21,044,289	1,149,722	10,667,898	8,784,132	1,883,766
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,159,838)	(10,376,577)	2,783,261	7,987,504	8,825,599	838,095
Other Financing Sources (Uses):						
Proceeds from Sale of Fixed Assets	20,000	11,291	(8,709)	35,000	32,001	(2,999)
Proceeds from General Obligation Notes	0	0	0	0	0	0
Operating Transfers In	9,406,315	10,210,501	804,186	2,444,972	2,162,438	(282,534)
Operating Transfers Out	(2,219,109)	(1,767,484)	451,625	(12,613,268)	(12,594,343)	18,925
Advances In	127,298	127,298	0	25,970	25,970	0
Advances Out	(1,181,955)	(1,181,955)	0	(99,316)	(99,316)	0
Total Other Financing Sources (Uses)	6,152,549	7,399,651	1,247,102	(10,206,642)	(10,473,250)	(266,608)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(7,007,289)	(2,976,926)	4,030,363	(2,219,138)	(1,647,651)	571,487
Fund Balance at Beginning of Year	3,385,458	3,385,458	0	636,882	636,882	0
Prior Year Encumbrances	530,938	530,938	0	1,682,952	1,682,952	0
Fund Balance (Deficit) at End of Year	(\$3,090,893)	\$939,470	\$4,030,363	\$100,696	\$672,183	\$571,487

The notes to the general purpose financial statements are an integral part of this statement.

THE CITY OF NEWARK, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001

<i>Debt Service Fund</i>			<i>Capital Projects Funds</i>			<i>Totals (Memorandum Only)</i>		
Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
\$0	\$0	\$0	\$400,000	\$353,135	(\$46,865)	\$14,550,010	\$14,504,212	(\$45,798)
0	0	0	1,502,348	378,103	(1,124,245)	9,679,465	8,855,226	(824,239)
0	0	0	0	0	0	1,015,325	1,158,544	143,219
0	0	0	0	0	0	1,252,325	1,591,358	339,033
0	0	0	0	0	0	1,052,500	866,366	(186,134)
52,000	32,609	(19,391)	0	0	0	52,000	32,609	(19,391)
0	0	0	35,000	30,663	(4,337)	1,603,000	1,532,618	(70,382)
100	11	(89)	0	22,177	22,177	474,398	553,208	78,810
52,100	32,620	(19,480)	1,937,348	784,078	(1,153,270)	29,679,023	29,094,141	(584,882)
0	0	0	0	0	0	13,882,913	13,421,358	461,555
0	0	0	0	0	0	2,641,348	2,427,320	214,028
0	0	0	0	0	0	1,109,507	991,061	118,446
0	0	0	0	0	0	3,827,666	2,769,063	1,058,603
0	0	0	0	0	0	3,959,551	3,644,265	315,286
12,500	10,203	2,297	0	0	0	7,453,424	6,585,557	867,867
0	0	0	7,011,500	6,327,054	684,446	7,011,500	6,327,054	684,446
23,095	23,095	0	1,000,000	1,000,000	0	1,023,095	1,023,095	0
7,372	7,310	62	197,093	197,093	0	204,465	204,403	62
42,967	40,608	2,359	8,208,593	7,524,147	684,446	41,113,469	37,393,176	3,720,293
9,133	(7,988)	(17,121)	(6,271,245)	(6,740,069)	(468,824)	(11,434,446)	(8,299,035)	3,135,411
0	0	0	0	0	0	55,000	43,292	(11,708)
0	0	0	3,395,000	2,904,000	(491,000)	3,395,000	2,904,000	(491,000)
0	0	0	2,353,403	2,353,403	0	14,204,690	14,726,342	521,652
(55,835)	(55,835)	0	(112,375)	(112,303)	72	(15,000,587)	(14,529,965)	470,622
0	0	0	0	1,155,985	1,155,985	153,268	1,309,253	1,155,985
0	0	0	(27,982)	(27,982)	0	(1,309,253)	(1,309,253)	0
(55,835)	(55,835)	0	5,608,046	6,273,103	665,057	1,498,118	3,143,669	1,645,551
(46,702)	(63,823)	(17,121)	(663,199)	(466,966)	196,233	(9,936,328)	(5,155,366)	4,780,962
72,182	72,182	0	(556,496)	(556,496)	0	3,538,026	3,538,026	0
0	0	0	2,588,336	2,588,336	0	4,802,226	4,802,226	0
\$25,480	\$8,359	(\$17,121)	\$1,368,641	\$1,564,874	\$196,233	(\$1,596,076)	\$3,184,886	\$4,780,962



THE CITY OF NEWARK, OHIO
COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS/FUND BALANCE
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

	<i>Proprietary</i>		<i>Fiduciary</i>	
	<i>Fund Types</i>		<i>Fund Type</i>	
	Enterprise Funds	Internal Service Funds	Nonexpendable Trust Fund	Totals (Memorandum Only)
<u>Operating Revenues:</u>				
Charges for Services	\$10,297,884	\$2,958,575	\$10,688	\$13,267,147
Other Operating Revenues	873	111,393	0	112,266
Investment Earnings	0	0	(1,134)	(1,134)
Total Operating Revenues	10,298,757	3,069,968	9,554	13,378,279
<u>Operating Expenses:</u>				
Personal Services	3,728,385	2,493,175	0	6,221,560
Materials and Supplies	806,970	0	0	806,970
Contractual Services	2,139,034	5,275	0	2,144,309
Depreciation	2,988,143	0	0	2,988,143
Total Operating Expenses	9,662,532	2,498,450	0	12,160,982
Operating Income	636,225	571,518	9,554	1,217,297
<u>Nonoperating Revenues (Expenses):</u>				
Investment Earnings	49,320	0	0	49,320
Interest and Fiscal Charges	(1,101,385)	0	0	(1,101,385)
Miscellaneous Nonoperating Expense	(10,442)	0	0	(10,442)
Total Nonoperating Revenues (Expenses)	(1,062,507)	0	0	(1,062,507)
Income (Loss) Before Operating Transfers	(426,282)	571,518	9,554	154,790
<u>Operating Transfers:</u>				
Operating Transfers In	566,417	0	0	566,417
Operating Transfers Out	(800,467)	0	0	(800,467)
Total Operating Transfers	(234,050)	0	0	(234,050)
Net Income (Loss)	(660,332)	571,518	9,554	(79,260)
Restated Retained Earnings/Fund Balance at Beginning of Year	6,905,041	2,290,273	563,792	9,759,106
Retained Earnings/Fund Balance at End of Year	\$6,244,709	\$2,861,791	\$573,346	\$9,679,846

The notes to the general purpose financial statements are an integral part of this statement.

THE CITY OF NEWARK, OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

	<i>Proprietary</i>		<i>Fiduciary</i>	Totals (Memorandum Only)
	<i>Fund Types</i>	<i>Fund Types</i>	<i>Fund Type</i>	
	Enterprise Funds	Internal Service Funds	Nonexpendable Trust Fund	
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$10,444,123	\$0	\$10,688	\$10,454,811
Cash Received from Quasi-External Operating Transactions from Other Funds	0	3,207,059	0	3,207,059
Cash Payments for Goods and Services	(2,853,377)	(2,808,400)	0	(5,661,777)
Cash Payments to Employees	(3,665,240)	0	0	(3,665,240)
Net Cash Provided by Operating Activities	<u>3,925,506</u>	<u>398,659</u>	<u>10,688</u>	<u>4,334,853</u>
<u>Cash Flows from Noncapital Financing Activities:</u>				
Transfers In from Other Funds	566,417	0	0	566,417
Transfers Out to Other Funds	(800,467)	0	0	(800,467)
Net Cash Used for Noncapital Financing Activities	<u>(234,050)</u>	<u>0</u>	<u>0</u>	<u>(234,050)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Acquisition and Construction of Assets	(1,529,969)	0	0	(1,529,969)
Principal Paid on General Obligation Bonds	(600,000)	0	0	(600,000)
Principal Paid on Ohio Water Development Authority Loan	(434,191)	0	0	(434,191)
Interest Paid on All Debt	(1,044,437)	0	0	(1,044,437)
Net Cash Used for Capital and Related Financing Activities	<u>(3,608,597)</u>	<u>0</u>	<u>0</u>	<u>(3,608,597)</u>
<u>Cash Flows from Investing Activities:</u>				
Sale (Purchase) of Investments	2,856,736	0	(105,000)	2,751,736
Receipts of Interest	59,049	0	0	59,049
Net Cash Provided (Used) by Investing Activities	<u>2,915,785</u>	<u>0</u>	<u>(105,000)</u>	<u>2,810,785</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,998,644	398,659	(94,312)	3,302,991
Cash and Cash Equivalents at Beginning of Year	<u>6,353,066</u>	<u>2,497,023</u>	<u>177,558</u>	<u>9,027,647</u>
Cash and Cash Equivalents at End of Year	<u><u>\$9,351,710</u></u>	<u><u>\$2,895,682</u></u>	<u><u>\$83,246</u></u>	<u><u>\$12,330,638</u></u>
<u>Reconciliation of Cash and</u>				
<u>Cash Equivalents per the Balance Sheet:</u>				
Cash and Cash Equivalents	\$9,336,978	\$2,895,682	\$555,859	\$12,788,519
Less: Cash and Cash Equivalents in Expendable Trust Fund	0	0	(555,859)	(555,859)
Restricted Cash and Cash Equivalents	0	0	490,311	490,311
Restricted Cash with Fiscal Agent	14,732	0	0	14,732
Less: Restricted Cash in Agency Funds	0	0	(407,065)	(407,065)
Cash and Cash Equivalents at End of Year	<u><u>\$9,351,710</u></u>	<u><u>\$2,895,682</u></u>	<u><u>\$83,246</u></u>	<u><u>\$12,330,638</u></u>

THE CITY OF NEWARK, OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

	<i>Proprietary</i>		<i>Fiduciary</i>	Totals (Memorandum Only)
	<i>Fund Types</i>	<i>Fund Types</i>	<i>Fund Type</i>	
	Enterprise Funds	Internal Service Funds	Nonexpendable Trust Fund	
Reconciliation of Operating Income to Net Cash				
<u>Provided by Operating Activities:</u>				
Operating Income	\$636,225	\$571,518	\$9,554	\$1,217,297
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Expense	2,988,143	0	0	2,988,143
Miscellaneous Nonoperating Expense	(10,442)	0	0	(10,442)
Investment Earnings	0	0	1,134	1,134
Changes in Assets and Liabilities:				
Decrease in Accounts Receivable	145,366	137,091	0	282,457
Increase in Inventory	(11,558)	0	0	(11,558)
Increase in Prepaid Items	(9,756)	0	0	(9,756)
Increase (Decrease) in Accounts Payable	125,053	(1,855)	0	123,198
Increase (Decrease) in Accrued Wages and Benefits	49,357	(308,095)	0	(258,738)
Decrease in Intergovernmental Payables	(670)	0	0	(670)
Increase in Compensated Absences	13,788	0	0	13,788
Total Adjustments	<u>3,289,281</u>	<u>(172,859)</u>	<u>1,134</u>	<u>3,117,556</u>
Net Cash Provided by Operating Activities	<u>\$3,925,506</u>	<u>\$398,659</u>	<u>\$10,688</u>	<u>\$4,334,853</u>

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2001, the Water and Sewer Funds had outstanding liabilities of \$29,941 and \$179,097, respectively for the purchase of certain capital assets.

The notes to the general purpose financial statements are an integral part of this statement.

THE CITY OF NEWARK, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2001

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 accompanying general purpose financial statements of the City present the financial position of the various fund types and account groups, the results of operations of the various fund types and the cash flows of the proprietary and nonexpendable trust fund. The financial statements are presented as of December 31, 2001 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 general purpose 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, account groups, 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 and a wastewater treatment and 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 and account groups, 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 various funds are summarized by type in the general purpose financial statements. The following fund types and account groups are used by the City:

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 governmental fund types:

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.

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

Debt Service Fund - This fund is used for the accumulation of resources for, and the payment of, general obligation and special assessment long-term debt principal and interest other than those accounted for in the proprietary funds.

Capital Projects Funds - These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the proprietary funds).

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. Fund equity (i.e., net assets) is segregated into contributed capital and retained earnings components. 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 maintains separate enterprise funds for its water and sewer utility services.

Internal Service Funds - These funds are used to account for the financing of services provided by one department to other departments or agencies of the governmental unit or to other governmental units on a cost-reimbursement basis.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Fiduciary Funds

Trust and Agency Funds - These funds are used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The City maintains expendable trust funds, a nonexpendable trust fund and agency funds. Expendable trust funds are accounted for and reported similarly to governmental funds. The nonexpendable trust fund is accounted for in essentially the same manner as proprietary funds since capital maintenance is critical. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups

To make a clear distinction between fixed assets related to specific funds and those of general government and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group - This account group is established to account for fixed assets of the City other than those accounted for in the proprietary funds.

General Long-Term Obligations Account Group - This account group is established to account for all long-term debt of the City except those accounted for in the proprietary funds.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Revenue considered susceptible to accrual at year end includes income taxes withheld by employers, interest on investments and state levied locally shared taxes (including motor vehicle license fees and local government assistance). Income taxes other than those withheld by employers, 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, 2001 but are not intended to finance 2001 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 proprietary funds and the nonexpendable trust fund. 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.

D. Budgetary Process

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

All funds other than agency funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

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 statement reflect the amounts in the final amended official certificate of estimated resources issued during 2001.

3. Appropriations

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

4. Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures (budget basis) in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. However, on the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities and are reported as reservations of fund balances for governmental funds in the accompanying general purpose financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

5. 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.

6. 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).

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)6. Budgetary Basis of Accounting (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary cash basis statements for the governmental funds:

	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds
GAAP Basis (as reported)	(\$1,608,344)	(\$948,517)	(\$62,293)	(\$2,880,826)
Increase (Decrease):				
Accrued Revenues at December 31, 2001 received during 2002	(1,769,062)	(1,750,254)	0	(2,697)
Accrued Revenues at December 31, 2000 received during 2001	752,770	1,748,223	0	29,769
Accrued Expenditures at December 31, 2001 paid during 2002	1,755,649	845,638	0	1,499,240
Accrued Expenditures at December 31, 2000 paid during 2001	(1,445,863)	(570,118)	0	(430,972)
2000 Prepays for 2001	27,201	5,724	0	0
2001 Prepays for 2002	(25,028)	(6,745)	0	0
Fund Debt:				
Note Proceeds	0	0	0	2,904,000
Note Retirements	0	0	0	(895,000)
Outstanding Encumbrances	(664,249)	(971,602)	(1,530)	(690,480)
Budget Basis	<u>(\$2,976,926)</u>	<u>(\$1,647,651)</u>	<u>(\$63,823)</u>	<u>(\$466,966)</u>

E. 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."

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. 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 2001. 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, 2001.

G. Inventory

Inventory is stated at cost (first-in, first-out) in the governmental funds and at the lower of cost or market in the proprietary funds. The costs of inventory items are recorded as expenditures in the governmental funds when purchased and as expenses in the proprietary funds when used.

H. Fixed Assets and Depreciation

The accounting and reporting treatment applied to fixed assets is determined by their ultimate use:

1. Property, Plant and Equipment - General Governmental Purposes

Fixed assets acquired or constructed for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years) in the General Fixed Assets Account Group. Contributed fixed assets are recorded at fair market value at the date received.

Fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, have not been capitalized. Such assets normally are immovable and of value only to the City; therefore, the purpose of stewardship for capital expenditures can be satisfied without recording these assets.

The City has elected not to record depreciation in the General Fixed Assets Account Group.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Fixed Assets and Depreciation (Continued)

2. Property, Plant and Equipment - Proprietary Funds

Property, plant and equipment (water and sewer lines) acquired by the proprietary funds are stated at estimated historical cost. Contributed fixed assets are recorded at fair market value on the date received.

Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives (Years)</u>
Buildings	45
Improvements other than Buildings	60
Machinery, Equipment, Furniture and Fixtures	3 - 10

I. Long-Term Obligations

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

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	Water Fund
	Tax Increment Financing Fund
Special Assessment Bonds	Debt Service Fund
	Capital Improvement Fund
OWDA Loan	Sewer Fund
Capital Leases	Street Department Fund
	Capital Improvement Fund
Compensated Absences	General Fund
	Street Department Fund
	Income Tax 1% Fund
	Cemetery Fund
	Community Development Fund
	Parks and Recreation Fund
	Traffic Control Fund
	Water Fund
	Sewer Fund
Accrued Pension Liability	General Fund

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. 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.

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, 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 remaining portion of the liability is reported in the General Long-Term Obligations Account Group.

K. Pensions

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

L. Bond Discounts/Issuance Costs

In governmental fund types, bond discounts and issuance costs are recognized in the current period. Bond discounts and issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond discounts are presented as a reduction of the face amount of bonds payable, whereas issuance costs are recorded as deferred charges.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds. Interfund transactions are generally classified as follows:

- Operating transfers are reported as "Other Financing Sources and Uses" in the governmental funds, as "Operating Transfers In" by the recipient fund and "Operating Transfers Out" by the disbursing fund.
- Residual Equity Transfers are nonroutine or nonrecurring transfers between funds and are reported as additions to or deductions from the fund equity balance. The City did not perform any residual equity transfers in 2001.

Transactions that would be treated as revenues and expenditures if the transactions involved organizations external to the City are similarly treated when involving other funds of the City. The City also advances cash from one fund to another as necessary to meet current obligations.

N. 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.

O. Contributed Capital

Proprietary fund type contributed capital is recorded at the fair market value of the related assets at the date received. Depreciation on contributed fixed assets resulting from grants, entitlements and shared revenues is recorded as an operating expense and closed along with other operating expenses directly to retained earnings. Capital contributions received after December 31, 2000 are recorded as revenue in the proprietary funds.

P. Total Columns on Combined Financial Statements - Overview

Total columns on the "Combined Financial Statements - Overview" are captioned "Memorandum Only" to indicate they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - CHANGES IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF FUND BALANCES/RETAINED EARNINGS

For the fiscal year ended December 31, 2001, the City has implemented GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions" and GASB Statement No. 36 "Recipient Reporting for Certain Shared Nonexchange Revenues". In addition, the retained earnings balance in the enterprise funds was restated at December 31, 2000 to correct an error in accounting for the deferred loss on early retirement of debt. The implementation of GASB 33 and GASB 36 as well as the correction of the accounting error in the enterprise funds had the following effect on special revenue/enterprise fund assets, liabilities and fund balance/retained earnings at December 31, 2000:

Fund Type	Total Fund Balance as Reported 12/31/2000	GASB 33 & 36 Implementation	Total Fund Balance as Restated 12/31/2000
Special Revenue	\$3,371,242	\$333,349	\$3,704,591

Fund Type	Total Retained Earnings as Reported 12/31/2000	Adjustment Decrease	Total Retained Earnings as Restated 12/31/2000
Enterprise	\$6,991,725	(\$86,684)	\$6,905,041

NOTE 3 - COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Equities - The fund deficits at December 31, 2001 of \$16,198 in the Traffic Safety Fund, (special revenue fund), \$1,155,985 in the Bikeway Upgrade Fund (capital projects fund), and \$3,531,870 in the Sewer Fund (enterprise fund) arose from the recognition of expenditures/expenses on the modified accrual/accrual basis of accounting which are greater than expenditures/expenses recognized on the budgetary/cash basis. The fund deficits of \$56,374 in the North Fork Flood Control Fund, \$30,749 in the Cedar Hill Expansion Fund, \$377,072 in the Deo Drive Improvement Fund, and \$1,743,472 in the East Main Street Bridge Replacement Fund (capital projects funds) are the result of recording notes payable amounts in the individual fund balance sheets. The General Fund provides operating transfers when cash is required, not when accruals occur.

NOTE 4 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

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

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

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

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

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- 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).

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

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. Based upon criteria described in GASB Statement No. 3, "*Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements*," collateral held in single financial institution collateral pools with securities being held by the pledging financial institution's agent in the pool's name are classified as Category 3.

The GASB has established risk categories for deposits and investments as follows:

Deposits:

- Category 1 Insured or collateralized with securities held by the City or by its agent in the City's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
- Category 3 Collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name.

Investments:

- Category 1 Insured or registered with securities held by the City or its agent in the City's name.
- Category 2 Uninsured and unregistered with securities held by the counterparty's trust department or agent in the City's name.
- Category 3 Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

A. Deposits

At year end the carrying amount of the City's deposits was \$12,767,563 and the bank balance was \$13,753,108. Federal depository insurance covered \$620,000 of the bank balance. All remaining deposits were classified as Category 3.

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

B. Investments

The City's investments at December 31, 2001 are summarized below:

<u>Categorized Investments</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Fair Value</u>
Federal Home Loan Bank Bonds	\$605,975	\$0	\$605,975
Federal Home Loan Corporation Notes	1,768,388	0	1,768,388
Repurchase Agreement	0	1,874,175	1,874,175
Total Categorized Investments	<u>2,374,363</u>	<u>1,874,175</u>	<u>4,248,538</u>
<u>Non-Categorized Investments</u>			
STAR Ohio	N/A	N/A	2,272,558
Mutual Funds	N/A	N/A	52,271
Total Non-Categorized Investments	<u>N/A</u>	<u>N/A</u>	<u>2,324,829</u>
Total Investments	<u>\$2,374,363</u>	<u>\$1,874,175</u>	<u>\$6,573,367</u>

In addition to deposits and investments, the City has cash with fiscal agents in the amount of \$14,732, which was classified as Category 3. This amount represents unredeemed matured bonds and interest coupons held with various trustees. Additionally, the City has uninsured and uncollateralized cash in the amount of \$468,395 being held by the Licking County Engineer. This cash is restricted in its use for various road improvement projects.

C. Reconciliation of Cash, Cash Equivalents and Investments

The classification of cash, cash equivalents and investments on the combined 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.

A reconciliation between classifications of cash and investments on the combined 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 Combined Balance Sheet	\$16,540,796	\$2,800,134
Certificates of Deposit (with maturities of more than 3 months)	373,500	(373,500)
Investments:		
STAR Ohio	(2,272,558)	2,272,558
Repurchase Agreement	(1,874,175)	1,874,175
Per GASB Statement No. 3	<u>\$12,767,563</u>	<u>\$6,573,367</u>

* Does not include Cash with Fiscal Agent

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 2001 were levied after October 1, 2000 on assessed values as of January 1, 2000, 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 1999. 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. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25% of its true value. 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.

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, 2001 was \$3.70 per \$1,000 of assessed value. The assessed value upon which the 2001 levy was based was \$658,882,190. This amount constitutes \$563,976,650 in real property assessed value, \$22,767,980 in public utility assessed value and \$72,137,560 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.

NOTE 5 - TAXES (Continued)

B. Income Tax

The City levies a tax of 1.25% 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, 2001 consisted of taxes, interest, accounts, loans, special assessments and intergovernmental receivables arising from shared revenues.

NOTE 7 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2001 consist of the following individual fund receivables and payables:

<u>Fund</u>	<u>Interfund Loans Receivable</u>	<u>Interfund Loans Payable</u>
General Fund	\$1,181,955	\$0
Special Revenue Fund:		
Traffic Safety	0	25,970
Capital Projects Fund:		
Bikeway Upgrade	0	1,155,985
Totals	<u>\$1,181,955</u>	<u>\$1,181,955</u>

NOTE 8 - OPERATING TRANSFERS

Following is a summary of operating transfers in and out for all funds for 2001:

Fund	Transfer In	Transfer Out
General Fund	\$10,210,501	\$1,767,484
Special Revenue Funds:		
Street Department	522,468	316,694
Cemetery	333,548	0
Parks and Recreation	587,518	0
Traffic Control	655,406	0
Income Tax 1/4%	0	2,934,306
Income Tax 1%	0	8,741,060
Community Development	0	3,688
Police Grant	27,787	645
Police/Fire Pension	0	412,912
Cemetery Rental	0	5,000
State Highway	0	107,245
Law Enforcement	902	0
Probation Grant	0	52,793
Impound	0	20,000
Federal Transit Administration	750	0
Litter Grant	34,059	0
Total Special Revenue Funds	2,162,438	12,594,343
Debt Service Fund:		
Debt Service Fund	0	55,835
Capital Projects Funds:		
North Fork Flood Control	54,714	0
Cedar Hill Expansion	53,589	0
Deo Drive Improvement	4,000	0
Capital Improvement	2,241,100	112,303
Total Capital Projects Funds	2,353,403	112,303
Expendable Trust Funds:		
Liability Insurance	50,000	0
Cemetery Open and Close	0	6,218
Cemetery Vault	0	6,109
Total Expendable Trust Funds	50,000	12,327
Enterprise Funds:		
Water Fund	566,417	117,025
Sewer Fund	0	683,442
Total Enterprise Funds	566,417	800,467
Totals	<u>\$15,342,759</u>	<u>\$15,342,759</u>

NOTE 9 - FIXED ASSETS

A. General Fixed Assets

Summary by Category of changes in General Fixed Assets:

Category	December 31, 2000	Additions	Deletions	December 31, 2001
Land	\$621,267	\$0	\$0	\$621,267
Buildings and Improvements	7,182,929	27,779	0	7,210,708
Land Improvements	3,663,816	661,196	0	4,325,012
Machinery and Equipment	12,726,312	842,217	(39,015)	13,529,514
Construction in Progress	178,305	9,869	(88,074)	100,100
Totals	\$24,372,629	\$1,541,061	(\$127,089)	\$25,786,601

Summary by Category and Investment at December 31, 2001:

General Fixed Assets	Investment in General Fixed Assets	
	General Fund	\$7,798,353
	Special Revenue Funds	5,006,871
Land	Capital Projects Funds	11,434,068
Buildings and Improvements	Enterprise Funds	46,483
Land Improvements	Bonds	982,580
Machinery and Equipment	Grants	369,626
Construction in Progress	Donated	148,620
Total	Total	\$25,786,601

B. Proprietary Fixed Assets

Summary by Category at December 31, 2001:

Category	Historic Cost	Accumulated Depreciation	Book Value
Land	\$170,500	\$0	\$170,500
Buildings and Improvements	22,603,669	(7,091,182)	15,512,487
Land Improvements	4,648,221	(1,207,141)	3,441,080
Infrastructure	6,370,422	(2,940,621)	3,429,801
Machinery and Equipment	33,979,424	(19,839,567)	14,139,857
Construction In Progress	545,557	0	545,557
Property, Plant and Equipment	\$68,317,793	(\$31,078,511)	\$37,239,282

NOTE 10 – 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. Public Employees Retirement System (the "PERS of Ohio")

The following information was provided by the PERS of Ohio 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 the PERS of Ohio, a cost-sharing multiple employer defined benefit pension plan. The PERS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Public Employees Retirement System of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the PERS of Ohio. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5%. The 2001 employer contribution rate for local government employer units was 13.55%, of covered payroll, 9.25% to fund the pension and 4.3% to fund health care. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the PERS of Ohio for the years ending December 31, 2001, 2000 and 1999 were \$1,549,544, \$1,164,353 and \$1,429,110, respectively, which were equal to the required contributions for each year.

The PERS of Ohio provides postemployment health care benefits to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is also available. The health care coverage provided by the PERS of Ohio is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the PERS of Ohio is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to the PERS of Ohio. The portion of the 2001 employer contribution rate (identified above) that was used to fund health care for the year 2001 was 4.3% of covered payroll which amounted to \$491,737.

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

The significant actuarial assumptions and calculations relating to postemployment health care benefits were based on the PERS of Ohio’s latest actuarial review performed as of December 31, 2000. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2000 was 7.75%. An annual increase of 4.75% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.75% base increase, were assumed to range from 0.54% to 5.1%. Health care costs were assumed to increase 4.75% annually.

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants was 411,076. The actuarial value of the PERS of Ohio net assets available for OPEB at December 31, 2000 is \$11,735.9 million. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$14,364.6 million and \$2,628.7 million, respectively.

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

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

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City's contributions to the OP&F Fund for the years ending December 31, 2001, 2000 and 1999 were \$667,932, \$667,779 and \$642,758 for police and \$855,835, \$814,643 and \$764,450 for firefighters, respectively, which were equal to the required contributions for each year.

The OP&F Fund provides postemployment health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school on a full-time or two-thirds basis. The Ohio Revised Code provides that health care costs

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

paid from the funds of the OP&F Fund shall be included in the employer's contribution rate. The Ohio Revised Code also provides statutory authority allowing the Fund's Board of Trustees to provide postemployment health care coverage to all eligible individuals from the employer's contributions to the OP&F Fund.

The portion of the 2001 covered payroll that was used to fund postemployment health care benefits was \$256,897 representing 7.5% of covered payroll for police and \$267,449 representing 7.5% of covered payroll for fire. Health care funding and accounting was on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. As of December 31, 2000, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 12,853 for police and 10,037 for firefighters. The OP&F Fund does not provide separate data on the funded status and funding progress of postemployment health care benefits. The Fund's total health care expenses for the year ended December 31, 2000 were \$106,160,431, which was net of member contributions of \$5,657,431.

NOTE 11 – COMPENSATED ABSENCES

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. Accrued employee benefits for governmental funds not currently due and payable at year end are recorded in the General Long-Term Obligations Account Group. At December 31, 2001, the total accumulated unpaid sick leave time recorded in the General Long-Term Obligations Account Group was:

	<u>Hours</u>	<u>Amount</u>
Sick Leave	142,080	\$1,132,523
Vacation Time	50,756	960,390
Compensation Time	<u>10,018</u>	<u>192,198</u>
Total	<u><u>202,854</u></u>	<u><u>\$2,285,111</u></u>

The portion attributable to the enterprise funds has been recorded within the respective fund and is not included in the figures presented above.

NOTE 12 - 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, 2001	Issued (Retired)	Balance December 31, 2001
Capital Projects Notes Payable:			
4.50% Fire Truck	\$380,000	(\$380,000)	\$0
3.09% Fire Truck	0	330,000	330,000
4.50% Medic Unit	130,000	(130,000)	0
3.09% Medic Unit	0	80,000	80,000
4.50% North Fork Flood Control	105,000	(105,000)	0
3.09% North Fork Flood Control	0	55,000	55,000
4.50% Cedar Hill Cemetery Expansion	80,000	(80,000)	0
3.09% Cedar Hill Cemetery Expansion	0	30,000	30,000
4.00% Deo Drive Extension	100,000	(100,000)	0
3.09% Deo Drive Extension	0	550,000	550,000
3.30% East Main Street Bridge Replacement	0	1,759,000	1,759,000
Total Capital Projects Notes Payable	<u>\$795,000</u>	<u>\$2,009,000</u>	<u>\$2,804,000</u>

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NOTE 13 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 2001 were as follows:

		Restated Balance December 31, 2000	Issued (Retired)	Balance December 31, 2001
Enterprise Funds:				
General Obligation Bonds:				
1993 Water System Improvement	2018	\$3,563,035	(\$175,000)	
			8,964	\$3,396,999
1998 Water System Improvement Refunding	2018	11,313,675	(425,000)	
			43,342	10,932,017
Total General Obligation Bonds		14,876,710	(547,694)	14,329,016
Ohio Water Development Authority Loan (OWDA):				
1986 Loan # 782	2013	8,577,181	(434,191)	8,142,990
Total Enterprise Long-Term Debt		<u>\$23,453,891</u>	<u>(\$981,885)</u>	<u>\$22,472,006</u>
General Long-Term Debt:				
General Obligation Bond:				
1999 East Main Street Improvement	2019	\$3,100,000	(\$105,000)	\$2,995,000
Special Assessment Bonds:				
1992 Yorkshire/Willrich Sanitary Sewer	2001	8,095	(8,095)	0
1997 Hudson Avenue Street Lighting	2007	135,000	(15,000)	120,000
Total Special Assessment Bonds (with Governmental Commitment)		143,095	(23,095)	120,000
Other Long-Term Obligations:				
Compensated Absences		2,082,809	202,302	2,285,111
Capital Leases		372,623	181,886	
			(111,001)	443,508
Accrued Pension Liability		2,250,558	(29,664)	2,220,894
Total Other Long-Term Obligations		4,705,990	243,523	4,949,513
Total General Long-Term Debt and Other Long-Term Obligations		<u>\$7,949,085</u>	<u>\$115,428</u>	<u>\$8,064,513</u>

The principal amount of the City's special assessment debt outstanding at December 31, 2001, \$120,000, 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. A portion of the fund balance of \$9,889 in the Debt Service Fund at December 31, 2001 is available for the retirement of outstanding special assessment bonds.

NOTE 13 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

A. Accrued Liability for Police and Firemen's Pension Fund

The City's liability for past service costs relating to the Police and Firemen's Pension Fund at December 31, 2001 was \$4,181,874 in principal and interest payments through the year 2036. Only the principal amount of \$2,220,894 is included in the Long-Term Obligations Account Group.

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, 2001 follows:

Years	General Obligation Bonds		Special Assessment Bonds		OWDA Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$1,733,128	\$517,224	\$15,000	\$5,963	\$467,406	\$622,938
2003	1,278,582	426,926	20,000	5,220	503,163	587,183
2004	941,178	763,611	20,000	4,230	541,654	548,691
2005	948,799	765,612	20,000	3,240	583,092	507,254
2006	947,612	2,734,870	20,000	2,250	627,699	462,647
2007-2011	5,794,545	2,791,150	25,000	1,250	3,936,590	1,515,136
2012-2016	3,992,127	4,563,265	0	0	1,483,386	152,131
2017-2021	1,688,045	2,004,031	0	0	0	0
2022-2036	0	0	0	0	0	0
Totals	<u>\$17,324,016</u>	<u>\$14,566,689</u>	<u>\$120,000</u>	<u>\$22,153</u>	<u>\$8,142,990</u>	<u>\$4,395,980</u>

Years	Accrued Pension Liability		Capital Leases		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$30,938	\$94,062	\$132,587	\$22,187	\$2,379,059	\$1,262,374
2003	32,266	92,734	137,902	16,873	1,971,913	1,128,936
2004	33,652	91,348	39,786	9,689	1,576,270	1,417,569
2005	35,098	89,902	42,014	7,461	1,629,003	1,373,469
2006	36,604	88,396	44,367	5,108	1,676,282	3,293,271
2007-2011	208,000	417,000	46,852	2,624	10,010,987	4,727,160
2012-2016	256,678	368,322	0	0	5,732,191	5,083,718
2017-2021	316,746	308,254	0	0	2,004,791	2,312,285
2022-2036	1,270,912	410,962	0	0	1,270,912	410,962
Totals	<u>\$2,220,894</u>	<u>\$1,960,980</u>	<u>\$443,508</u>	<u>\$63,942</u>	<u>\$28,251,408</u>	<u>\$21,009,744</u>

NOTE 13 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)**C. Defeasance of General Obligation Debt**

In December 1998, the City defeased \$12,045,000 of Water System Improvement Bonds for Water Improvements dated June 1, 1993 (the "1993 Bond") through the issuance of \$13,093,825 of Water System Improvement Refunding Bonds (the "1998 Bonds"). The net proceeds of the 1998 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$12,045,000 at December 31, 2001 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

NOTE 14 - CAPITALIZED LEASES

The City leases a street cleaner, a storage building and a bucket truck under capital leases. The original cost of the equipment, \$642,858, obtained under the capital lease is included in the General Fixed Assets Account Group and the related liability in the General Long-Term Obligations Account Group.

The following is a schedule of future minimum lease payments under the capital lease together with the present value of the net minimum lease payments as of December 31, 2001:

<u>Year Ending December 31,</u>	<u>Capital Leases</u>
2002	\$154,775
2003	154,775
2004	49,475
2005	49,475
2006	49,475
2007	<u>49,475</u>
Minimum Lease Payments	507,450
Less amount representing interest at the City's incremental borrowing rate of interest	<u>(63,942)</u>
Present value of minimum lease payments	<u><u>\$443,508</u></u>

NOTE 15 - INSURANCE AND RISK MANAGEMENT

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

A. Ohio Municipal League Joint Self-Insurance Pool

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

The Pool's general objectives are to formulate, develop and administer a program of insurance, to obtain lower costs for that coverage, and to develop a comprehensive loss control program on behalf of the member political subdivisions. Political subdivisions joining the Pool may withdraw at the end of any coverage period upon 60 days prior written notice to the Pool. Under agreement, members who terminate participation in the Pool, as well as current members, are subject to a supplemental assessment or a refund, at the discretion of the Board of Trustees, depending on the ultimate loss experience of all the entities it insures for each coverage year. To date there have been no assessments or refunds due to the limited period of time that the Pool has been in existence and the nature of the coverage that is afforded to the participants.

The City of Newark obtained insurance coverage from the Pool for years 2000 and 2001 for losses relating to general liability, law enforcement liability, public officials liability, emergency medical services liability and garage keepers coverage.

The City of Newark carried commercial insurance coverage for the years 2000 through 2001 for all other risks, including property, boiler and machinery, and crime and auto. There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

Each participant makes an annual "contribution" to the Pool for the coverage they are provided based on rates established by the Pool using anticipated and actual results of operation for the various coverages provided. Participants are also charged a "surplus contribution" used to build the Pools retained earnings account to fund the activities of the Pool.

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

Treaty basis casualty excess of loss contracts in force at December 31, 2001 generally protects the Pool against individual losses over \$100,000. For the preceding two year period, the Pool was reinsured for casualty losses as follows:

<u>Policy Period</u>	<u>Stop Loss Amount</u>
April 1, 1999 to March 31, 2000	\$150,000
April 1, 2000 to March 31, 2001	100,000

NOTE 15 - INSURANCE AND RISK MANAGEMENT (Continued)

A. Ohio Municipal League Joint Self-Insurance Pool (Continued)

Additionally, treaty basis property coverage protects the Pool against losses subject to a deductible of the lesser of \$50,000 per location or \$50,000 per occurrence. Since November 1, 1990, the Pool is limited to an annual aggregate loss of \$300,000 prior to November 1, 1990 under this treaty.

The Pool is, and the participants are, contingently liable should any reinsurer become unable to meet its obligations under the reinsurance agreements.

B. Workers' Compensation

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

NOTE 16 - CONTRIBUTED CAPITAL

There were no changes to contributed capital during 2001. Contributed capital is as follows:

	Balance 12/31/2001
Water	\$1,965,544
Sewer	15,749,545
Total Enterprise	<u>\$17,715,089</u>

NOTE 17 - CONSTRUCTION COMMITMENTS

During 2001 the City had the following commitment with respect to capital projects:

Contract	Remaining Construction Commitment	Expected Date of Completion
Remote Service Order System	\$4,050	December 2002
Sewer Maintenance Tracking Software System	12,500	April 2002

NOTE 18 - SEGMENT INFORMATION

Included in the services provided by the City financed primarily by user charges are water treatment and distribution and wastewater collection and treatment. The key financial information for the year ended December 31, 2001 for these enterprise activities is as follows:

	Water	Sewer	Total
Operating Revenues	\$5,608,503	\$4,690,254	\$10,298,757
Depreciation	1,294,677	1,693,466	2,988,143
Operating Income	519,599	116,626	636,225
Operating Transfers In	566,417	0	566,417
Operating Transfers Out	117,025	683,442	800,467
Net Income (Loss)	531,877	(1,192,209)	(660,332)
Property, Plant and Equipment:			
Additions	1,189,711	1,307,690	2,497,401
Deletions	21,131	0	21,131
Total Assets	26,874,609	21,317,383	48,191,992
Net Working Capital	6,510,107	3,124,099	9,634,206
Bonds and Loans Payable	14,329,016	8,142,990	22,472,006
Total Equity	11,742,123	12,217,675	23,959,798

NOTE 19 - CONTINGENCIES

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

NOTE 20 - SUBSEQUENT EVENTS

The following event occurred subsequent to year end:

In March of 2002, the City issued \$280,000 of bond anticipation notes in anticipation of the issuance of bonds for the purpose of acquiring fire equipment.

***C*OMBINING AND *I*NDIVIDUAL *F*UND AND *A*CCOUNT *G*ROUP
*S*TATEMENTS AND *S*CHEDULES**

***T*HE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE THE
GENERAL FUND, SPECIAL REVENUE FUNDS, CAPITAL PROJECTS FUNDS,
ENTERPRISE FUNDS, INTERNAL SERVICE FUNDS, FIDUCIARY FUNDS AND
THE GENERAL FIXED ASSETS ACCOUNT GROUP.**



GENERAL FUND

The General Fund is used to account for government resources not accounted for in any other fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the Charter and/or the general laws of Ohio.

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2001

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$1,837,690	\$1,910,868	\$73,178
Intergovernmental Revenues	3,543,298	4,635,865	1,092,567
Charges for Services	16,460	248,896	232,436
Licenses, Permits and Fees	1,091,325	1,491,105	399,780
Investment Earnings	1,007,500	822,848	(184,652)
Fines and Forfeitures	1,490,000	1,397,823	(92,177)
All Other Revenues	47,900	160,307	112,407
Total Revenues	9,034,173	10,667,712	1,633,539
<u>Expenditures:</u>			
Security of Persons and Property:			
Flood Control:			
Contractual Services	24,127	20,914	3,213
Materials and Supplies	2,050	900	1,150
Total Flood Control	26,177	21,814	4,363
Police:			
Personal Services	5,831,443	5,777,463	53,980
Contractual Services	397,699	362,328	35,371
Materials and Supplies	189,384	168,201	21,183
Other Expenditures	8,244	5,883	2,361
Capital Outlay	7,395	7,395	0
Total Police	6,434,165	6,321,270	112,895
Fire:			
Personal Services	5,282,658	5,209,310	73,348
Contractual Services	640,983	548,380	92,603
Materials and Supplies	195,080	172,881	22,199
Other Expenditures	3,483	983	2,500
Capital Outlay	38,950	37,740	1,210
Total Fire	6,161,154	5,969,294	191,860
Total Security of Persons and Property	12,621,496	12,312,378	309,118
Public Health and Welfare Services:			
Health Department:			
Personal Services	306,103	295,708	10,395
Contractual Services	41,826	33,817	8,009
Materials and Supplies	10,852	8,978	1,874
Other Expenditures	23,712	20,589	3,123
Capital Outlay	924	699	225
Total Health Department	383,417	359,791	23,626

(Continued)

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2001

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Sanitation:			
Personal Services	226,918	216,758	10,160
Contractual Services	42,914	30,659	12,255
Materials and Supplies	17,564	15,353	2,211
Other Expenditures	6,719	6,330	389
Total Sanitation	<u>294,115</u>	<u>269,100</u>	<u>25,015</u>
Nursing:			
Personal Services	446,310	445,307	1,003
Contractual Services	51,410	35,891	15,519
Materials and Supplies	73,382	53,612	19,770
Other Expenditures	3,993	2,992	1,001
Total Nursing	<u>575,095</u>	<u>537,802</u>	<u>37,293</u>
Plumbing:			
Personal Services	58,400	57,632	768
Contractual Services	5,199	3,907	1,292
Materials and Supplies	721	607	114
Other Expenditures	100	0	100
Total Plumbing	<u>64,420</u>	<u>62,146</u>	<u>2,274</u>
Dental Sealant:			
Personal Services	69,386	44,907	24,479
Contractual Services	18,135	11,192	6,943
Materials and Supplies	6,441	5,843	598
Other Expenditures	4,265	4,265	0
Total Dental Sealant	<u>98,227</u>	<u>66,207</u>	<u>32,020</u>
Pool and Spa:			
Contractual Services	350	156	194
Materials and Supplies	1,350	922	428
Other Expenditures	1,320	1,295	25
Total Pool and Spa	<u>3,020</u>	<u>2,373</u>	<u>647</u>
Solid Waste:			
Personal Services	65,120	59,603	5,517
Contractual Services	11,039	5,653	5,386
Materials and Supplies	2,271	1,857	414
Other Expenditures	7,219	7,219	0
Total Solid Waste	<u>85,649</u>	<u>74,332</u>	<u>11,317</u>

(Continued)

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2001

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
AIDS Grant:			
Personal Services	51,710	50,938	772
Contractual Services	4,679	2,827	1,852
Materials and Supplies	4,225	3,238	987
Other Expenditures	750	0	750
Total AIDS Grant	<u>61,364</u>	<u>57,003</u>	<u>4,361</u>
Miller Dental:			
Contractual Services	2,350	1,238	1,112
Other Expenditures	250	0	250
Total Miller Dental	<u>2,600</u>	<u>1,238</u>	<u>1,362</u>
Immunization Plan:			
Personal Services	23,213	20,832	2,381
Contractual Services	12,999	12,704	295
Materials and Supplies	1,471	1,469	2
Other Expenditures	652	614	38
Total Immunization Plan	<u>38,335</u>	<u>35,619</u>	<u>2,716</u>
Welcome Home Grant:			
Personal Services	58,617	53,114	5,503
Contractual Services	1,715	1,242	473
Materials and Supplies	6,964	4,808	2,156
Total Welcome Home Grant	<u>67,296</u>	<u>59,164</u>	<u>8,132</u>
Early Start Grant:			
Personal Services	234,841	217,786	17,055
Contractual Services	32,789	18,873	13,916
Materials and Supplies	38,754	35,411	3,343
Total Early Start Grant	<u>306,384</u>	<u>272,070</u>	<u>34,314</u>
Total Public Health and Welfare Services	<u>1,979,922</u>	<u>1,796,845</u>	<u>183,077</u>
Community Environment:			
Code Administration:			
Personal Services	967,523	947,295	20,228
Contractual Services	63,722	59,574	4,148
Materials and Supplies	32,652	29,779	2,873
Other Expenditures	14,191	13,816	375
Total Code Administration	<u>1,078,088</u>	<u>1,050,464</u>	<u>27,624</u>
Total Community Environment	<u>1,078,088</u>	<u>1,050,464</u>	<u>27,624</u>

(Continued)

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2001

GENERAL FUND

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
General Government:			
City Council:			
Personal Services	108,950	106,855	2,095
Total City Council	<u>108,950</u>	<u>106,855</u>	<u>2,095</u>
Clerk of Council:			
Personal Services	43,331	42,893	438
Contractual Services	34,534	30,239	4,295
Materials and Supplies	1,085	694	391
Total Clerk of Council	<u>78,950</u>	<u>73,826</u>	<u>5,124</u>
Mayor:			
Personal Services	124,299	119,825	4,474
Contractual Services	36,858	28,574	8,284
Materials and Supplies	3,160	2,337	823
Total Mayor	<u>164,317</u>	<u>150,736</u>	<u>13,581</u>
Auditor:			
Personal Services	349,776	337,256	12,520
Contractual Services	239,433	144,674	94,759
Materials and Supplies	5,346	3,975	1,371
Capital Outlay	4,900	4,900	0
Total Auditor	<u>599,455</u>	<u>490,805</u>	<u>108,650</u>
Treasurer:			
Personal Services	77,506	76,553	953
Contractual Services	18,035	16,623	1,412
Materials and Supplies	865	691	174
Total Treasurer	<u>96,406</u>	<u>93,867</u>	<u>2,539</u>
Law Director:			
Personal Services	611,099	582,611	28,488
Contractual Services	61,578	44,338	17,240
Materials and Supplies	8,740	8,660	80
Total Law Director	<u>681,417</u>	<u>635,609</u>	<u>45,808</u>

(Continued)

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2001

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Clerk of Courts:			
Personal Services	729,536	708,766	20,770
Contractual Services	142,958	129,650	13,308
Materials and Supplies	16,428	14,196	2,232
Total Clerk of Courts	<u>888,922</u>	<u>852,612</u>	<u>36,310</u>
Civil Service:			
Contractual Services	82,183	56,653	25,530
Materials and Supplies	250	50	200
Total Civil Service	<u>82,433</u>	<u>56,703</u>	<u>25,730</u>
Contingency-Reserve:			
Claims and Judgments	15,714	15,711	3
Total Contingency-Reserve	<u>15,714</u>	<u>15,711</u>	<u>3</u>
Judiciary:			
Personal Services	536,164	477,652	58,512
Contractual Services	143,164	70,439	72,725
Material and Supplies	21,077	9,085	11,992
Total Judiciary	<u>700,405</u>	<u>557,176</u>	<u>143,229</u>
Personnel:			
Personal Services	167,247	151,780	15,467
Contractual Services	39,941	22,082	17,859
Materials and Supplies	6,788	6,425	363
Capital Outlay	2,888	2,725	163
Total Personnel	<u>216,864</u>	<u>183,012</u>	<u>33,852</u>
Adult Probation:			
Personal Services	184,822	179,089	5,733
Contractual Services	48,713	41,658	7,055
Materials and Supplies	11,536	9,347	2,189
Total Adult Probation	<u>245,071</u>	<u>230,094</u>	<u>14,977</u>
Probation Officer:			
Personal Services	338,537	322,814	15,723
Contractual Services	18,768	16,480	2,288
Materials and Supplies	21,239	18,461	2,778
Total Probation Officer	<u>378,544</u>	<u>357,755</u>	<u>20,789</u>

(Continued)

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2001

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Night Prosecutor:			
Personal Services	11,330	8,134	3,196
Contractual Services	11,191	66	11,125
Materials and Supplies	50	0	50
Total Night Prosecutor	22,571	8,200	14,371
Service Department:			
Personal Services	225,349	217,180	8,169
Contractual Services	632,878	609,237	23,641
Materials and Supplies	14,881	11,383	3,498
Other Expenditures	100	100	0
Total Service Department	873,208	837,900	35,308
Engineer Department:			
Personal Services	348,455	332,401	16,054
Contractual Services	33,180	26,697	6,483
Materials and Supplies	12,881	6,925	5,956
Other Expenditures	200	0	200
Capital Outlay	9,083	8,688	395
Total Engineer Department	403,799	374,711	29,088
Information Systems:			
Personal Services	115,175	113,415	1,760
Contractual Services	98,046	79,446	18,600
Materials and Supplies	15,186	8,759	6,427
Other Expenditures	100	0	100
Total Information Systems	228,507	201,620	26,887
Custodial:			
Personal Services	111,592	108,581	3,011
Contractual Services	239,967	212,374	27,593
Materials and Supplies	62,040	56,408	5,632
Total Custodial	413,599	377,363	36,236
Economic Development:			
Personal Services	61,784	59,199	2,585
Contractual Services	14,669	8,084	6,585
Materials and Supplies	2,512	956	1,556
Other Expenditures	50	0	50
Total Economic Development	79,015	68,239	10,776

(Continued)

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2001

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Special Projects Coordinator:			
Materials and Supplies	8	0	8
Total Special Projects Coordinator	8	0	8
Safety Director:			
Personal Services	203,300	189,714	13,586
Contractual Services	23,314	15,360	7,954
Materials and Supplies	9,636	6,734	2,902
Other Expenditures	100	0	100
Total Safety Director	236,350	211,808	24,542
Total General Government	6,514,505	5,884,602	629,903
Total Expenditures	22,194,011	21,044,289	1,149,722
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,159,838)	(10,376,577)	2,783,261
<u>Other Financing Sources (Uses):</u>			
Proceeds from Sale of Fixed Assets	20,000	11,291	(8,709)
Operating Transfers In	9,406,315	10,210,501	804,186
Operating Transfers Out	(2,219,109)	(1,767,484)	451,625
Advances In	127,298	127,298	0
Advances Out	(1,181,955)	(1,181,955)	0
Total Other Financing Sources (Uses)	6,152,549	7,399,651	1,247,102
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(7,007,289)	(2,976,926)	4,030,363
Fund Balance at Beginning of Year	3,385,458	3,385,458	0
Prior Year Encumbrances	530,938	530,938	0
Fund Balance (Deficit) at End of Year	<u>(\$3,090,893)</u>	<u>\$939,470</u>	<u>\$4,030,363</u>

SPECIAL REVENUE FUNDS

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

Street Department Fund

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

Cemetery Fund

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

Parks and Recreation Fund

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

Traffic Control Fund

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

Compost Facility Fund

To account for monies collected from composting fees.

Income Tax 1/4% Fund

To account for one quarter percent of the municipal income tax collections as required by City Ordinance Number 75-8.

Income Tax 1% Fund

To account for one percent of the municipal income tax collections as required by City Ordinance Number 69-150.

Community Development Fund

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

(Continued)

SPECIAL REVENUE FUNDS

Police Grant Fund

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

Police/Fire Pension Fund

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

Cemetery Rental Fund

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

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.

Traffic Safety Fund

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

Court Computerization Fund

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

Broadcast Fund

To account for grant monies received and appropriated to provide for telecasting city council meetings.

Permissive License Tax Fund

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

(Continued)

SPECIAL REVENUE FUNDS

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.

Victims of Crime Act (VOCA) Grant Fund

To account for funds disbursed through the State to provide assistance for victims of crime.

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.

Litter Grant Fund

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

THE CITY OF NEWARK, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2001

	Street Department	Cemetery	Parks and Recreation	Traffic Control	Compost Facility
Assets:					
Cash and Cash Equivalents	\$97,297	\$57,909	\$145,809	\$38,147	\$1,578
Investments	0	0	0	0	0
Receivables (net of allowances for doubtful accounts):					
Taxes	0	0	0	0	0
Accounts	0	231,500	1,475	3,286	0
Loans	0	0	0	0	0
Interest	0	3,050	0	0	0
Intergovernmental Receivables	586,558	0	0	0	0
Inventory of Supplies at Cost	133,236	0	0	112,998	0
Prepaid Items	2,838	322	2,119	997	0
Restricted Assets:					
Cash With Fiscal Agent	0	0	0	0	0
Total Assets	\$819,929	\$292,781	\$149,403	\$155,428	\$1,578
Liabilities and Fund Equity:					
Liabilities:					
Accounts Payable	\$13,307	\$12,338	\$31,178	\$26,340	\$18
Accrued Wages and Benefits	90,459	22,030	37,406	34,492	822
Interfund Loans Payable	0	0	0	0	0
Intergovernmental Payables	0	0	0	0	0
Deferred Revenue	391,039	230,258	0	0	0
Compensated Absences Payable	0	0	0	0	0
Total Liabilities	494,805	264,626	68,584	60,832	840
Fund Equity:					
Reserved for Encumbrances	83,990	45,571	114,631	11,820	371
Reserved for Supplies Inventory	133,236	0	0	112,998	0
Reserved for Prepaid Items	2,838	322	2,119	997	0
Reserved for Loans Receivable	0	0	0	0	0
Unreserved	105,060	(17,738)	(35,931)	(31,219)	367
Total Fund Equity	325,124	28,155	80,819	94,596	738
Total Liabilities and Fund Equity	\$819,929	\$292,781	\$149,403	\$155,428	\$1,578

THE CITY OF NEWARK, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2001

Income Tax 1/4 %	Income Tax 1 %	Community Development	Police Grant	Police / Fire Pension	Cemetery Rental
\$0	\$75,999	\$230,805	\$54,290	\$29,681	\$10,398
0	0	252,715	0	0	0
400,891	1,267,402	0	0	412,208	0
0	0	0	0	0	0
0	0	2,710,275	0	0	0
0	0	425	127	0	0
0	0	917,044	20,655	0	0
0	0	0	0	0	0
0	0	47	0	0	0
0	0	0	0	0	0
<u>\$400,891</u>	<u>\$1,343,401</u>	<u>\$4,111,311</u>	<u>\$75,072</u>	<u>\$441,889</u>	<u>\$10,398</u>
\$0	\$10,648	\$20,000	\$812	\$0	\$0
0	34,048	27,696	8,299	0	0
0	0	0	0	0	0
0	0	0	0	0	769
118,744	375,403	3,567,648	0	412,208	0
0	0	0	209	0	0
<u>118,744</u>	<u>420,099</u>	<u>3,615,344</u>	<u>9,320</u>	<u>412,208</u>	<u>769</u>
0	24,767	174,369	2,547	0	900
0	0	0	0	0	0
0	0	47	0	0	0
0	0	2,710,275	0	0	0
282,147	898,535	(2,388,724)	63,205	29,681	8,729
<u>282,147</u>	<u>923,302</u>	<u>495,967</u>	<u>65,752</u>	<u>29,681</u>	<u>9,629</u>
<u>\$400,891</u>	<u>\$1,343,401</u>	<u>\$4,111,311</u>	<u>\$75,072</u>	<u>\$441,889</u>	<u>\$10,398</u>

(Continued)

THE CITY OF NEWARK, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2001

	State Highway	Law Enforcement	Traffic Safety	Court Computerization	Broadcast
Assets:					
Cash and Cash Equivalents	\$0	\$69,459	\$0	\$124,499	\$50,000
Investments	0	0	0	0	0
Receivables (net of allowances for doubtful accounts):					
Taxes	0	0	0	0	0
Accounts	0	1,414	0	20,926	0
Loans	0	0	0	0	0
Interest	0	0	0	0	0
Intergovernmental Receivables	47,559	0	13,890	0	0
Inventory of Supplies at Cost	0	0	0	0	0
Prepaid Items	0	0	0	0	0
Restricted Assets:					
Cash With Fiscal Agent	0	0	0	0	0
Total Assets	\$47,559	\$70,873	\$13,890	\$145,425	\$50,000
Liabilities and Fund Equity:					
Liabilities:					
Accounts Payable	\$0	\$3,868	\$1,059	\$1,763	\$0
Accrued Wages and Benefits	0	0	3,059	0	0
Interfund Loans Payable	0	0	25,970	0	0
Intergovernmental Payables	0	0	0	0	0
Deferred Revenue	31,706	0	0	0	0
Compensated Absences Payable	0	0	0	0	0
Total Liabilities	31,706	3,868	30,088	1,763	0
Fund Equity:					
Reserved for Encumbrances	0	32,225	347	2,700	0
Reserved for Supplies Inventory	0	0	0	0	0
Reserved for Prepaid Items	0	0	0	0	0
Reserved for Loans Receivable	0	0	0	0	0
Unreserved	15,853	34,780	(16,545)	140,962	50,000
Total Fund Equity	15,853	67,005	(16,198)	143,662	50,000
Total Liabilities and Fund Equity	\$47,559	\$70,873	\$13,890	\$145,425	\$50,000

THE CITY OF NEWARK, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2001

Permissive License Tax	Probation Grant	Impound	VOCA Grant	Federal Transit Administration	Litter Grant	Totals
\$128,818	\$11,157	\$39,142	\$1,576	\$39,107	\$44,353	\$1,250,024
141,046	0	0	0	0	0	393,761
0	0	0	0	0	0	2,080,501
0	0	0	0	0	0	258,601
0	0	0	0	0	0	2,710,275
0	0	0	0	0	0	3,602
0	0	0	0	205,391	35,244	1,826,341
0	0	0	0	0	0	246,234
0	0	312	0	110	0	6,745
468,395	0	0	0	0	0	468,395
<u>\$738,259</u>	<u>\$11,157</u>	<u>\$39,454</u>	<u>\$1,576</u>	<u>\$244,608</u>	<u>\$79,597</u>	<u>\$9,244,479</u>
\$196,078	\$0	\$10,140	\$499	\$28,760	\$5,338	\$362,146
0	3,156	2,131	0	4,504	7,311	275,413
0	0	0	0	0	0	25,970
0	0	0	0	4,444	0	5,213
468,395	0	0	0	143,503	35,244	5,774,148
0	0	0	0	0	0	209
<u>664,473</u>	<u>3,156</u>	<u>12,271</u>	<u>499</u>	<u>181,211</u>	<u>47,893</u>	<u>6,443,099</u>
73,786	1,317	691	1,077	33,277	2,864	607,250
0	0	0	0	0	0	246,234
0	0	312	0	110	0	6,745
0	0	0	0	0	0	2,710,275
0	6,684	26,180	0	30,010	28,840	(769,124)
<u>73,786</u>	<u>8,001</u>	<u>27,183</u>	<u>1,077</u>	<u>63,397</u>	<u>31,704</u>	<u>2,801,380</u>
<u>\$738,259</u>	<u>\$11,157</u>	<u>\$39,454</u>	<u>\$1,576</u>	<u>\$244,608</u>	<u>\$79,597</u>	<u>\$9,244,479</u>

THE CITY OF NEWARK, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Street Department	Cemetery	Parks and Recreation	Traffic Control
<u>Revenues:</u>				
Taxes	\$0	\$8,244	\$3,062	\$0
Intergovernmental Revenues	1,332,315	0	0	0
Charges for Services	0	209,932	170,937	45,614
Licenses, Permits and Fees	0	0	74,661	0
Investment Earnings	(729)	34,876	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenues	1,079	21,399	12,813	4,327
Total Revenues	1,332,665	274,451	261,473	49,941
<u>Expenditures:</u>				
Current:				
Security of Persons and Property	0	0	0	723,768
Public Health and Welfare Services	0	534,409	0	0
Leisure Time Activities	0	0	849,014	0
Community Environment	0	0	0	0
Transportation	1,526,232	0	0	0
General Government	0	0	0	0
Total Expenditures	1,526,232	534,409	849,014	723,768
Excess (Deficiency) of Revenues Over (Under) Expenditures	(193,567)	(259,958)	(587,541)	(673,827)
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Fixed Assets	0	0	0	0
Operating Transfers In	522,468	333,548	587,518	655,406
Operating Transfers Out	(316,694)	0	0	0
Total Other Financing Sources (Uses)	205,774	333,548	587,518	655,406
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	12,207	73,590	(23)	(18,421)
Restated Fund Balance (Deficit) at Beginning of Year	276,007	(45,435)	80,842	104,621
Increase in Inventory Reserve	36,910	0	0	8,396
Fund Balance (Deficit) at End of Year	\$325,124	\$28,155	\$80,819	\$94,596

THE CITY OF NEWARK, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

Compost Facility	Income Tax 1/4 %	Income Tax 1%	Community Development	Police Grant	Police / Fire Pension	Cemetery Rental
\$0	\$2,844,669	\$8,993,567	\$0	\$0	\$360,369	\$0
0	0	0	1,160,521	101,101	46,708	0
15,927	0	0	0	0	0	9,900
0	0	0	0	0	0	0
0	0	0	8,836	2,099	0	0
0	0	0	0	0	0	0
0	50	61	258,922	0	0	0
15,927	2,844,719	8,993,628	1,428,279	103,200	407,077	9,900
0	0	0	0	106,182	0	0
0	0	0	0	0	0	3,670
0	0	0	0	0	0	0
19,207	0	0	1,298,907	0	0	0
0	0	0	0	0	0	0
0	0	571,442	0	0	0	0
19,207	0	571,442	1,298,907	106,182	0	3,670
(3,280)	2,844,719	8,422,186	129,372	(2,982)	407,077	6,230
0	0	0	0	0	0	0
0	0	0	0	27,787	0	0
0	(2,934,306)	(8,741,060)	(3,688)	(645)	(412,912)	(5,000)
0	(2,934,306)	(8,741,060)	(3,688)	27,142	(412,912)	(5,000)
(3,280)	(89,587)	(318,874)	125,684	24,160	(5,835)	1,230
4,018	371,734	1,242,176	370,283	41,592	35,516	8,399
0	0	0	0	0	0	0
\$738	\$282,147	\$923,302	\$495,967	\$65,752	\$29,681	\$9,629

(Continued)

THE CITY OF NEWARK, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	State Highway	Law Enforcement	Traffic Safety	Court Computerization	Broadcast
Revenues:					
Taxes	\$0	\$0	\$0	\$0	\$0
Intergovernmental Revenues	107,002	31,140	31,504	0	0
Charges for Services	0	0	0	0	0
Licenses, Permits and Fees	0	0	0	0	0
Investment Earnings	0	(106)	0	0	0
Fines and Forfeitures	0	25,577	0	94,737	0
All Other Revenues	0	0	0	0	50,000
Total Revenues	107,002	56,611	31,504	94,737	50,000
Expenditures:					
Current:					
Security of Persons and Property	0	36,536	47,702	0	0
Public Health and Welfare Services	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Community Environment	0	0	0	0	0
Transportation	0	0	0	0	0
General Government	0	0	0	53,907	0
Total Expenditures	0	36,536	47,702	53,907	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	107,002	20,075	(16,198)	40,830	50,000
Other Financing Sources (Uses):					
Proceeds from Sale of Fixed Assets	0	0	0	0	0
Operating Transfers In	0	902	0	0	0
Operating Transfers Out	(107,245)	0	0	0	0
Total Other Financing Sources (Uses)	(107,245)	902	0	0	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(243)	20,977	(16,198)	40,830	50,000
Restated Fund Balance (Deficit) at Beginning of Year	16,096	46,028	0	102,832	0
Increase in Inventory Reserve	0	0	0	0	0
Fund Balance (Deficit) at End of Year	\$15,853	\$67,005	(\$16,198)	\$143,662	\$50,000

THE CITY OF NEWARK, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

Permissive License Tax	Probation Grant	Impound	VOCA Grant	Federal Transit Administration	Litter Grant	Totals
\$0	\$0	\$0	\$0	\$0	\$0	\$12,209,911
0	53,253	0	26,862	678,509	142,168	3,711,083
0	0	70,006	0	378,804	0	901,120
0	0	0	0	0	0	74,661
0	0	0	0	0	0	44,976
0	0	0	0	0	0	120,314
0	0	0	0	591	23,768	373,010
0	53,253	70,006	26,862	1,057,904	165,936	17,435,075
0	39,419	104,482	0	0	0	1,058,089
0	0	0	0	0	0	538,079
0	0	0	0	0	0	849,014
0	0	0	0	0	198,112	1,516,226
775,761	0	0	0	1,055,901	0	3,357,894
0	0	0	39,037	0	0	664,386
775,761	39,419	104,482	39,037	1,055,901	198,112	7,983,688
(775,761)	13,834	(34,476)	(12,175)	2,003	(32,176)	9,451,387
0	0	32,001	0	0	0	32,001
0	0	0	0	750	34,059	2,162,438
0	(52,793)	(20,000)	0	0	0	(12,594,343)
0	(52,793)	12,001	0	750	34,059	(10,399,904)
(775,761)	(38,959)	(22,475)	(12,175)	2,753	1,883	(948,517)
849,547	46,960	49,658	13,252	60,644	29,821	3,704,591
0	0	0	0	0	0	45,306
\$73,786	\$8,001	\$27,183	\$1,077	\$63,397	\$31,704	\$2,801,380

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

STREET DEPARTMENT FUND

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$1,366,060	\$1,325,310	(40,750)
All Other Revenues	0	1,079	1,079
Total Revenues	<u>1,366,060</u>	<u>1,326,389</u>	<u>(39,671)</u>
<u>Expenditures:</u>			
Transportation:			
Personal Services	1,217,213	1,199,215	17,998
Contractual Services	185,897	136,859	49,038
Materials and Supplies	385,267	311,579	73,688
Other Expenditures	4,000	0	4,000
Capital Outlay	4,000	3,661	339
Total Expenditures	<u>1,796,377</u>	<u>1,651,314</u>	<u>145,063</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(430,317)	(324,925)	105,392
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	639,929	522,468	(117,461)
Operating Transfers Out	<u>(328,763)</u>	<u>(316,694)</u>	12,069
Total Other Financing Sources (Uses)	<u>311,166</u>	<u>205,774</u>	<u>(105,392)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(119,151)	(119,151)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances	119,151	119,151	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

CEMETERY FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$10,000	\$8,244	(\$1,756)
Charges for Services	283,415	208,690	(74,725)
Investment Earnings	28,000	31,826	3,826
All Other Revenues	19,000	21,399	2,399
Total Revenues	340,415	270,159	(70,256)
<u>Expenditures:</u>			
Public Health and Welfare Services:			
Personal Services	346,187	334,595	11,592
Contractual Services	151,252	143,574	7,678
Materials and Supplies	122,482	115,327	7,155
Other Expenditures	30,855	30,847	8
Capital Outlay	1,500	1,500	0
Total Expenditures	652,276	625,843	26,433
Excess (Deficiency) of Revenues Over (Under) Expenditures	(311,861)	(355,684)	(43,823)
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	343,222	333,548	(9,674)
Total Other Financing Sources (Uses)	343,222	333,548	(9,674)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	31,361	(22,136)	(53,497)
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances	22,136	22,136	0
Fund Balance at End of Year	\$53,497	\$0	(\$53,497)

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

PARKS AND RECREATION FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Taxes	\$2,500	\$3,062	\$562
Charges for Services	136,200	173,532	37,332
Licenses, Permits and Fees	161,000	100,253	(60,747)
All Other Revenues	9,900	12,604	2,704
Total Revenues	<u>309,600</u>	<u>289,451</u>	<u>(20,149)</u>
Expenditures:			
Leisure Time Activities:			
Parks and Recreation:			
Personal Services	521,197	504,681	16,516
Contractual Services	105,994	92,303	13,691
Materials and Supplies	76,833	70,390	6,443
Other Expenditures	150	150	0
Total Parks and Recreation	<u>704,174</u>	<u>667,524</u>	<u>36,650</u>
Pools and Concessions:			
Contractual Services	76,182	74,467	1,715
Materials and Supplies	46,668	28,644	18,024
Other Expenditures	1,550	1,383	167
Total Pools and Concessions	<u>124,400</u>	<u>104,494</u>	<u>19,906</u>
Summer Recreation Program:			
Contractual Services	32,028	26,086	5,942
Materials and Supplies	5,315	4,350	965
Other Expenditures	45	0	45
Total Summer Recreation Program	<u>37,388</u>	<u>30,436</u>	<u>6,952</u>
Youth Services:			
Contractual Services	3,319	2,568	751
Materials and Supplies	370	138	232
Total Youth Services	<u>3,689</u>	<u>2,706</u>	<u>983</u>
Ice Skating Rink/Concession Trailer:			
Contractual Services	190,297	147,417	42,880
Materials and Supplies	47,214	37,363	9,851
Other Expenditures	2,345	1,121	1,224
Total Ice Skating Rink/Concession Trailer	<u>239,856</u>	<u>185,901</u>	<u>53,955</u>
Total Expenditures	<u>1,109,507</u>	<u>991,061</u>	<u>118,446</u>

(Continued)

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

PARKS AND RECREATION FUND

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(799,907)	(701,610)	98,297
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	<u>697,206</u>	<u>587,518</u>	<u>(109,688)</u>
Total Other Financing Sources (Uses)	<u>697,206</u>	<u>587,518</u>	<u>(109,688)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(102,701)	(114,092)	(11,391)
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances	<u>114,092</u>	<u>114,092</u>	<u>0</u>
Fund Balance at End of Year	<u>\$11,391</u>	<u>\$0</u>	<u>(\$11,391)</u>

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

TRAFFIC CONTROL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for Services	\$50,000	\$45,603	(\$4,397)
All Other Revenues	0	2,239	2,239
Total Revenues	50,000	47,842	(2,158)
<u>Expenditures:</u>			
Security of Persons and Property:			
Parking:			
Personal Services	51,550	45,213	6,337
Contractual Services	5,044	4,527	517
Materials and Supplies	4,232	2,737	1,495
Other Expenditures	100	0	100
Total Parking	60,926	52,477	8,449
Traffic Sign:			
Personal Services	207,194	192,382	14,812
Contractual Services	60,561	56,957	3,604
Materials and Supplies	110,345	109,698	647
Total Traffic Sign	378,100	359,037	19,063
Lights:			
Personal Services	212,364	206,653	5,711
Contractual Services	64,001	57,746	6,255
Materials and Supplies	68,501	65,803	2,698
Total Lights	344,866	330,202	14,664
Total Expenditures	783,892	741,716	42,176
Excess (Deficiency) of Revenues Over (Under) Expenditures	(733,892)	(693,874)	40,018
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	723,400	655,406	(67,994)
Total Other Financing Sources (Uses)	723,400	655,406	(67,994)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(10,492)	(38,468)	(27,976)
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances	38,468	38,468	0
Fund Balance at End of Year	\$27,976	\$0	(\$27,976)

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

COMPOST FACILITY FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for Services	\$15,000	\$15,927	\$927
Total Revenues	15,000	15,927	927
<u>Expenditures:</u>			
Community Environment:			
Personal Services	12,746	9,226	3,520
Contractual Services	10,773	10,339	434
Materials and Supplies	1,103	924	179
Total Expenditures	24,622	20,489	4,133
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,622)	(4,562)	5,060
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	4,000	0	(4,000)
Total Other Financing Sources (Uses)	4,000	0	(4,000)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(5,622)	(4,562)	1,060
Fund Balance at Beginning of Year	4,570	4,570	0
Prior Year Encumbrances	1,181	1,181	0
Fund Balance at End of Year	\$129	\$1,189	\$1,060

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

INCOME TAX 1/4% FUND

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$2,852,000	\$2,851,950	(\$50)
All Other Revenues	0	50	50
Total Revenues	<u>2,852,000</u>	<u>2,852,000</u>	<u>0</u>
<u>Expenditures:</u>			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,852,000	2,852,000	0
<u>Other Financing Sources (Uses):</u>			
Operating Transfers Out	<u>(2,934,306)</u>	<u>(2,934,306)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(2,934,306)</u>	<u>(2,934,306)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(82,306)	(82,306)	0
Fund Balance at Beginning of Year	<u>82,306</u>	<u>82,306</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>

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

INCOME TAX 1% FUND

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$9,100,000	\$9,016,584	(\$83,416)
All Other Revenues	0	61	61
Total Revenues	<u>9,100,000</u>	<u>9,016,645</u>	<u>(83,355)</u>
<u>Expenditures:</u>			
General Government:			
Personal Services	506,835	475,458	31,377
Contractual Services	140,082	104,913	35,169
Materials and Supplies	19,545	10,853	8,692
Capital Outlay	<u>26,000</u>	<u>0</u>	<u>26,000</u>
Total Expenditures	<u>692,462</u>	<u>591,224</u>	<u>101,238</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,407,538	8,425,421	17,883
<u>Other Financing Sources (Uses):</u>			
Operating Transfers Out	<u>(8,741,060)</u>	<u>(8,741,060)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(8,741,060)</u>	<u>(8,741,060)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(333,522)	(315,639)	17,883
Fund Balance at Beginning of Year	333,466	333,466	0
Prior Year Encumbrances	<u>22,757</u>	<u>22,757</u>	<u>0</u>
Fund Balance at End of Year	<u>\$22,701</u>	<u>\$40,584</u>	<u>\$17,883</u>

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

COMMUNITY DEVELOPMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$1,390,000	\$1,200,496	(\$189,504)
Investment Earnings	15,000	9,518	(\$5,482)
All Other Revenues	335,000	258,922	(76,078)
Total Revenues	1,740,000	1,468,936	(271,064)
<u>Expenditures:</u>			
Community Environment:			
Personal Services	383,086	349,851	33,235
Contractual Services	1,646,896	815,400	831,496
Materials and Supplies	54,207	36,198	18,009
Other Expenditures	192,305	171,604	20,701
Capital Outlay	230,468	120,222	110,246
Total Expenditures	2,506,962	1,493,275	1,013,687
Excess (Deficiency) of Revenues Over (Under) Expenditures	(766,962)	(24,339)	742,623
<u>Other Financing Sources (Uses):</u>			
Operating Transfers Out	(3,760)	(3,688)	72
Total Other Financing Sources (Uses)	(3,760)	(3,688)	72
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(770,722)	(28,027)	742,695
Fund Balance at Beginning of Year	16,331	16,331	0
Prior Year Encumbrances	300,847	300,847	0
Fund Balance (Deficit) at End of Year	(\$453,544)	\$289,151	\$742,695

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

POLICE GRANT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$137,477	\$80,446	(\$57,031)
Investment Earnings	2,000	1,972	(28)
Total Revenues	139,477	82,418	(57,059)
<u>Expenditures:</u>			
Security of Persons and Property:			
Personal Services	126,346	92,250	34,096
Contractual Services	12,144	3,518	8,626
Materials and Supplies	6,749	4,453	2,296
Capital Outlay	96	0	96
Total Expenditures	145,335	100,221	45,114
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,858)	(17,803)	(11,945)
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	2,406	27,787	25,381
Operating Transfers Out	(645)	(645)	0
Total Other Financing Sources (Uses)	1,761	27,142	25,381
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(4,097)	9,339	13,436
Fund Balance at Beginning of Year	41,496	41,496	0
Prior Year Encumbrances	96	96	0
Fund Balance at End of Year	\$37,495	\$50,931	\$13,436

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

POLICE / FIRE PENSION FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$347,820	\$360,369	\$12,549
Intergovernmental Revenues	45,000	46,708	1,708
Total Revenues	392,820	407,077	14,257
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	392,820	407,077	14,257
<u>Other Financing Sources (Uses):</u>			
Operating Transfers Out	(412,912)	(412,912)	0
Total Other Financing Sources (Uses)	(412,912)	(412,912)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(20,092)	(5,835)	14,257
Fund Balance at Beginning of Year	35,516	35,516	0
Fund Balance at End of Year	\$15,424	\$29,681	\$14,257

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

CEMETERY RENTAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for Services	\$10,000	\$9,900	(\$100)
Total Revenues	10,000	9,900	(100)
<u>Expenditures:</u>			
Public Health and Welfare Services:			
Contractual Services	7,150	4,432	2,718
Materials and Supplies	2,000	200	1,800
Total Expenditures	9,150	4,632	4,518
Excess (Deficiency) of Revenues Over (Under) Expenditures	850	5,268	4,418
<u>Other Financing Sources (Uses):</u>			
Operating Transfers Out	(5,000)	(5,000)	0
Total Other Financing Sources (Uses)	(5,000)	(5,000)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(4,150)	268	4,418
Fund Balance at Beginning of Year	9,130	9,130	0
Prior Year Encumbrances	100	100	0
Fund Balance at End of Year	\$5,080	\$9,498	\$4,418

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

STATE HIGHWAY FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$114,000	\$107,245	(\$6,755)
Total Revenues	114,000	107,245	(6,755)
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	114,000	107,245	(6,755)
<u>Other Financing Sources (Uses):</u>			
Operating Transfers Out	(114,000)	(107,245)	6,755
Total Other Financing Sources (Uses)	(114,000)	(107,245)	6,755
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$0	\$0

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

LAW ENFORCEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$63,000	\$31,140	(\$31,860)
Investment Earnings	0	202	202
Fines and Forfeitures	13,000	25,717	12,717
Total Revenues	76,000	57,059	(18,941)
<u>Expenditures:</u>			
Security of Persons and Property:			
Personal Services	6,962	6,962	0
Contractual Services	83,315	64,992	18,323
Materials and Supplies	6,909	0	6,909
Capital Outlay	6,353	3,987	2,366
Total Expenditures	103,539	75,941	27,598
Excess (Deficiency) of Revenues Over (Under) Expenditures	(27,539)	(18,882)	8,657
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	0	902	902
Operating Transfers Out	(29)	0	29
Total Other Financing Sources (Uses)	(29)	902	931
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(27,568)	(17,980)	9,588
Fund Balance at Beginning of Year	15,032	15,032	0
Prior Year Encumbrances	36,314	36,314	0
Fund Balance at End of Year	\$23,778	\$33,366	\$9,588

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

TRAFFIC SAFETY FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$62,000	\$17,614	(\$44,386)
Total Revenues	62,000	17,614	(44,386)
<u>Expenditures:</u>			
Security of Persons and Property:			
Personal Services	51,084	35,605	15,479
Materials and Supplies	8,185	8,185	0
Capital Outlay	2,515	1,200	1,315
Total Expenditures	61,784	44,990	16,794
Excess (Deficiency) of Revenues Over (Under) Expenditures	216	(27,376)	(27,592)
<u>Other Financing Sources (Uses):</u>			
Advances In	25,970	25,970	0
Total Other Financing Sources (Uses)	25,970	25,970	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	26,186	(1,406)	(27,592)
Fund Balance at Beginning of Year	0	0	0
Fund Balance (Deficit) at End of Year	\$26,186	(\$1,406)	(\$27,592)

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

COURT COMPUTERIZATION FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$65,000	\$78,415	\$13,415
Total Revenues	65,000	78,415	13,415
<u>Expenditures:</u>			
General Government:			
Contractual Services	35,578	24,058	11,520
Materials and Supplies	13,466	7,431	6,035
Capital Outlay	69,000	25,118	43,882
Total Expenditures	118,044	56,607	61,437
Excess (Deficiency) of Revenues Over (Under) Expenditures	(53,044)	21,808	74,852
Fund Balance at Beginning of Year	90,708	90,708	0
Prior Year Encumbrances	7,520	7,520	0
Fund Balance at End of Year	\$45,184	\$120,036	\$74,852

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

BROADCAST FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$20,000	\$0	(\$20,000)
All Other Revenue	50,000	50,000	0
Total Revenues	70,000	50,000	(20,000)
<u>Expenditures:</u>			
General Government:			
Contractual Services	70,000	0	70,000
Total Expenditures	70,000	0	70,000
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	0	50,000	50,000
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$50,000	\$50,000

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

PERMISSIVE LICENSE TAX FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$192,739	\$0	(\$192,739)
Total Revenues	192,739	0	(192,739)
 <u>Expenditures:</u>			
Transportation:			
Contractual Services	871,270	871,270	0
Total Expenditures	871,270	871,270	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(678,531)	(871,270)	(192,739)
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances	871,270	871,270	0
Fund Balance at End of Year	\$192,739	\$0	(\$192,739)

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

PROBATION GRANT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenue	\$95,858	\$53,253	(\$42,605)
Total Revenues	95,858	53,253	(42,605)
<u>Expenditures:</u>			
Security of Persons and Property:			
Personal Services	44,363	34,215	10,148
Contractual Services	3,567	943	2,624
Materials and Supplies	3,550	2,422	1,128
Total Expenditures	51,480	37,580	13,900
Excess (Deficiency) of Revenues Over (Under) Expenditures	44,378	15,673	(28,705)
<u>Other Financing Sources (Uses):</u>			
Operating Transfers Out	(52,793)	(52,793)	0
Total Other Financing Sources (Uses)	(52,793)	(52,793)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(8,415)	(37,120)	(28,705)
Fund Balance at Beginning of Year	46,960	46,960	0
Fund Balance at End of Year	\$38,545	\$9,840	(\$28,705)

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

IMPOUND FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Charges for Services	\$70,000	\$73,730	\$3,730
Total Revenues	70,000	73,730	3,730
Expenditures:			
Security of Persons and Property:			
Personal Services	21,595	21,147	448
Contractual Services	91,196	85,712	5,484
Materials and Supplies	2,596	1,673	923
Total Expenditures	115,387	108,532	6,855
Excess (Deficiency) of Revenues Over (Under) Expenditures	(45,387)	(34,802)	10,585
Other Financing Sources (Uses):			
Proceeds from Sale of Fixed Assets	35,000	32,001	(2,999)
Operating Transfers Out	(20,000)	(20,000)	0
Total Other Financing Sources (Uses)	15,000	12,001	(2,999)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(30,387)	(22,801)	7,586
Fund Balance at Beginning of Year	28,620	28,620	0
Prior Year Encumbrances	24,717	24,717	0
Fund Balance at End of Year	\$22,950	\$30,536	\$7,586

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

VOCA GRANT FUND

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$61,000	\$26,862	(\$34,138)
Total Revenues	<u>61,000</u>	<u>26,862</u>	<u>(34,138)</u>
<u>Expenditures:</u>			
General Government:			
Personal Services	40,400	40,237	163
Contractual Services	4,164	2,122	2,042
Materials and Supplies	1,286	499	787
Other Expenditures	<u>63</u>	<u>63</u>	<u>0</u>
Total Expenditures	<u>45,913</u>	<u>42,921</u>	<u>2,992</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,087	(16,059)	(31,146)
Fund Balance at Beginning of Year	16,027	16,027	0
Prior Year Encumbrances	<u>32</u>	<u>32</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$31,146</u></u>	<u><u>\$0</u></u>	<u><u>(\$31,146)</u></u>

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

FEDERAL TRANSIT ADMINISTRATION FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$950,220	\$810,016	(\$140,204)
Charges For Services	434,250	382,266	(51,984)
All Other Revenue	6,000	591	(5,409)
Total Revenues	1,390,470	1,192,873	(197,597)
<u>Expenditures:</u>			
Transportation:			
Personal Services	56,747	55,412	1,335
Contractual Services	1,209,433	1,043,281	166,152
Materials and Supplies	24,783	22,047	2,736
Other Expenditures	941	941	0
Total Expenditures	1,291,904	1,121,681	170,223
Excess (Deficiency) of Revenues Over (Under) Expenditures	98,566	71,192	(27,374)
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	750	750	0
Advances Out	(99,316)	(99,316)	0
Total Other Financing Sources (Uses)	(98,566)	(98,566)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	0	(27,374)	(27,374)
Fund Deficit at Beginning of Year	(112,053)	(112,053)	0
Prior Year Encumbrances	112,053	112,053	0
Fund Balance (Deficit) at End of Year	\$0	(\$27,374)	(\$27,374)

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

LITTER GRANT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$136,465	\$142,168	\$5,703
All Other Revenue	6,498	23,768	17,270
Total Revenues	142,963	165,936	22,973
<u>Expenditures:</u>			
Community Environment			
Personal Services	94,056	92,516	1,540
Contractual Services	47,242	40,224	7,018
Materials and Supplies	59,311	54,710	4,601
Other Expenditures	15,249	15,249	0
Capital Outlay	2,136	2,136	0
Total Expenditures	217,994	204,835	13,159
Excess (Deficiency) of Revenues Over (Under) Expenditures	(75,031)	(38,899)	36,132
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	34,059	34,059	0
Total Other Financing Sources (Uses)	34,059	34,059	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(40,972)	(4,840)	36,132
Fund Balance at Beginning of Year	28,773	28,773	0
Prior Year Encumbrances	12,218	12,218	0
Fund Balance at End of Year	\$19	\$36,151	\$36,132

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

North Fork Flood Control Fund

To account for the financial resources used for the construction of the North Fork Flood Control project.

Cedar Hill Expansion Fund

To account for the financial resources used for the development and expansion of the Cedar Hill Cemetery.

City Hall Upgrade Fund

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

Deo Drive Improvement Fund

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

Capital Improvement Fund

To account for the financial resources used for the major capital projects undertaken by the City.

Bikeway Upgrade Fund

To account for the costs related to the bikeway upgrade project.

East Main Street Bridge Replacement Fund

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

Court Capital Improvement Fund

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

Tax Increment Financing (TIF) Fund

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

THE CITY OF NEWARK, OHIO
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
DECEMBER 31, 2001

	North Fork Flood Control	Cedar Hill Expansion	City Hall Upgrade	Deo Drive Improvement
Assets:				
Cash and Cash Equivalents	\$0	\$0	\$3,800	\$151,464
Investments	0	0	0	165,842
Receivables (net of allowances for doubtful accounts):				
Accounts	0	0	0	0
Total Assets	<u>\$0</u>	<u>\$0</u>	<u>\$3,800</u>	<u>\$317,306</u>
Liabilities and Fund Equity:				
Liabilities:				
Accounts Payable	\$0	\$0	\$0	\$136,730
Interfund Loans Payable	0	0	0	0
Accrued Interest Payable	1,374	749	0	7,648
General Obligation Notes Payable	55,000	30,000	0	550,000
Total Liabilities	<u>56,374</u>	<u>30,749</u>	<u>0</u>	<u>694,378</u>
Fund Equity:				
Reserved for Encumbrances	0	0	0	101,609
Unreserved	(56,374)	(30,749)	3,800	(478,681)
Total Fund Equity	<u>(56,374)</u>	<u>(30,749)</u>	<u>3,800</u>	<u>(377,072)</u>
Total Liabilities and Fund Equity	<u>\$0</u>	<u>\$0</u>	<u>\$3,800</u>	<u>\$317,306</u>

**THE CITY OF NEWARK, OHIO
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
DECEMBER 31, 2001**

Capital Improvement	Bikeway Upgrade	East Main Street Bridge Replacement	Court Capital Improvement	Tax Increment Financing	Totals
\$779,031	\$0	\$49,901	\$78,589	\$173,744	\$1,236,529
852,983	0	0	0	0	1,018,825
0	0	0	2,697	0	2,697
<u>\$1,632,014</u>	<u>\$0</u>	<u>\$49,901</u>	<u>\$81,286</u>	<u>\$173,744</u>	<u>\$2,258,051</u>
\$152,140	\$0	\$512	\$0	\$0	\$289,382
0	1,155,985	0	0	0	1,155,985
10,241	0	33,861	0	0	53,873
410,000	0	1,759,000	0	0	2,804,000
<u>572,381</u>	<u>1,155,985</u>	<u>1,793,373</u>	<u>0</u>	<u>0</u>	<u>4,303,240</u>
321,767	0	0	0	842	424,218
737,866	(1,155,985)	(1,743,472)	81,286	172,902	(2,469,407)
1,059,633	(1,155,985)	(1,743,472)	81,286	173,744	(2,045,189)
<u>\$1,632,014</u>	<u>\$0</u>	<u>\$49,901</u>	<u>\$81,286</u>	<u>\$173,744</u>	<u>\$2,258,051</u>

THE CITY OF NEWARK, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	North Fork Flood Control	Cedar Hill Expansion	City Hall Upgrade	Deo Drive Improvement
<u>Revenues:</u>				
Taxes	\$0	\$0	\$0	\$0
Intergovernmental Revenues	0	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	0	0	0	0
Total Revenues	0	0	0	0
<u>Expenditures:</u>				
Capital Outlay	0	0	0	312,357
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	2,282	1,438	0	10,493
Total Expenditures	2,282	1,438	0	322,850
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,282)	(1,438)	0	(322,850)
<u>Other Financing Sources (Uses):</u>				
Operating Transfers In	54,714	53,589	0	4,000
Operating Transfers Out	0	0	0	0
Other Financing Sources - Capital Leases	0	0	0	0
Total Other Financing Sources (Uses)	54,714	53,589	0	4,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	52,432	52,151	0	(318,850)
Fund Balance (Deficit) at Beginning of Year	(108,806)	(82,900)	3,800	(58,222)
Fund Balance (Deficit) at End of Year	(\$56,374)	(\$30,749)	\$3,800	(\$377,072)

THE CITY OF NEWARK, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

<u>Capital Improvement</u>	<u>Bikeway Upgrade</u>	<u>East Main Street Bridge Replacement</u>	<u>Court Capital Improvement</u>	<u>Tax Increment Financing</u>	<u>Totals</u>
\$0	\$0	\$0	\$0	\$353,135	\$353,135
32,732	317,389	0	0	0	350,121
0	0	0	31,573	0	31,573
<u>21,667</u>	<u>0</u>	<u>510</u>	<u>0</u>	<u>0</u>	<u>22,177</u>
54,399	317,389	510	31,573	353,135	757,006
<hr/>					
2,222,457	1,351,630	1,758,540	0	88,284	5,733,268
0	0	0	0	105,000	105,000
<u>14,638</u>	<u>0</u>	<u>33,861</u>	<u>0</u>	<u>159,838</u>	<u>222,550</u>
2,237,095	1,351,630	1,792,401	0	353,122	6,060,818
<hr/>					
(2,182,696)	(1,034,241)	(1,791,891)	31,573	13	(5,303,812)
2,241,100	0	0	0	0	2,353,403
(112,303)	0	0	0	0	(112,303)
<u>181,886</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>181,886</u>
2,310,683	0	0	0	0	2,422,986
<hr/>					
127,987	(1,034,241)	(1,791,891)	31,573	13	(2,880,826)
931,646	(121,744)	48,419	49,713	173,731	835,637
<u>\$1,059,633</u>	<u>(\$1,155,985)</u>	<u>(\$1,743,472)</u>	<u>\$81,286</u>	<u>\$173,744</u>	<u>(\$2,045,189)</u>

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

NORTH FORK FLOOD CONTROL FUND

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Debt Service:			
Principal Retirement	105,000	105,000	0
Interest and Fiscal Charges	4,714	4,714	0
Total Expenditures	109,714	109,714	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(109,714)	(109,714)	0
<u>Other Financing Sources (Uses):</u>			
Proceeds from General Obligation Notes	55,000	55,000	0
Operating Transfers In	54,714	54,714	0
Total Other Financing Sources (Uses)	109,714	109,714	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$0	\$0

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

CEDAR HILL EXPANSION FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Debt Service:			
Principal Retirement	80,000	80,000	0
Interest and Fiscal Charges	3,589	3,589	0
Total Expenditures	83,589	83,589	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(83,589)	(83,589)	0
<u>Other Financing Sources (Uses):</u>			
Proceeds from General Obligation Notes	30,000	30,000	0
Operating Transfers In	53,589	53,589	0
Total Other Financing Sources (Uses)	83,589	83,589	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$0	\$0

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

CITY HALL UPGRADE FUND

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

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

DEO DRIVE IMPROVEMENT FUND

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Capital Outlay	504,955	424,966	79,989
Debt Service:			
Principal Retirement	200,000	200,000	0
Interest and Fiscal Charges	6,067	6,067	0
Total Expenditures	711,022	631,033	79,989
Excess (Deficiency) of Revenues Over (Under) Expenditures	(711,022)	(631,033)	0
<u>Other Financing Sources (Uses):</u>			
Proceeds from General Obligation Notes	1,100,000	650,000	(450,000)
Operating Transfers In	4,000	4,000	0
Total Other Financing Sources (Uses)	1,104,000	654,000	(450,000)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	392,978	22,967	(370,011)
Fund Balance at Beginning of Year	45,000	45,000	0
Prior Year Encumbrances	11,000	11,000	0
Fund Balance at End of Year	<u>\$448,978</u>	<u>\$78,967</u>	<u>(\$370,011)</u>

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

CAPITAL IMPROVEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$0	\$32,732	\$32,732
All Other Revenues	0	21,667	21,667
Total Revenues	0	54,399	54,399
 <u>Expenditures:</u>			
Capital Outlay	3,148,309	2,581,560	566,749
Debt Service:			
Principal Retirement	510,000	510,000	0
Interest and Fiscal Charges	22,885	22,885	0
Total Expenditures	3,681,194	3,114,445	566,749
 Excess (Deficiency) of Revenues Over (Under) Expenditures			
	(3,681,194)	(3,060,046)	621,148
 <u>Other Financing Sources (Uses):</u>			
Proceeds from General Obligation Notes	410,000	410,000	0
Operating Transfers In	2,241,100	2,241,100	0
Operating Transfers Out	(112,375)	(112,303)	72
Total Other Financing Sources (Uses)	2,538,725	2,538,797	72
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses			
	(1,142,469)	(521,249)	621,220
 Fund Balance at Beginning of Year			
	599,836	599,836	0
 Prior Year Encumbrances			
	1,102,128	1,102,128	0
Fund Balance at End of Year	\$559,495	\$1,180,715	\$621,220

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

BIKEWAY UPGRADE FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$1,502,348	\$345,371	(\$1,156,977)
Total Revenues	<u>1,502,348</u>	<u>345,371</u>	<u>(1,156,977)</u>
<u>Expenditures:</u>			
Capital Outlay	1,474,366	1,473,374	992
Total Expenditures	<u>1,474,366</u>	<u>1,473,374</u>	<u>992</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	27,982	(1,128,003)	(1,155,985)
<u>Other Financing Sources (Uses):</u>			
Advances In	0	1,155,985	1,155,985
Advances Out	(27,982)	(27,982)	0
Total Other Financing Sources (Uses)	<u>(27,982)</u>	<u>1,128,003</u>	<u>1,155,985</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	0	0	0
Fund Deficit at Beginning of Year	(1,474,366)	(1,474,366)	0
Prior Year Encumbrances	1,474,366	1,474,366	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

EAST MAIN STREET BRIDGE REPLACEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
All Other Revenues	\$0	\$510	\$510
Total Revenues	0	510	510
<u>Expenditures:</u>			
Capital Outlay	1,758,028	1,758,028	0
Total Expenditures	1,758,028	1,758,028	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,758,028)	(1,757,518)	510
<u>Other Financing Sources (Uses):</u>			
Proceeds from General Obligation Notes	1,800,000	1,759,000	(41,000)
Total Other Financing Sources (Uses)	1,800,000	1,759,000	(41,000)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	41,972	1,482	(40,490)
Fund Balance at Beginning of Year	48,419	48,419	0
Fund Balance at End of Year	\$90,391	\$49,901	(\$40,490)

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

COURT CAPITAL IMPROVEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$35,000	\$30,663	(\$4,337)
Total Revenues	35,000	30,663	(4,337)
 <u>Expenditures:</u>			
Total Expenditures	0	0	0
 Excess (Deficiency) of			
Revenues Over (Under) Expenditures	35,000	30,663	(4,337)
Fund Balance at Beginning of Year	47,926	47,926	0
Fund Balance at End of Year	\$82,926	\$78,589	(\$4,337)

THE CITY OF NEWARK, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

TAX INCREMENT FINANCING FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$400,000	\$353,135	(\$46,865)
Total Revenues	400,000	353,135	(46,865)
 <u>Expenditures:</u>			
Capital Outlay	125,842	89,126	36,716
Debt Service:			
Principal Retirement	105,000	105,000	0
Interest and Fiscal Charges	159,838	159,838	0
Total Expenditures	390,680	353,964	36,716
 Excess (Deficiency) of			
Revenues Over (Under) Expenditures	9,320	(829)	(10,149)
Fund Balance at Beginning of Year	172,889	172,889	0
Prior Year Encumbrances	842	842	0
Fund Balance at End of Year	\$183,051	\$172,902	(\$10,149)

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprise, whereby the intent of the City is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the City has decided that periodic determination of net income is appropriate for accountability purposes.

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.

THE CITY OF NEWARK, OHIO
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
DECEMBER 31, 2001

	Water	Sewer	Totals
<u>Assets:</u>			
Cash and Cash Equivalents	\$6,193,951	\$3,143,027	\$9,336,978
Receivables (net of allowances for doubtful accounts):			
Accounts	530,995	530,995	1,061,990
Interest	869	165	1,034
Inventory of Supplies at Cost	195,075	176,050	371,125
Prepaid Items	7,257	6,563	13,820
Restricted Assets:			
Cash with Fiscal Agent	352	14,380	14,732
Deferred Charge	153,031	0	153,031
Property, Plant and Equipment	30,257,190	37,515,046	67,772,236
Less Accumulated Depreciation	(10,506,253)	(20,572,258)	(31,078,511)
Net Fixed Assets	19,750,937	16,942,788	36,693,725
Construction in Progress	42,142	503,415	545,557
Total Assets	<u>\$26,874,609</u>	<u>\$21,317,383</u>	<u>\$48,191,992</u>
<u>Liabilities and Fund Equity:</u>			
Liabilities:			
Accounts Payable	\$197,358	\$313,917	\$511,275
Accrued Wages and Benefits	179,226	98,705	277,931
Intergovernmental Payables	11,306	0	11,306
Matured Bonds and Interest Payable	352	14,380	14,732
Accrued Interest Payable	30,150	320,079	350,229
Compensated Absences Payable	385,078	209,637	594,715
General Obligation Bonds Payable	14,329,016	0	14,329,016
Ohio Water Development Authority Loan Payable	0	8,142,990	8,142,990
Total Liabilities	<u>15,132,486</u>	<u>9,099,708</u>	<u>24,232,194</u>
Fund Equity:			
Contributed Capital	1,965,544	15,749,545	17,715,089
Retained Earnings/(Accumulated Deficit):			
Unreserved	9,776,579	(3,531,870)	6,244,709
Total Fund Equity	<u>11,742,123</u>	<u>12,217,675</u>	<u>23,959,798</u>
Total Liabilities and Fund Equity	<u>\$26,874,609</u>	<u>\$21,317,383</u>	<u>\$48,191,992</u>

THE CITY OF NEWARK, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Water	Sewer	Totals
<u>Operating Revenues:</u>			
Charges for Services	\$5,608,346	\$4,689,538	\$10,297,884
Other Operating Revenues	157	716	873
Total Operating Revenues	5,608,503	4,690,254	10,298,757
<u>Operating Expenses:</u>			
Personal Services	2,311,911	1,416,474	3,728,385
Materials and Supplies	534,189	272,781	806,970
Contractual Services	948,127	1,190,907	2,139,034
Depreciation	1,294,677	1,693,466	2,988,143
Total Operating Expenses	5,088,904	4,573,628	9,662,532
Operating Income	519,599	116,626	636,225
<u>Nonoperating Revenues (Expenses):</u>			
Investment Earnings	34,555	14,765	49,320
Interest and Fiscal Charges	(461,227)	(640,158)	(1,101,385)
Miscellaneous Nonoperating Expense	(10,442)	0	(10,442)
Total Nonoperating Revenues (Expenses)	(437,114)	(625,393)	(1,062,507)
Income (Loss) Before Operating Transfers	82,485	(508,767)	(426,282)
<u>Operating Transfers:</u>			
Operating Transfers In	566,417	0	566,417
Operating Transfers Out	(117,025)	(683,442)	(800,467)
Total Operating Transfers	449,392	(683,442)	(234,050)
Net Income (Loss)	531,877	(1,192,209)	(660,332)
Restated Retained Earnings/Accumulated Deficit at Beginning of Year	9,244,702	(2,339,661)	6,905,041
Retained Earnings/Accumulated Deficit at End of Year	\$9,776,579	(\$3,531,870)	\$6,244,709

THE CITY OF NEWARK, OHIO
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$5,681,061	\$4,763,062	\$10,444,123
Cash Payments for Goods and Services	(1,401,901)	(1,451,476)	(2,853,377)
Cash Payments to Employees	(2,297,761)	(1,367,479)	(3,665,240)
Net Cash Provided by Operating Activities	<u>1,981,399</u>	<u>1,944,107</u>	<u>3,925,506</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	566,417	0	566,417
Transfers Out to Other Funds	(117,025)	(683,442)	(800,467)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>449,392</u>	<u>(683,442)</u>	<u>(234,050)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(940,422)	(589,547)	(1,529,969)
Principal Paid on General Obligation Bonds	(600,000)	0	(600,000)
Principal Paid on Ohio Water Development Authority Loan	0	(434,191)	(434,191)
Interest Paid on All Debt	(388,283)	(656,154)	(1,044,437)
Net Cash Used for Capital and Related Financing Activities	<u>(1,928,705)</u>	<u>(1,679,892)</u>	<u>(3,608,597)</u>
<u>Cash Flows from Investing Activities:</u>			
Sale of Investments	2,856,736	0	2,856,736
Receipts of Interest	41,144	17,905	59,049
Net Cash Provided by Investing Activities	<u>2,897,880</u>	<u>17,905</u>	<u>2,915,785</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,399,966	(401,322)	2,998,644
Cash and Cash Equivalents at Beginning of Year	<u>2,794,337</u>	<u>3,558,729</u>	<u>6,353,066</u>
Cash and Cash Equivalents at End of Year	<u><u>\$6,194,303</u></u>	<u><u>\$3,157,407</u></u>	<u><u>\$9,351,710</u></u>
<u>Reconciliation of Cash and</u>			
<u>Cash Equivalents per the Balance Sheet:</u>			
Cash and Cash Equivalents	\$6,193,951	\$3,143,027	\$9,336,978
Restricted Cash with Fiscal Agent	352	14,380	14,732
Cash and Cash Equivalents at End of Year	<u><u>\$6,194,303</u></u>	<u><u>\$3,157,407</u></u>	<u><u>\$9,351,710</u></u>

THE CITY OF NEWARK, OHIO
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
<u>Reconciliation of Operating Income to Net Cash</u>			
<u>Provided by Operating Activities:</u>			
Operating Income	\$519,599	\$116,626	\$636,225
Adjustments to Reconcile Operating Income to			
Net Cash Provided by Operating Activities:			
Depreciation Expense	1,294,677	1,693,466	2,988,143
Miscellaneous Nonoperating Expense	(10,442)	0	(10,442)
Changes in Assets and Liabilities:			
Decrease in Accounts Receivable	72,558	72,808	145,366
(Increase) Decrease in Inventory	18,161	(29,719)	(11,558)
Increase in Prepaid Items	(5,125)	(4,631)	(9,756)
Increase in Accounts Payable	68,141	56,912	125,053
Increase in Accrued Wages and Benefits	7,714	41,643	49,357
Increase (Decrease) in Intergovernmental Payables	9,680	(10,350)	(670)
Increase in Compensated Absences	6,436	7,352	13,788
Total Adjustments	<u>1,461,800</u>	<u>1,827,481</u>	<u>3,289,281</u>
Net Cash Provided by Operating Activities	<u>\$1,981,399</u>	<u>\$1,944,107</u>	<u>\$3,925,506</u>

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2001, the Water and Sewer Funds had outstanding liabilities of \$29,941 and \$179,097, respectively for the purchase of certain capital assets.

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for financing 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.

THE CITY OF NEWARK, OHIO
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
DECEMBER 31, 2001

	Insurance	Workers' Compensation	Totals
<u>Assets:</u>			
Cash and Cash Equivalents	\$1,203,682	\$1,692,000	\$2,895,682
Receivables (net of allowance for doubtful accounts):			
Accounts	0	10,544	10,544
Total Assets	\$1,203,682	\$1,702,544	\$2,906,226
<u>Liabilities and Fund Equity:</u>			
Liabilities:			
Accounts Payable	\$2,808	\$0	\$2,808
Accrued Wages and Benefits	0	41,627	41,627
Total Liabilities	2,808	41,627	44,435
Fund Equity:			
Retained Earnings:			
Unreserved	1,200,874	1,660,917	2,861,791
Total Fund Equity	1,200,874	1,660,917	2,861,791
Total Liabilities and Fund Equity	\$1,203,682	\$1,702,544	\$2,906,226

THE CITY OF NEWARK, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Insurance</u>	<u>Workers' Compensation</u>	<u>Totals</u>
<u>Operating Revenues:</u>			
Charges for Services	\$2,590,772	\$367,803	\$2,958,575
Other Operating Revenues	362	111,031	111,393
Total Operating Revenues	<u>2,591,134</u>	<u>478,834</u>	<u>3,069,968</u>
<u>Operating Expenses:</u>			
Personal Services	2,449,442	43,733	2,493,175
Contractual Services	0	5,275	5,275
Total Operating Expenses	<u>2,449,442</u>	<u>49,008</u>	<u>2,498,450</u>
Net Income	141,692	429,826	571,518
Retained Earnings at Beginning of Year	<u>1,059,182</u>	<u>1,231,091</u>	<u>2,290,273</u>
Retained Earnings at End of Year	<u><u>\$1,200,874</u></u>	<u><u>\$1,660,917</u></u>	<u><u>\$2,861,791</u></u>

THE CITY OF NEWARK, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Insurance</u>	<u>Workers'</u> <u>Compensation</u>	<u>Totals</u>
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Quasi-External Operating Transactions From Other Funds	\$2,591,134	\$615,925	\$3,207,059
Cash Payments for Goods and Services	<u>(2,451,297)</u>	<u>(357,103)</u>	<u>(2,808,400)</u>
Net Cash Provided by Operating Activities	<u>139,837</u>	<u>258,822</u>	<u>398,659</u>
Net Increase in Cash and Cash Equivalents	139,837	258,822	398,659
Cash and Cash Equivalents at Beginning of Year	<u>1,063,845</u>	<u>1,433,178</u>	<u>2,497,023</u>
Cash and Cash Equivalents at End of Year	<u><u>\$1,203,682</u></u>	<u><u>\$1,692,000</u></u>	<u><u>\$2,895,682</u></u>
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</u>			
Operating Income	\$141,692	\$429,826	\$571,518
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Changes in Assets and Liabilities:			
Decrease in Accounts Receivable	0	137,091	137,091
Decrease in Accounts Payable	(1,855)	0	(1,855)
Decrease in Accrued Wages and Benefits	<u>0</u>	<u>(308,095)</u>	<u>(308,095)</u>
Total Adjustments	<u>(1,855)</u>	<u>(171,004)</u>	<u>(172,859)</u>
Net Cash Provided by Operating Activities	<u><u>\$139,837</u></u>	<u><u>\$258,822</u></u>	<u><u>\$398,659</u></u>

FIDUCIARY FUND TYPES

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.

EXPENDABLE TRUST FUNDS

Parking Lot Fund

To account for funds paid by employees for parking in the City parking lot which is paid to the owner of the lot as rent.

Liability Insurance Trust Fund

To account for funds on deposit for self insurance costs related to elected and appointed officials.

Law Library Fund

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

Cemetery Open and Close Fund

To account for funds collected and expended in conjunction with the pre-sale of the opening and closing of grave site sales program at Cedar Hill Cemetery.

Cemetery Vault Fund

To account for funds collected and expended in conjunction with the burial vault sales program at Cedar Hill Cemetery.

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.

Mausoleum Trust Fund

To account for funds received for burial crypts sold on a pre-need basis.

Monument Sales Trust Fund

To account for funds received on the sale of cemetery monuments sold on a pre-need basis.

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.

(Continued)

NONEXPENDABLE TRUST FUND

Cemetery Endowment Fund

To account for monies received by specific agreement, gifts, bequests or otherwise to provide perpetual care of individual plots within City cemeteries.

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.

THE CITY OF NEWARK, OHIO
COMBINING BALANCE SHEET
FIDUCIARY FUNDS
DECEMBER 31, 2001

	<i>Expendable Trust Funds</i>				
	Parking Lot	Liability Insurance Trust	Law Library	Cemetery Open and Close	Cemetery Vault
<u>Assets:</u>					
Cash and Cash Equivalents	\$1,977	\$79,115	\$5,602	\$130,278	\$138,575
Investments	0	0	0	0	0
Receivables (net of allowance for doubtful accounts):					
Accounts	0	0	7,514	0	0
Interest	0	0	0	252	255
Restricted Assets:					
Cash and Cash Equivalents	0	0	0	0	0
Investments	0	0	0	0	0
Total Assets	<u>\$1,977</u>	<u>\$79,115</u>	<u>\$13,116</u>	<u>\$130,530</u>	<u>\$138,830</u>
<u>Liabilities and Fund Equity:</u>					
Liabilities:					
Accounts Payable	\$0	\$17,166	\$0	\$0	\$0
Intergovernmental Payables	0	0	0	0	0
Due to Others	0	0	0	0	0
Total Liabilities	<u>0</u>	<u>17,166</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Equity:					
Reserved for Encumbrances	0	0	0	0	0
Reserved for Endowments	0	0	0	0	0
Unreserved	1,977	61,949	13,116	130,530	138,830
Total Fund Equity	<u>1,977</u>	<u>61,949</u>	<u>13,116</u>	<u>130,530</u>	<u>138,830</u>
Total Liabilities and Fund Equity	<u>\$1,977</u>	<u>\$79,115</u>	<u>\$13,116</u>	<u>\$130,530</u>	<u>\$138,830</u>

THE CITY OF NEWARK, OHIO
COMBINING BALANCE SHEET
FIDUCIARY FUNDS
DECEMBER 31, 2001

				<i>Nonexpendable</i>				
				<i>Trust Fund</i>	<i>Agency Funds</i>			
Veterans Memorial Sidewalk	Mausoleum Trust	Monument Sales Trust	Mary E. Barnes Trust	Cemetery Endowment	Municipal Court	Fire Code		Totals
\$77,497	\$48,747	\$3,905	\$70,163	\$0	\$0	\$0		\$555,859
0	0	0	52,271	0	0	0		52,271
0	0	0	0	0	0	0		7,514
132	68	0	0	0	0	0		707
0	0	0	0	83,246	389,055	18,010		490,311
0	0	0	0	490,100	0	0		490,100
<u>\$77,629</u>	<u>\$48,815</u>	<u>\$3,905</u>	<u>\$122,434</u>	<u>\$573,346</u>	<u>\$389,055</u>	<u>\$18,010</u>		<u>\$1,596,762</u>
\$495	\$0	\$0	\$0	\$0	\$0	\$0		\$17,661
0	0	0	0	0	221,397	0		221,397
0	0	0	0	0	167,658	18,010		185,668
495	0	0	0	0	389,055	18,010		424,726
2,289	0	0	0	0	0	0		2,289
0	0	0	0	573,346	0	0		573,346
74,845	48,815	3,905	122,434	0	0	0		596,401
77,134	48,815	3,905	122,434	573,346	0	0		1,172,036
<u>\$77,629</u>	<u>\$48,815</u>	<u>\$3,905</u>	<u>\$122,434</u>	<u>\$573,346</u>	<u>\$389,055</u>	<u>\$18,010</u>		<u>\$1,596,762</u>

THE CITY OF NEWARK, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	<i>Expendable Trust Funds</i>			
	Parking Lot	Liability Insurance Trust	Law Library	Cemetery Open and Close
Revenues:				
Charges for Services	\$2,613	\$0	\$85,984	\$24,145
Investment Earnings	0	0	0	4,976
All Other Revenues	0	0	0	0
Total Revenues	2,613	0	85,984	29,121
Expenditures:				
Security of Persons and Property	0	0	0	0
Leisure Time Activities	0	0	0	0
General Government	2,400	55,373	78,470	0
Total Expenditures	2,400	55,373	78,470	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	213	(55,373)	7,514	29,121
Other Financing Sources (Uses):				
Operating Transfers In	0	50,000	0	0
Operating Transfers Out	0	0	0	(6,218)
Total Expenditures	0	50,000	0	(6,218)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	213	(5,373)	7,514	22,903
Fund Balance at Beginning of Year	1,764	67,322	5,602	107,627
Fund Balance at End of Year	\$1,977	\$61,949	\$13,116	\$130,530

THE CITY OF NEWARK, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

<i>Expendable Trust Funds</i>					
Cemetery Vault	Veterans Memorial Sidewalk	Mausoleum Trust	Monument Sales Trust	Mary E. Barnes Trust	Totals
\$48,789	\$0	\$48,747	\$3,905	\$0	\$214,183
4,634	2,848	68	0	7,668	20,194
0	3,350	0	0	0	3,350
<u>53,423</u>	<u>6,198</u>	<u>48,815</u>	<u>3,905</u>	<u>7,668</u>	<u>237,727</u>
0	0	0	0	8,293	8,293
0	6,387	0	0	0	6,387
0	0	0	0	0	136,243
<u>0</u>	<u>6,387</u>	<u>0</u>	<u>0</u>	<u>8,293</u>	<u>150,923</u>
53,423	(189)	48,815	3,905	(625)	86,804
0	0	0	0	0	50,000
(6,109)	0	0	0	0	(12,327)
<u>(6,109)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>37,673</u>
47,314	(189)	48,815	3,905	(625)	124,477
91,516	77,323	0	0	123,059	474,213
<u>\$138,830</u>	<u>\$77,134</u>	<u>\$48,815</u>	<u>\$3,905</u>	<u>\$122,434</u>	<u>\$598,690</u>

THE CITY OF NEWARK, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Balance December 31, 2000	Additions	Deductions	Balance December 31, 2001
<u>Municipal Court Fund</u>				
Restricted Assets:				
Cash and Cash Equivalents	\$301,906	\$4,213,862	(\$4,126,713)	\$389,055
Total Assets	<u>\$301,906</u>	<u>\$4,213,862</u>	<u>(\$4,126,713)</u>	<u>\$389,055</u>
Liabilities:				
Intergovernmental Payables	\$156,668	\$2,742,953	(\$2,678,224)	\$221,397
Due to Others	145,238	1,470,909	(1,448,489)	167,658
Total Liabilities	<u>\$301,906</u>	<u>\$4,213,862</u>	<u>(\$4,126,713)</u>	<u>\$389,055</u>
<u>Fire Code Fund</u>				
Restricted Assets:				
Cash and Cash Equivalents	\$8,010	\$38,000	(\$28,000)	\$18,010
Total Assets	<u>\$8,010</u>	<u>\$38,000</u>	<u>(\$28,000)</u>	<u>\$18,010</u>
Liabilities:				
Due to Others	\$8,010	\$38,000	(\$28,000)	\$18,010
Total Liabilities	<u>\$8,010</u>	<u>\$38,000</u>	<u>(\$28,000)</u>	<u>\$18,010</u>
<u>Totals - All Agency Funds</u>				
Restricted Assets:				
Cash and Cash Equivalents	\$309,916	\$4,251,862	(\$4,154,713)	\$407,065
Total Assets	<u>\$309,916</u>	<u>\$4,251,862</u>	<u>(\$4,154,713)</u>	<u>\$407,065</u>
Liabilities:				
Intergovernmental Payables	\$156,668	\$2,742,953	(\$2,678,224)	\$221,397
Due to Others	153,248	1,508,909	(1,476,489)	185,668
Total Liabilities	<u>\$309,916</u>	<u>\$4,251,862</u>	<u>(\$4,154,713)</u>	<u>\$407,065</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

General Fixed Assets Account Group is used to account for fixed assets other than those accounted for in the Proprietary Funds.

THE CITY OF NEWARK, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE
DECEMBER 31, 2001

General Fixed Assets

Land	\$621,267
Buildings and Improvements	7,210,708
Land Improvements	4,325,012
Machinery and Equipment	13,529,514
Construction in Progress	<u>100,100</u>
Total General Fixed Assets	<u><u>\$25,786,601</u></u>

Investment in General Fixed Assets

General Fund	\$7,798,353
Special Revenue Funds	5,006,871
Capital Projects Funds	11,434,068
Enterprise Funds	46,483
Bonds	982,580
Grants	369,626
Donated	<u>148,620</u>
Total Investment in General Fixed Assets	<u><u>\$25,786,601</u></u>

THE CITY OF NEWARK, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY CATEGORY
DECEMBER 31, 2001

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Land Improvements</u>	<u>Machinery and Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
<u>General Government:</u>						
Mayor	\$0	\$0	\$0	\$9,684	\$0	\$9,684
Auditor	0	0	0	82,624	0	82,624
Treasurer	0	0	0	4,555	0	4,555
Law	0	0	0	103,421	0	103,421
General Administration	471,437	2,171,307	0	593,668	0	3,236,412
Personnel Administration	0	0	0	15,020	0	15,020
Service	0	1,517,744	305,324	197,651	0	2,020,719
Engineer	0	0	0	224,316	0	224,316
Information System	0	0	152,243	230,846	0	383,089
Public Safety	0	0	21,608	134,975	0	156,583
Income Tax	0	0	0	126,716	0	126,716
Code Administration	0	0	0	426,692	0	426,692
Council/Clerk	0	0	3,987	10,684	0	14,671
Municipal Court	0	0	3,800	148,608	0	152,408
Clerk of Court	0	0	4,607	141,155	0	145,762
General Storage	0	0	0	9,224	0	9,224
Total	471,437	3,689,051	491,569	2,459,839	0	7,111,896
<u>Security of Persons and Property:</u>						
Police	0	201,889	124,492	2,038,962	0	2,365,343
Fire	0	395,385	0	3,790,365	0	4,185,750
Animal Control	0	0	0	33,645	0	33,645
Total	0	597,274	124,492	5,862,972	0	6,584,738
<u>Transportation:</u>						
Street	0	1,427,281	1,273,809	2,277,741	0	4,978,831
Traffic Control	0	180,475	14,023	1,320,199	0	1,514,697
Total	0	1,607,756	1,287,832	3,597,940	0	6,493,528
<u>Public Health and Welfare:</u>						
Health	0	0	0	235,504	0	235,504
Cemetery	0	564,173	579,353	250,910	0	1,394,436
Total	0	564,173	579,353	486,414	0	1,629,940
<u>Leisure Time Activities:</u>						
Recreation/Seniors	0	743,753	1,293,443	680,598	100,100	2,817,894
<u>Community Environment:</u>						
Economic and Community Development	149,830	8,701	548,323	441,751	0	1,148,605
Total General Fixed Assets	\$621,267	\$7,210,708	\$4,325,012	\$13,529,514	\$100,100	\$25,786,601

THE CITY OF NEWARK, OHIO
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2001

<u>Function and Activity</u>	December 31, 2000	Additions	Deletions	December 31, 2001
<u>General Government:</u>				
Mayor	\$8,409	\$1,275	\$0	\$9,684
Auditor	76,240	6,384	0	82,624
Treasurer	4,555	0	0	4,555
Law	103,421	0	0	103,421
General Administration	3,236,412	0	0	3,236,412
Personnel Administration	13,876	1,144	0	15,020
Service	2,003,102	27,779	(10,162)	2,020,719
Engineer	221,932	2,384	0	224,316
Information System	281,378	174,523	(72,812)	383,089
Public Safety	167,483	0	(10,900)	156,583
Income Tax	126,716	0	0	126,716
Code Administration	380,653	46,039	0	426,692
Council/Clerk	14,671	0	0	14,671
Municipal Court	150,130	2,278	0	152,408
Clerk of Court	122,951	22,811	0	145,762
General Storage	9,224	0	0	9,224
Total	6,921,153	284,617	(93,874)	7,111,896
<u>Security of Persons and Property:</u>				
Police	2,070,539	303,704	(8,900)	2,365,343
Fire	3,903,772	292,393	(10,415)	4,185,750
Animal Control	33,645	0	0	33,645
Total	6,007,956	596,097	(19,315)	6,584,738
<u>Transportation:</u>				
Street	4,795,222	183,609	0	4,978,831
Traffic Control	1,451,765	63,932	(1,000)	1,514,697
Total	6,246,987	247,541	(1,000)	6,493,528
<u>Public Health and Welfare:</u>				
Health	248,404	0	(12,900)	235,504
Cemetery	1,388,377	6,059	0	1,394,436
Total	1,636,781	6,059	(12,900)	1,629,940
<u>Leisure Time Activities:</u>				
Recreation/Seniors	2,528,605	289,289	0	2,817,894
<u>Community Environment:</u>				
Economic and Community Development	1,031,147	117,458	0	1,148,605
Total General Fixed Assets	\$24,372,629	\$1,541,061	(\$127,089)	\$25,786,601

STATISTICAL SECTION

STATISTICAL TABLES

***T**HE FOLLOWING UNAUDITED STATISTICAL TABLES REFLECT SOCIAL AND ECONOMIC DATA, FINANCIAL TRENDS AND FISCAL CAPACITY OF THE CITY.*

THE CITY HAS HAD NO GENERAL OBLIGATION DEBT SUPPORTED BY PROPERTY TAXES IN THE LAST TEN YEARS.

THE CITY OF NEWARK, OHIO
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN YEARS

Year	Security of Persons and Property	Public Health and Welfare	Leisure Time Activities	Community Environment	Trans- portation	General Government	Capital Outlay	Debt Service	Other	Total
1992	\$6,332,044	\$853,583	\$350,192	\$1,298,101	\$1,854,481	\$3,288,181	\$1,105,083	\$48,988	\$16,262	\$15,146,915
1993	7,713,385	1,099,367	426,933	1,533,631	1,893,073	3,804,762	1,054,286	105,466	4,361	17,635,264
1994	8,492,541	1,282,929	531,287	1,957,799	2,176,313	4,177,519	1,991,830	66,648	0	20,676,866
1995	9,431,101	1,421,765	605,105	2,334,463	2,253,170	4,385,345	1,793,577	77,114	0	22,301,640
1996	9,966,142	1,426,893	663,154	2,113,796	2,562,421	4,780,328	3,040,874	68,617	0	24,622,225
1997	10,713,937	1,530,374	719,179	2,927,923	2,851,409	5,486,454	2,203,024	97,534	0	26,529,834
1998	11,633,701	1,553,417	741,535	2,676,503	3,354,548	5,813,884	3,770,552	243,060	0	29,787,200
1999	12,060,959	1,987,846	781,835	2,496,316	3,009,431	6,136,903	3,054,466	220,659	0	29,748,415
2000	12,401,045	2,028,556	774,609	2,518,321	2,711,224	6,150,877	2,244,604	370,938	0	29,200,174
2001	13,314,367	2,326,795	849,014	2,571,544	3,357,894	6,301,536	5,733,268	357,955	0	34,812,373

(1) Includes General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds

THE CITY OF NEWARK, OHIO
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
LAST TEN YEARS

Year	Taxes	Inter-Governmental Revenues	Charges for Services	Licenses Permits and Fees	Investment Earnings	Fines and Forfeitures	All Other (2)	Total
1992	\$10,308,754	\$3,706,906	\$974,041	\$370,047	\$341,163	\$879,661	\$228,299	\$16,808,871
1993	10,600,658	4,181,369	862,587	742,995	345,950	974,474	265,253	17,973,286
1994	11,835,621	5,141,325	814,898	908,492	522,855	1,174,435	327,426	20,725,052
1995	12,684,928	5,235,576	860,328	939,535	899,859	1,151,498	429,529	22,201,253
1996	13,355,337	5,472,602	930,694	1,117,447	890,480	1,123,630	755,538	23,645,728
1997	a 12,443,486	9,346,877	1,036,442	1,097,596	998,319	1,130,498	547,107	26,600,325
1998	a 13,445,961	8,801,081	1,161,337	1,127,598	1,203,931	1,138,238	425,535	27,303,681
1999	a 13,672,911	8,718,932	1,137,543	1,395,993	941,367	1,393,728	517,833	27,778,307
2000	a 14,460,762	10,529,901	1,230,212	1,422,641	1,139,430	1,686,475	511,222	30,980,643
2001	a 14,473,914	8,665,294	1,150,907	1,565,619	818,298	1,627,706	589,100	28,890,838

a - Includes State Levied Shared Taxes Reclassified to Intergovernmental Revenue

(1) Includes General Fund, Special Revenue Funds, Debt Service Fund and Capital Project Funds

(2) Includes Special Assessment Revenue

THE CITY OF NEWARK, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Collection Year	Total Tax Levy	Current Tax Collections	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Accumulated Delinquent Taxes To Total Tax Levy
1992	\$1,598,538	\$1,460,776	\$47,051	\$1,507,827	94.33%	\$90,711	5.67%
1993	1,669,638	1,508,011	37,688	1,545,699	92.58%	92,843	5.56%
1994	1,795,406	1,664,873	21,863	1,686,736	93.95%	108,670	6.05%
1995	1,875,192	1,720,975	61,681	1,782,656	95.07%	92,536	4.93%
1996	1,901,242	1,743,776	44,140	1,787,916	94.04%	113,326	5.96%
1997	2,095,194	1,853,950	76,066	1,930,016	92.12%	165,178	7.88%
1998	2,186,175	2,000,609	113,781	2,114,390	96.72%	71,785	3.28%
1999	2,206,090	2,047,102	63,525	2,110,627	95.67%	95,463	4.33%
2000	2,550,578	2,301,964	68,661	2,370,625	92.94%	179,453	7.04%
2001	2,611,482	2,354,000	120,394	2,474,394	94.75%	137,088	5.25%

Source: Licking County Auditor

***THE CITY OF NEWARK, OHIO
TANGIBLE TAX COLLECTED
LAST TEN YEARS***

<u>Year Paid</u>	<u>Amount</u>
1992	\$219,595
1993	190,937
1994	224,000
1995	225,349
1996	224,837
1997	196,866
1998	307,741
1999	265,716
2000	223,432
2001	350,543

Source: Licking County Auditor

THE CITY OF NEWARK, OHIO
ASSESSED VALUATIONS AND ESTIMATED TRUE VALUES
OF TAXABLE PROPERTY
LAST TEN YEARS

Tax Year	Real Property		Public Utility Personal		Tangible Personal Property		Total		Assessed Value as a Percent of Actual Value
	Assessed	Actual	Assessed	Actual	Assessed	Actual	Assessed	Actual	
1992	\$323,825,780	\$925,216,514	\$32,700,390	\$32,700,390	\$56,796,600	\$218,448,461	\$413,322,770	\$1,176,365,365	35.14%
1993	365,153,660	1,043,296,171	33,655,540	33,655,540	53,261,460	213,045,840	452,070,660	1,289,997,551	35.04%
1994	379,045,450	1,082,987,000	34,130,590	34,130,590	59,550,790	238,203,160	472,726,830	1,355,320,750	34.88%
1995	388,820,020	1,110,914,340	33,824,680	33,824,680	61,258,690	245,034,760	483,903,390	1,389,773,780	34.82%
1996	436,671,260	1,247,632,171	32,818,540	32,818,540	62,237,040	248,948,160	531,726,840	1,529,398,871	34.77%
1997	447,201,930	1,277,719,800	32,416,900	32,416,900	61,655,510	246,622,040	541,274,340	1,556,758,740	34.77%
1998	466,676,380	1,333,361,086	32,510,910	32,510,910	63,618,490	254,473,960	562,805,780	1,620,345,956	34.73%
1999	545,493,340	1,558,522,400	29,461,150	29,461,150	59,564,470	238,257,888	634,518,960	1,826,241,438	34.74%
2000	554,376,620	1,583,933,200	31,010,390	31,010,390	69,314,670	277,258,680	654,701,680	1,892,202,270	34.60%
2001	563,976,650	1,611,361,860	22,767,980	22,767,980	72,137,560	288,550,240	658,882,190	1,922,680,080	34.27%

Source: Licking County Auditor

THE CITY OF NEWARK, OHIO
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATIONS)
LAST TEN YEARS

Collection Year	City of Newark				Newark City School District	Vo-Ed School	Licking County	Total
	General Fund	Police Pension	Fire Pension	Total City				
1992	2.60	0.30	0.30	3.20	35.90	2.80	7.20	49.10
1993	3.10	0.30	0.30	3.70	47.80	2.00	7.20	60.70
1994	3.10	0.30	0.30	3.70	48.00	2.00	7.20	60.90
1995	3.10	0.30	0.30	3.70	48.00	2.00	6.70	60.40
1996	3.10	0.30	0.30	3.70	48.00	2.00	7.20	60.90
1997	3.10	0.30	0.30	3.70	49.00	2.00	7.20	61.90
1998	3.10	0.30	0.30	3.70	49.00	2.00	7.20	61.90
1999	3.10	0.30	0.30	3.70	31.25	2.00	7.20	44.15
2000	3.10	0.30	0.30	3.70	31.22	2.00	7.20	44.12
2001	3.10	0.30	0.30	3.70	31.22	2.00	7.20	44.12

Source: Licking County Auditor

THE CITY OF NEWARK, OHIO
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN YEARS

<u>Collection Year</u>	<u>Amount Billed</u>	<u>Amount Collected</u>	<u>Percent Collected</u>
1992	\$40,214	\$28,253	70.26%
1993	118,002	30,298	25.68%
1994	116,730	34,993	29.98%
1995	106,797	20,858	19.53%
1996	120,684	19,104	15.83%
1997	132,623	15,615	11.77%
1998	64,257	50,379	78.40%
1999	175,546	51,610	29.40%
2000	157,845	49,680	31.47%
2001	174,572	42,285	24.22%

Source: Licking County Auditor

This table reflects only those special assessments collected through the County Auditor's office. It does not reflect lump sum payments received by the City.

THE CITY OF NEWARK, OHIO
COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2001

	Total Debt	Unvoted Debt
Net Assessed Valuation	\$658,882,190	\$658,882,190
Legal Debt Limitation (%) (1)	10.50%	5.50%
Legal Debt Limitation (\$) (1)	69,182,630	36,238,520
City Debt Outstanding (2)	2,804,000	2,804,000
Less: Applicable Debt Service Fund Amounts	(8,359)	(8,359)
Net Indebtedness Subject to Limitation	2,795,641	2,795,641
Legal Debt Margin	\$66,386,989	\$33,442,879

(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 Notes.

Enterprise Debt and Special Assessment Debt is Not Considered in the Computation of the Legal Debt Margin.

THE CITY OF NEWARK, OHIO
COMPUTATION OF ALL DIRECT AND OVERLAPPING
GENERAL OBLIGATION BONDED DEBT
DECEMBER 31, 2001

<u>Jurisdiction</u>	<u>Net Debt Outstanding (1)</u>	<u>Percentage Applicable to City of Newark (2)</u>	<u>Amount Applicable to City of Newark</u>
Direct			
City of Newark	\$0	100.00%	\$0
Overlapping Subdivisions			
Licking County	14,171,776	4.09%	<u>579,626</u>
		Subtotal	<u>579,626</u>
		Total	<u><u>\$579,626</u></u>

(1) Does not include G.O. Notes or Self-Supporting General Obligation Bonds and Notes

(2) The percentage of gross indebtedness of the City's overlapping political subdivisions was determined by dividing each overlapping subdivision's assessed value within the City by its total assessed value

Source: Licking County Auditor

THE CITY OF NEWARK, OHIO
REVENUE BOND COVERAGE - WATER MORTGAGE BONDS
LAST TEN YEARS

<u>Gross Revenues (1)</u>	<u>Direct Operating Expenses (2)</u>	<u>Net Revenue Available For Debt Service</u>	<u>Debt Service Requirement (3)</u>	<u>Coverage</u>
\$2,391,124	\$1,967,568	\$423,556	\$185,759	2.28
4,350,458	2,725,573	1,624,885	186,919	8.69
4,705,358	2,421,716	2,283,642	0	0.00
5,617,933	2,719,011	2,898,922	0	0.00
5,298,452	5,127,848	170,604	0	0.00
5,291,336	2,953,772	2,337,564	0	0.00
5,234,003	3,580,942	1,653,061	0	0.00
5,147,493	3,873,057	1,274,436	0	0.00
5,896,780	3,536,451	2,360,329	0	0.00
5,643,058	3,794,227	1,848,831	0	0.00

- (1) Gross revenues include total operating revenues plus investment earnings
- (2) Direct operating expenses include total operating expenses less depreciation
- (3) Annual debt service requirements include principal and interest on revenue bonds only
It does not include the general obligation bonds reported in the Water Revenue Fund

THE CITY OF NEWARK, OHIO
DEMOGRAPHIC STATISTICS
LAST TEN YEARS

<u>Year</u>	<u>Population (1)</u>		<u>School Enrollment (2)</u>	<u>Unemployment Rate (3)</u>
1992	44,389	(a)	8,998	6.9%
1993	44,489	(a)	9,098	5.7%
1994	45,000	(a)	9,083	4.8%
1995	45,200	(a)	8,958	4.4%
1996	47,450	(a)	8,800	3.6%
1997	47,450	(a)	8,796	3.6%
1998	47,450	(a)	8,561	3.5%
1999	47,450	(a)	8,553	3.6%
2000	47,450	(a)	8,605	3.6%
2001	46,279	(b)	8,562	4.3%

(1) Source: U.S. Bureau of Census of Population:
(a) Estimated; (b) Federal 2000 Census

(2) Source: Newark School District, Board of Education and Newark Catholic Schools

(3) Source: Chamber of Commerce

THE CITY OF NEWARK, OHIO
PROPERTY VALUE AND CONSTRUCTION PERMITS
LAST TEN YEARS

<u>Year</u>	<u>Residential (1)</u>		<u>Commercial (1)</u>	
	<u>Number of Permits</u>	<u>Property Value</u>	<u>Number of Permits</u>	<u>Property Value</u>
1992	114	12,787,353	23	8,037,276
1993 (1)	429	31,444,936	95	30,151,432
1994 (1)	697	60,845,498	109	71,726,798
1995 (1)	1,043	72,176,209	261	39,344,585
1996	423	16,388,537	179	19,863,836
1997	392	14,879,339	200	49,577,820
1998	413	13,745,663	194	33,377,351
1999	346	10,227,271	185	12,604,267
2000	378	18,227,717	172	29,590,974
2001	326	29,963,320	174	19,669,769

Source: City of Newark Building Department
(1) Includes all of Licking County

THE CITY OF NEWARK, OHIO
PRINCIPAL TAXPAYERS (PROPERTY TAX)
DECEMBER 31, 2001

<u>Taxpayer</u>	<u>Type of Business</u>	2001 Assessed Valuation (Tax Duplicate)	Percentage of Total Assessed Valuation
1. Ohio Power Company	Public Utility	\$13,256,520	2.01%
2. Alltel Ohio, Inc.	Public Utility	6,510,220	0.99%
3. State Farm Mutual Auto Insurance	Insurance	5,593,430	0.85%
4. Cherry Jack Ltd	Real Estate	4,809,460	0.73%
5. Owens Corning, Inc.	Manufacturing	3,311,000	0.50%
6. Southgate Limited Partnership	Real Estate	2,424,370	0.37%
7. Health Care Property Investors, Inc.	Real Estate	2,266,430	0.34%
8. Meijer, Inc.	Retail	1,823,050	0.28%
9. National Gas and Oil, Inc.	Public Utility	1,786,890	0.27%
10. L.C. Lighting Group	Manufacturing	1,747,550	0.27%
	Sub-Total	43,528,920	6.61%
	All Others	615,353,270	93.39%
	Total	\$658,882,190	100.00%

Source: Licking County, Ohio: County Auditor and Treasurer

*THE CITY OF NEWARK, OHIO
PRINCIPAL EMPLOYERS
DECEMBER 31, 2001*

<u>Employer</u>	<u>Number of Employees</u>
1. Owens Corning, Inc.	1,400
2. Meritor Automotive, Inc.	1,200
3. Licking County Government	1,150
4. Licking Memorial Hospital	1,130
5. Newark City Schools	950
6. State Farm Insurance	900
7. Holophane	550
8. Longaberger, Inc.	500
9. City of Newark	490
10. Park National Bank	480

Source: City of Newark Income Tax Department

THE CITY OF NEWARK, OHIO
MISCELLANEOUS STATISTICS
DECEMBER 31, 2001

Date of Incorporation	1826	Police Services:	Water System:
Form of Government	Charter	Number of Stations	Number of Purification Plants
Area (square miles)	19.04	Number of Police Personnel and Officers	Miles of Water Mains
Facilities and Services:		Number of Patrol Units	Number of Fire Hydrants
Miles of Streets	204	Number of Law Violations:	Number of Service Connections
Number of Street Lights	3,322	Criminal Juvenile Citations and Charges	Average Daily Consumption (Gallons)
(per American Electric Power and Licking Rural Electric)		Traffic Citations Issued	Maximum Daily Capacity of Plant (Gallons)
Recreation and Culture:		Parking Tickets Written	Sewerage System:
Number of Parks	39	Fire/Emergency Medical Services:	Number of Treatment Plants
Park Area (acres)	1,422	Number of Stations	Miles of Sanitary Sewers
Number of Ball Fields:		Number of Fire Personnel and Officers	Miles of Storm Sewers
Lighted	2	Number of Calls Answered	Number of Service Connections
Unlighted	8	Number of Inspections	Average Daily Treatment (Gallons)
Number of Libraries	2	Parking Facilities:	Maximum Daily Capacity of Treatment (Gallons)
(Operated by Licking County)		Parking Levels	Education: *
Number of Cemeteries	1	Parking Spaces	Elementary Schools
Cemetery Area (Acres)	118	Off-Street Parking Lots	Elementary School Students
Hospitals:		Parking Spaces	Elementary School Instructors
Number of Hospitals	1	On-Street Parking Meters	Secondary Schools
Number of Patient Beds	185	Average Daily Cars Parked	Secondary School Students
Number of Bassinets	25		Secondary School Instructors
			Colleges
			College Students

* Total School District data provided by the Newark School District, Newark Catholic Schools and other private schools

**CITY OF NEWARK
LICKING COUNTY
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2001**

Federal Grantor/ Sub-Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u>						
(Direct Award)						
Community Development Block Grant	B01-MC-39-0024	14.218	\$ 1,035,893	\$ -	\$ 947,300	\$ -
HOME Investment Partnership Program	A-C-01-293-2	14.239	<u>145,585</u>	<u>-</u>	<u>161,092</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			1,181,478	-	1,108,392	-
<u>U.S. DEPARTMENT OF TRANSPORTATION:</u>						
Pass through Ohio Department of Transportation						
Highway Planning and Construction	LPA 9743/9118	20.205	345,371	-	1,473,374	-
Federal Transit Capital/Operating Grant	OH-90-X358-00	20.507	363,189	-	318,231	-
State and Community Highway Safety	45032AD01	20.600	<u>28,486</u>	<u>-</u>	<u>43,583</u>	<u>-</u>
Total U.S. Department of Transportation			737,046	-	1,835,188	-
<u>U.S. DEPARTMENT OF JUSTICE:</u>						
(Direct Award)						
Local Law Enforcement Block Grant	2000-LB-BX-0365	16.592	35,492	-	21,108	-
Public Safety Partnership/Policing Grants	95CMWX0760	16.710	20,000	-	20,000	-
Pass through Ohio Department of Justice						
Edward Bryne Memorial Grant	01-06-B01-719C	16.580	<u>63,957</u>	<u>-</u>	<u>80,501</u>	<u>-</u>
Total U.S. Department of Justice			119,449	-	121,609	-
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>						
Pass through Ohio Department of Health						
Immunization Action Plan	45201PAZ392	93.268	34,000	-	34,000	-
Dental Sealant Plan	45201FAJ320	93.994	<u>56,070</u>	<u>-</u>	<u>56,070</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>90,070</u>	<u>-</u>	<u>90,070</u>	<u>-</u>
Total Federal Awards Expenditures			<u>\$ 2,128,043</u>	<u>\$ -</u>	<u>\$ 3,155,259</u>	<u>\$ -</u>

See notes to Schedule of Federal Awards Expenditures.

**CITY OF NEWARK
LICKING COUNTY**

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A – Significant Account 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.

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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited the general-purpose financial statements of City of Newark as of and for the year ended December 31, 2001, and have issued our report thereon dated May 17, 2002. 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.

Compliance

As part of obtaining reasonable assurance about whether City of Newark's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance which we have reported to management of the City of Newark in a separate letter dated May 17, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Newark's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving internal control over financial reporting, which we have reported to management of the City of Newark in a separate letter dated May 17, 2002.

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

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
May 17, 2002

**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 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, 2001. 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 Newark management. Our responsibility is to express an opinion on Newark 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 Newark 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 Newark compliance with those requirements.

In our opinion, 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, 2001.

Internal Control Over Compliance

The management of Newark is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Newark's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with *OMB Circular A-133*.

Internal Control Over Compliance (Continued)

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance and its operation that we consider to be material weaknesses.

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

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
May 17, 2002

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

**FINANCIAL CONDITION
CITY OF NEWARK
DECEMBER 31, 2001**

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 reportable control weakness conditions 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 reportable internal control weakness conditions reported for major federal programs?	NO
<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):	Highway Planning #20.205 Federal Transit #20.507
<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



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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800-282-0370
Facsimile 614-466-4490

CITY OF NEWARK

LICKING COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 6, 2002**