



ANNUAL COMPREHENSIVE
FINANCIAL REPORT

OF THE

NEWARK CITY
SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2023

PREPARED BY
TREASURER'S DEPARTMENT
JULIO VALLADARES, TREASURER/CFO

621 MOUNT VERNON ROAD

NEWARK, OHIO 43055

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**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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Administrative Service Center
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Newark, OH 43055
www.newarkcityschools.org
740-670-7000

December 21, 2023

To the Citizens and Board of Education of the Newark City School District:

We are pleased to submit to you the twentieth Annual Comprehensive Financial Report (ACFR) of the Newark City School District (the “District”). This ACFR, which includes an opinion from Julian & Grube, Inc., conforms to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rest with the District’s management. To the best of our knowledge and belief, this ACFR and the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included.

State statute requires an annual audit by independent accountants. Julian & Grube, Inc. conducted the audit. The audit has been conducted in accordance with generally accepted auditing standards, generally accepted government auditing standards, and include a review of internal controls and test of compliance with Federal and State laws and regulations. The Independent Auditor’s Report is included in the ACFR.

This transmittal letter is designed to provide historical information about the District, as well as complement the required Management’s Discussion and Analysis (discussed below). Unless noted otherwise, the financial data in this transmittal letter is presented on the modified accrual basis of accounting. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). The District’s MD&A, which focuses on the government-wide statements, can be found on page 17 of the financial section of this report.

PROFILE OF THE SCHOOL DISTRICT

The City of Newark, the county seat of Licking County, is located approximately 33 miles east of Columbus in the central part of the State. The District serves an area of approximately 19 square miles and approximately 50,763 residents.

In the spring of 1802, General William Schenk platted around the ancient mounds of Central Ohio a settlement named after his hometown of Newark, New Jersey. There were many salt licks in the area and by 1808 the area known as Licking County was founded. In 1809 the first school was started in the Courthouse on the north side of the Town Square. James Maxwell was the first schoolteacher in this floorless room. The first official body designated as the Newark City Board of Education was formed in 1848.

The Board of Education (the “Board”) of the District is composed of five members elected at large by the citizens of the District. The Board serves as the taxing authority, contracting body, and policy initiator for the operation of the District. The Board is responsible for the annual operating budget and approves all expenditures of the District. The Board is a body politic and corporate, as defined by Section 3313.02 of the Ohio Revised Code, and has only those powers and authority conferred upon it by the Code.

During fiscal year 2023, the District had 5,982 students enrolled in twelve schools: Carson Elementary, Cherry Valley Elementary, John Clem Elementary, Ben Franklin Elementary, Hillview Elementary, Legend Elementary, and McGuffey Elementary schools housing grades K through 5; Heritage Middle, Liberty Middle, and Wilson Middle housing grades 6 through 8; the Newark Digital Academy housing grades K through 12 and Newark High School housing grades 9 through 12.

The District provides a full range of traditional and non-traditional educational programs, services and facilities. These include elementary and secondary curriculum at the general, college preparatory and vocational levels, a broad range of co-curricular and extracurricular activities, special education programs and facilities.

Newark Catholic High School, St. Francis, Blessed Sacrament, and the Alive Vineyard Academy are located within the School District Service Area. The District acts as fiscal agent for state funds provided by the State of Ohio to these institutions. Revenues and expenditures of these schools are reported as a governmental activity of the District.

Internal Controls

Management of the District is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived from its implementation; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Controls

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 certificate of estimated resources and the appropriations resolution, both of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control required by Ohio Revised Code is at the fund level. The legal level of budgetary control imposed by the District (the highest level for which expenditures cannot legally exceed the appropriated amount) is established at the fund level for all budgeted funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts at year-end are carried forward to succeeding years and are not re-appropriated.

ECONOMIC CONDITION AND OUTLOOK

The District is located approximately 33 miles from the metropolitan City of Columbus providing a wealth of opportunity for cultural, social and economic resources for its residents. Central Ohio Technical College and The Ohio State University of Newark share facilities at the Newark campus. Denison University is located in the adjoining Village of Granville. These colleges provide excellent educational opportunities for the Newark community.

The City of Newark offers an excellent opportunity for business growth and expansion. The City stimulates the economy through a diverse group of employers, from the small family operated business to the major commercial/industrial and service corporations. The five largest employers in the District in terms of numbers of employees are: Licking Memorial Hospital, Licking County Government, Newark City Schools, Anomatic Corporation and OSU-N/COTC.

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.

The District, during the 2009 and 2011 national recession was impacted regarding income tax revenues to the tune of collecting 3.5% less income tax. Beginning in fiscal year 2012, the local economy started to show signs of improvements that over the period of fiscal year 2016 through 2018, the District is collecting income tax revenues at an average of net 3.1%. For fiscal year 2020, income tax collections decreased by 7.8%, and due to COVID-19, the District income tax collection in 2021 dropped by 0.02% or \$161,813 over the previous year. However, the average Post COVID-19, Fiscal years 2022 and 2023, in net income tax collections increased by 13.8%

LONG-TERM FINANCIAL PLANNING

The District prepares a five-year financial forecast annually for use as a tool for long range planning. The five-year forecast contains projected local and state revenues, spending patterns within each area of the budget, and cash balances in the District’s operating fund. The five-year forecast provides early warning signs of potential financial problems.

The District uses the five-year forecast to provide a basis for making financial decisions, including the construction of the annual budget, adjustments to staffing levels, collective bargaining, and the placement of tax levies on the ballot. Recently, May 8, 2018, the District passed a 7.5 mil emergency property tax levy which would generate estimated annual revenues for the next 10 years of \$5.9 million. This levy will expire on December 31, 2029. The District’s income tax levy was renewed for five years beginning January 2018 and is set to expire on December 31, 2023. This income tax levy was renewed at the election held on May 3, 2022, for a continuing period of time and will commence January 1, 2023.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

Accomplishments for 2023

Financial

The District received the Certificate of Excellence in Financial Reporting from the Government Finance Officers Association for its fiscal year 2022 ACFR.

The District received the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association for its fiscal year 2022 Popular Annual Financial Report.

The District is in the final steps of centralizing the preschool program by acquiring an existing facility using ESSER funds and renovate it not only for the preschool program, but also for moving the digital academy and the Technology department into the new facility to allow for more space. Construction is expected to be done by December 2023.

Instruction

The District obtains academic performance results from the State of Ohio’s District report card. The District achieved the following grades on the 2022-2023 State of Ohio District report card:

Performance index	73.3%
4-year graduation	81.4%
5-year graduation	85.5%
*Closing the Gap	*** Meets state standards in closing educational gaps.
*FY22 - ODE switched to star rating	

Achievement Tests

State and federal law requires testing students in grades 3 - 8 and high school in various subjects. During 2022-2023, the following tests were administered:

- 3rd grade - reading and math
- 4th grade - reading and math

5th grade - reading, math, and science

6th grade – reading and math

7th grade - reading and math

8th grade - reading, math, and science

High School end of course exams: Algebra, Geometry, Biology, American History, American Government and English LA2.

Students in grades 9-12 must earn a "competence" score of 684 on both the state Algebra 1 and English Language Arts II tests. Students who do not pass the test will be offered appropriate remediation and support and will retake the test at least once. In lieu of attaining competency scores on the state tests, students can demonstrate competency by one (1) of the following:

A. **College Credit Plus** - Earn college credit for one math and one English Class

B. **Industry Credential** - Complete two of the following:

Foundational

- Proficiency WebXams scores
- Earn 12 point industry credential
- Pre-apprenticeship programs or acceptance into apprenticeship program

Supporting

- Work-based learning
- Proficient WorkKeys scores
- Earn OhioMeansJobs Readiness Seal
(At least one actively must be Foundational)

C. **Military Readiness** - Signed contract to enter a branch of the US Armed Forces upon graduation
The percentage of High School students who have successfully passed the 2022-2023 End of Course Exams is listed here:

Algebra I	49.0%
Biology	65.9%
English II	58.1%
Geometry	45.1%
Government	75.1%
History	73.7%

Newark High School and Newark Digital instituted an alternative pathway to graduation pilot option incorporating industry-recognized credentials and OhioMeansJobs-Readiness Seal in the 2021-2022 school year. Students who were successful were 5 NHS students and 10 NCD students. Students who were successful in the 2022-2023 school year were 38 NHS students and 10 NCD students.

INITIATIVES FOR 2024

Financial

To receive the Certificate of Excellence in Financial Reporting from the GFOA for the District’s fiscal year 2023 ACFR.

To receive the Award for Outstanding Achievement in Popular Annual Financial Reporting from the GFOA for the fiscal year 2023 Popular Annual Financial Report.

To continue working on establishing a health clinic for our students and staff to best serve their medical and dental needs.

To invest and enhance the District's social emotional needs programs to best serve our students, parents, staff, and community. To this end a consultant from BHP, Behavioral Health Partners, will support students and staff in each Newark City Schools building through a combination of grant and general funds.

Instruction

-
- To improve the classroom technology by establishing a technology task force to assess all technology needs.
- To improve, continuously, the District's Graduation Rate.
- To achieve Annual Measurable Objectives as measured by the District's report card by improving the scores of students who are social economical disadvantaged with disabilities in reading and math.
- Continue to implement the Ohio Improvement Process as we transition to MTSS, Multi-Tiered.
- To continue to implement and monitor the Response to Intervention (RtI) process.
- To evaluate high school textbook and instructional materials adoptions and purchase instructional materials as necessary.
- To continue to support staff and students for on-line assessments.
- To implement curriculum content changes and teacher instruction which serves to improve reading and English Language Arts through structured literacy instruction and science based reading. This will be facilitated by a K-12 Coordinator of Structured Literacy, curriculum materials that reflect the science of reading, and professional development to assist teachers in implementing structured literacy instruction.

AWARDS AND ACKNOWLEDGEMENTS

GFOA Certificate of Achievement

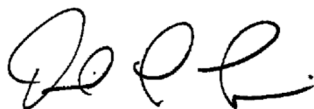
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Newark City School District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA for their review.

Acknowledgements

Preparation of this report could not have been accomplished without the support and efforts of the staff in the Treasurer's office and many other dedicated employees of the District. Further appreciation is extended to the Licking County Auditor's office and the Newark City Auditor's office for their valuable research of records.

Respectfully submitted,



David Lewis
Superintendent



Julio Valladares
Treasurer/CFO

NEWARK CITY SCHOOL DISTRICT

PRINCIPAL OFFICERS

Board of Education

Tim Carr	Board Member, President
Tom Bline	Board Member, Vice President
Mike Blowers	Board Member
Mark Christenberry	Board Member
Warren Weber	Board Member

Administration

David Lewis	Superintendent
Julio Valladares	Treasurer
Mark Shively	Director of Classified Personnel & Business Manager
Barbara Quackenbush	Director of Certificated Personnel
Maura Horgan	Director of Curriculum & Staff Development
Melinda Vaughn	Director of Special Education

ADMINISTRATIVE STRUCTURE NEWARK CITY SCHOOLS

BOARD OF EDUCATION

<p><u>Treasurer</u></p> <ul style="list-style-type: none"> •Fiscal Accountability •Payroll & Benefits •Financial Management/Reporting •Education Management/Information Systems 	<p><u>Superintendent</u></p> <ul style="list-style-type: none"> •Student Learning Leadership •Instructional Programming •Board Policy Implementation •Fiscal Accountability •Enrollment and Transfers •Custody and Foster Care •District Technology Administration
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<p><u>Director of Certificated Personnel</u></p> <ul style="list-style-type: none"> •Recruitment and selection of Certificated staff •Contract Negotiation and Management •Administrative Development •Building Level Leadership and Development •Staff Relations •Teacher Development 	<p><u>Director of Classified Personnel & Support Services</u></p> <ul style="list-style-type: none"> •Recruitment and Selection of Classified Staff •Contract Negotiation and Management •Maintenance/Buildings/Grounds •Printing/Duplicating •Secretarial Services •Transportation •Warehouse •District Attendance Areas •Risk Management 	<p><u>Director of Curriculum & Staff Development, K-12</u></p> <ul style="list-style-type: none"> •Textbook and Instructional Material •Ohio Department of Education Accountability/CCIP •Supplemental Student Services and Programs •Teacher Development •Building Level Leadership and Development •Board Policy Development •District Testing <p><u>Assistant Director of Curriculum</u></p> <ul style="list-style-type: none"> •Grant & Entitlement Administration 	<p><u>Community Outreach Coordinator</u></p> <ul style="list-style-type: none"> •District Communication Planning •Public Engagement •Media Relations •Broadcast Management •Publications •Crisis Planning and Management Communication •Website Management •Social Media <p><u>Special Programs Coordinator</u></p> <ul style="list-style-type: none"> •Manages After School Programs •Fundraising for District •Event Planning for District •Administrative Staff Support •Crisis Planning and Management 	<p><u>Director of Special Education</u></p> <ul style="list-style-type: none"> •Leadership for Special Education Services •Identification and Placement of Special Education Students •Compliance with Special Education Laws •Training and Supervision of Special Education Staff <p>•3 Coordinators of Special Education</p> <ul style="list-style-type: none"> Pk & Scholarship K-5 6-12
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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Newark City School District
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

Independent Auditor's Report

Newark City School District
Licking County
621 Mount Vernon Road
Newark, Ohio 43055

To the Members of the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Newark City School District, Licking County, Ohio, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Newark City School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Newark City School District, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the Elementary and Secondary Education Emergency Relief Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis, and schedules of net pension and other postemployment benefit assets and liabilities and pension and other postemployment benefit contributions*, listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Newark City School District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023 on our consideration of the Newark City School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Newark City School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Newark City School District's internal control over financial reporting and compliance.



Julian & Grube, Inc.
December 21, 2023

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**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

The management's discussion and analysis of the Newark City School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the transmittal letter, notes to the basic financial statements and basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2023 are as follows:

- The District's net position of governmental activities increased \$16,913,958 which represents a 22.41% increase from 2022's net position.
- For governmental activities general revenues accounted for \$80,817,963 in revenue or 72.34% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$30,902,390 or 27.66% of total revenues of \$111,720,353.
- The District had \$94,806,395 in expenses related to governmental activities; only \$30,902,390 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$80,817,963 were adequate to provide for these programs.
- The District's major governmental funds are the general fund and the ESSER fund. The general fund had \$84,337,758 in revenues and other financing sources and \$77,714,264 in expenditures. During fiscal year 2023, the general fund's fund balance increased \$6,623,494 from a balance of \$49,120,930 to \$55,744,424.
- The ESSER fund had \$12,401,477 in revenues and \$12,234,631 in expenditures. During fiscal year 2023, the ESSER fund's fund balance increased \$166,846 from a deficit balance of \$2,108,857 to a deficit balance of \$1,942,011.

Using the Annual Comprehensive Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net position and statement of activities provide information about the activities of the whole District presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the major funds are the general fund and the ESSER fund.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2023?" The statement of net position and statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. The accrual basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the statement of net position and statement of activities, the governmental activities include the District's programs and services, including instruction, support services, extracurricular activities, and operation of non-instructional services.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds begins on page 26. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major funds are the general fund and the ESSER fund.

Governmental Funds

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

Proprietary Funds

The District maintains only one type of proprietary fund. The internal service fund is an accounting device used to accumulate and allocate costs internally among the District's various functions. The District has an internal service fund to account for a self-insurance program which provides health and dental benefits to employees.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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Fiduciary Funds

The District acts in a trustee capacity as an agent for individuals. These activities are reported in a custodial fund. All of the District's fiduciary activities are reported in separate statements of changes in fiduciary net position. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations. For fiscal year 2023, the District's fiduciary activities reported no activity.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension liability and net OPEB liability/asset.

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**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)

The District as a Whole

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position for June 30, 2023 and June 30, 2022.

	Net Position	
	Governmental Activities 2023	Governmental Activities 2022
<u>Assets</u>		
Current and other assets	\$ 106,860,182	\$ 103,352,489
Net OPEB asset	7,402,458	6,181,647
Capital assets, net	<u>139,000,727</u>	<u>130,112,850</u>
Total assets	<u>253,263,367</u>	<u>239,646,986</u>
<u>Deferred Outflows of Resources</u>		
Unamortized deferred charges on debt refunding	541,423	682,468
Pensions	21,006,874	22,022,848
OPEB	<u>2,023,145</u>	<u>2,434,169</u>
Total deferred outflows of resources	<u>23,571,442</u>	<u>25,139,485</u>
<u>Liabilities</u>		
Current liabilities	16,832,889	13,398,108
Long-term liabilities:		
Due within one year	3,185,070	3,649,353
Due in more than one year:		
Net pension liability	79,744,982	48,272,450
Net OPEB liability	4,292,829	5,716,216
Other amounts	<u>37,230,067</u>	<u>40,256,716</u>
Total liabilities	<u>141,285,837</u>	<u>111,292,843</u>
<u>Deferred Inflows of Resources</u>		
Property taxes levied for next fiscal year	22,839,802	26,491,115
Lease	612,269	1,362,488
Pensions	8,436,946	39,386,539
OPEB	<u>11,271,695</u>	<u>10,779,184</u>
Total deferred inflows of resources	<u>43,160,712</u>	<u>78,019,326</u>
<u>Net Position</u>		
Net investment in capital assets	100,637,950	91,233,273
Restricted	9,659,768	9,172,704
Unrestricted (deficit)	<u>(17,909,458)</u>	<u>(24,931,675)</u>
Total net position	<u>\$ 92,388,260</u>	<u>\$ 75,474,302</u>

**NEWARK CITY SCHOOL DISTRICT
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The net pension liability is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

GASB standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

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

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

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

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

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

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

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FOR THE FISCAL YEAR ENDED JUNE 30, 2023
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In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability/asset, respectively, not accounted for as deferred inflows/outflows.

Current and other assets increased primarily due to an increase in equity in pooled cash and cash equivalents due to current year activity. Capital assets, net, increased as current year capital asset additions for projects in progress exceeded depreciation/amortization expense.

Deferred outflows related to pension decreased primarily due to changes in assumptions by the State Teachers Retirement System (STRS). See Note 14 for more detail.

Total assets include a net OPEB asset reported by STRS. See Note 15 for more detail.

At year-end, capital assets represented 54.88% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, and intangible right use assets. The net investment in capital assets at June 30, 2023, was \$100,637,950. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

Current liabilities increased primarily due to increased contracts payable for amounts due at fiscal year end that were paid after the fiscal year end for construction projects.

Long-term liabilities increased primarily due to an increase in the District's net pension liability. This liability is outside of the control of the District. The District contributes its statutorily required contributions to the pension systems; however, it's the pension systems that collect, hold and distribute pensions and OPEB to District employees, not the District.

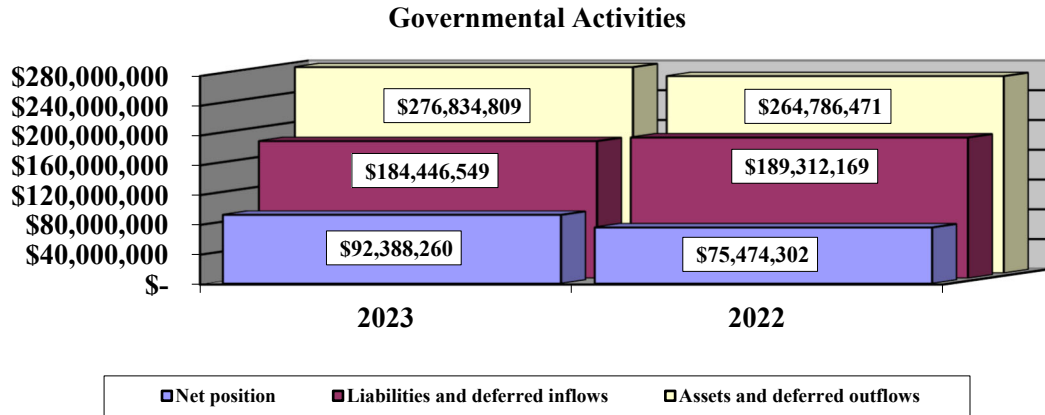
The net pension liability increased \$31,472,532 or 65.20% and deferred inflows of resources related to pension decreased \$30,949,593 or 78.58%. These changes were the result of changes at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS). Primarily, net investment income on investments at both pension systems were negative for the fiscal year 2022 measurement date that are used for the fiscal year 2023 reporting. This caused a large decrease in their respective fiduciary net positions which was a drastic change from the previous fiscal year's large positive investment returns.

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2023, the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$92,388,260.

A portion of the District's net position, \$9,659,768, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position was a deficit of \$17,909,458. The deficit balance in unrestricted net position was the result of reporting the net pension liability and net OPEB liability required by GASB 68 and GASB 75, respectively. The graph on the following page illustrates the District's governmental activities assets plus deferred outflows, liabilities plus deferred inflows and net position at June 30, 2023 and 2022.

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The table below shows the changes in net position for governmental activities between 2023 and 2022.

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
<u>Revenues</u>		
Program revenues:		
Charges for services and sales	\$ 1,939,361	\$ 1,850,945
Operating grants and contributions	28,456,973	25,223,547
Capital grants and contributions	506,056	-
General revenues:		
Property taxes	31,664,253	29,540,933
School district income taxes	12,727,964	12,403,471
Payment in lieu of taxes	191,755	196,202
Grants and entitlements	34,517,041	34,834,074
Investment earnings	1,488,507	130,015
(Decrease) in fair value on investments	(34,032)	(205,756)
Gain on sale of capital assets	-	189,019
Other	262,475	183,224
Total revenues	<u>111,720,353</u>	<u>104,345,674</u>

**NEWARK CITY SCHOOL DISTRICT
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MANAGEMENT'S DISCUSSION AND ANALYSIS
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	2023	2022
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	37,671,115	38,508,917
Special	16,604,476	14,609,140
Vocational	329,588	369,793
Other	232,131	209,401
Support services:		
Pupil	6,504,765	5,967,429
Instructional staff	5,212,618	4,333,654
Board of Education	133,495	205,208
Administration	5,420,935	4,725,856
Fiscal	1,841,043	1,597,082
Business	623,778	599,897
Operations and maintenance	9,340,876	9,124,343
Pupil transportation	3,128,801	3,791,213
Central	663,262	870,281
Operation of non-instructional services:		
Food service operations	3,308,990	2,962,757
Other non-instructional services	964,770	607,372
Extracurricular activities	1,801,336	1,547,878
Interest and fiscal charges	1,024,416	1,334,402
Total expenses	94,806,395	91,364,623
Changes in net position	16,913,958	12,981,051
Net position at beginning of year	75,474,302	62,493,251
Net position at end of year	\$ 92,388,260	\$ 75,474,302

Governmental Activities

Net position of the District's governmental activities increased \$16,913,958. Total governmental expenses of \$94,806,395 were partially offset by program revenues of \$30,902,390 and general revenues of \$80,817,963. Program revenues supported 32.60% of the total governmental expenses.

Overall, expenses of the governmental activities increased \$3,441,772 or 3.77%. This increase is primarily the result of an increase in pension expense. Pension expense increase approximately \$8,040,296. This increase was the result of an increase in expenses incurred at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS) due to a decrease in net investment income on investments compared to previous years. Additionally, regular instruction expenses decreased due to less expenses related to COVID-19 precautions. Pupil transportation expense decreased due to the District replacing fewer buses during the year.

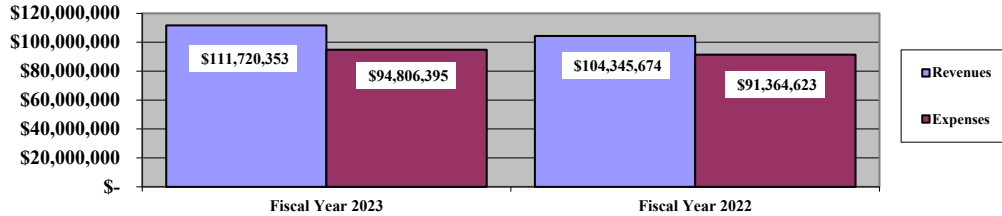
The primary sources of revenue for governmental activities are derived from general revenues such as property taxes, school district income taxes, and grants and entitlements. These three sources of revenue total \$78,909,258 and represent 70.63% of total governmental revenue. Property tax revenue increased \$2,123,320 due to increases in the amount available for advance at June 30. This amount is recorded as revenue and can vary based on when property tax bills are sent out by the County Auditor. Operating grants and contributions increased \$3,233,426 due to the District receiving money for the ARP ESSER program.

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The graph below presents the governmental activities revenues and expenses for fiscal years 2023 and 2022.

Governmental Activities - Revenues and Expenses



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2023 compared to 2022. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements. As stated earlier, fluctuations in pension expense reported under GASB 68 make it difficult to compare financial information between years.

	Governmental Activities			
	Total Cost of Services 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
Program expenses:				
Instruction:				
Regular	\$ 37,671,115	\$ 30,258,888	\$ 38,508,917	\$ 32,514,049
Special	16,604,476	7,985,418	14,609,140	5,294,123
Vocational	329,588	276,010	369,793	312,821
Other	232,131	232,131	209,401	209,401
Support services:				
Pupil	6,504,765	4,744,950	5,967,429	4,028,776
Instructional staff	5,212,618	1,601,045	4,333,654	2,717,386
Board of Education	133,495	133,495	205,208	205,208
Administration	5,420,935	5,049,743	4,725,856	4,182,698
Fiscal	1,841,043	1,841,043	1,597,082	1,597,082
Business	623,778	623,778	599,897	599,897
Operations and maintenance	9,340,876	6,097,983	9,124,343	8,013,337
Pupil transportation	3,128,801	1,497,628	3,791,213	2,721,789
Central	663,262	663,262	870,281	870,281
Operation of non-instructional services:				
Food service operations	3,308,990	220,422	2,962,757	(1,313,328)
Other non-instructional services	964,770	205,138	607,372	(153,225)
Extracurricular activities	1,801,336	1,448,655	1,547,878	1,155,434
Interest and fiscal charges	1,024,416	1,024,416	1,334,402	1,334,402
Total expenses	\$ 94,806,395	\$ 63,904,005	\$ 91,364,623	\$ 64,290,131

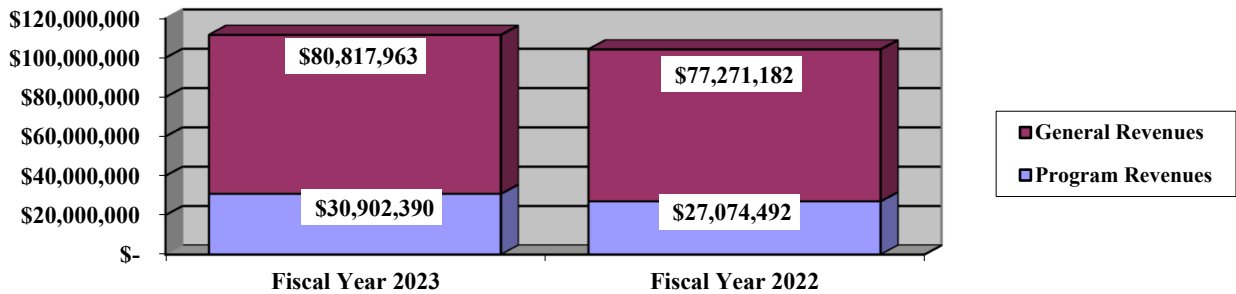
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The dependence upon tax and other general revenues for governmental activities is apparent, 70.67% of instruction activities, totaling \$38,752,447 are supported through taxes and other general revenues. For all governmental activities, general revenue support is 67.40%.

The graph below presents the District's general and program revenues for fiscal years 2023 and 2022.

Governmental Activities - General and Program Revenues



The District's Funds

The District's governmental funds reported a combined fund balance of \$59,442,477 which is more than last year's total of \$54,189,318. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2023 and 2022.

	<u>Fund Balance</u> <u>June 30, 2023</u>	<u>Fund Balance</u> <u>June 30, 2022</u>	<u>Change</u>
General	\$ 55,744,424	\$ 49,120,930	\$ 6,623,494
ESSER	(1,942,011)	(2,108,857)	166,846
Other Governmental	5,640,064	7,177,245	(1,537,181)
Total	<u>\$ 59,442,477</u>	<u>\$ 54,189,318</u>	<u>\$ 5,253,159</u>

**NEWARK CITY SCHOOL DISTRICT
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MANAGEMENT'S DISCUSSION AND ANALYSIS
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General Fund

The District's general fund balance increased \$6,623,494. The table below summarizes the revenues and expenditures for fiscal year 2023 and 2022:

	<u>2023</u> <u>Amount</u>	<u>2022</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 38,795,550	\$ 35,728,337	8.58 %
Tuition	683,677	1,286,218	(46.85) %
Earnings on investments	1,420,129	(57,849)	2,554.89 %
Intergovernmental	42,101,537	41,712,809	0.93 %
Other revenues	<u>1,282,699</u>	<u>682,420</u>	87.96 %
Total	<u>\$ 84,283,592</u>	<u>\$ 79,351,935</u>	6.21 %
<u>Expenditures</u>			
Instruction	\$ 48,013,049	\$ 48,188,991	(0.37) %
Support services	28,379,034	26,187,148	8.37 %
Operation of non-instructional services	65,715	61,358	7.10 %
Extracurricular activities	1,092,330	1,040,455	4.99 %
Capital outlay	68,469	276,299	(75.22) %
Debt service	<u>95,667</u>	<u>31,245</u>	206.18 %
Total	<u>\$ 77,714,264</u>	<u>\$ 75,785,496</u>	2.55 %

Taxes revenue increased due to the amount of property taxes available for advance at June 30, which is recorded as revenue on a GAAP basis. This amount can vary based on when property tax bills are sent by the County Auditor. Earnings on investments increased due to increased interest rates on the District's investments. Tuition and fees decreased due to decreased special education tuition received for the education of students with special needs. Other revenues increased as the District leased space in the State Farm building the entire fiscal year. The largest expenditure line item, instruction, decreased over fiscal year 2022 due to decreased regular instruction expenditures. Support services increased due to increased operations and maintenance expenditures as a result of increased repairs. Capital outlay decreased due to the District entering into a copier lease payable during the prior fiscal year. All other expenditures remained comparable to the prior fiscal year or changed an insignificant amount.

ESSER Fund

The ESSER fund had \$12,401,477 in revenues and \$12,234,631 in expenditures. During fiscal year 2023, the ESSER fund's fund balance increased \$166,846 from a deficit balance of \$2,108,857 to a deficit balance of \$1,942,011.

General Fund Budgeting Highlights

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

The original and final budgeted revenues and other financing sources were \$80,392,000 and \$81,251,500, respectively. Actual revenues and other financing sources for fiscal year 2023 were \$81,752,539. Actual revenues and other financing sources were \$501,039 more than final budgeted revenues due to increased investment earnings.

**NEWARK CITY SCHOOL DISTRICT
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General fund original appropriations (appropriated expenditures plus other financing uses) of \$88,810,355 were more than final budgeted appropriations of \$81,292,085. The actual budget basis expenditures and other financing uses for fiscal year 2023 totaled \$81,292,018 which was \$67 lower than the final budget appropriations due to the District's conservative budgeting.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2023, the District had \$139,000,727 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, and intangible right to use assets. This entire amount is reported in governmental activities. The following table shows fiscal 2023 balances compared to 2022.

**Capital Assets at June 30
(Net of Depreciation)**

	Governmental Activities	
	2023	2022
Land	\$ 2,305,317	\$ 2,305,317
Land improvements	864,400	978,343
Building and improvements	119,693,612	122,976,769
Furniture and equipment	669,528	353,804
Vehicles	1,873,934	1,183,326
Intangible right to use:		
Leased equipment	189,750	248,134
SBITAs	40,625	-
Construction in progress	13,363,561	2,067,157
Total	\$ 139,000,727	\$ 130,112,850

Total additions to capital assets for 2023 were \$13,441,825. Depreciation/amortization recorded for the fiscal year totaled \$4,553,948.

The overall increase in capital assets, net of accumulated depreciation, of \$8,887,877 is primarily due to the District's ongoing renovation of the State Farm building.

See Note 10 to the basic financial statements for further details on the District's capital assets.

Debt Administration

At June 30, 2023, the District had \$33,878,502 in general obligation bonds, \$179,967 in lease payables, and \$35,416 in SBITA payables. Of this total, \$2,528,778 is due within one year and \$31,565,107 is due in greater than one year. The District also reports \$79,744,982 as a net pension liability due to the application of GASB 68 and \$4,292,829 as a net OPEB liability due to the implementation of GASB 75.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

MANAGEMENT’S DISCUSSION AND ANALYSIS
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The following table summarizes the bonds (excluding unamortized premiums and accreted interest on capital appreciation bonds), lease payables, and SBITA payables outstanding at June 30, 2023 and 2022.

Outstanding Debt, at Year End

	Governmental Activities 2023	Governmental Activities 2022
General obligation bonds:		
Refunding	\$ 33,878,502	\$ 36,977,866
SBITA payable	35,416	-
Lease payable	179,967	250,237
Total	\$ 34,093,885	\$ 37,228,103

See Note 11 to the basic financial statements for further detail on the District’s long-term obligations.

Economic Conditions and Outlook

As the preceding information shows, the District relies heavily upon grants and entitlements, property taxes and school district income taxes. The current tax revenue, along with the District’s cash balance, is projected (based on the May 2023 five-year forecast that can be found on the Ohio Department of Education’s website) to provide the District with the necessary funds to meet its operating expenses through fiscal year 2028. The future financial stability is not without challenges.

The first issue facing the District is the instability of the local economy. The second issue is the uncertainty of the state budget allocations. The third issue is the uncertainty of the Federal Grant programs. During fiscal year 2021 through fiscal year 2023, the District’s enrollment decreased by 446 students or 7%. These decreases was primarily due to the COVID-19 pandemic.

In conclusion, the District must begin reviewing all programs “Cost versus Benefit”. We must think outside of our normal paradigms. We can no longer continue to operate “... Well that is how we have always done it.” The District’s 1% income tax renewal levy was successful in March 2022, and was changed from a 5 year renewal to permanent. The taxpayers passed a 7.5 mill renewal emergency property tax levy on May 8, 2018 that was originally passed on May 5, 2009. The 7.5 mill emergency levy expires on December 31, 2029. The continuing support of the community for the passage of the income tax Levy and emergency Levy helps the District maintain a healthy financial condition during the period of the 5-year forecast. The District will continue to look at ways to increase revenues or contain expenditures.

Contacting the District’s Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District’s finances and to show the District’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Julio Valladares, Treasurer/CFO at Newark City School District, 621 Mount Vernon Road, Newark, Ohio 43055.

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**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities
Assets:	
Equity in pooled cash and investments	\$ 64,370,392
Cash in segregated accounts	264,000
Receivables:	
Property taxes	29,187,526
Income taxes	5,125,052
Accounts	1,803,012
Accrued interest	41,445
Intergovernmental	5,225,998
Prepayments	196,173
Materials and supplies inventory	7,791
Inventory held for resale	14,924
Net OPEB asset	7,402,458
Lease receivable	623,869
Capital assets:	
Nondepreciable capital assets	15,668,878
Depreciable capital assets, net	123,331,849
Capital assets, net	139,000,727
Total assets	253,263,367
Deferred outflows of resources:	
Unamortized deferred charges on debt refunding	541,423
Pension	21,006,874
OPEB	2,023,145
Total deferred outflows of resources	23,571,442
Liabilities:	
Accounts payable	2,650,434
Contracts payable	3,504,205
Accrued wages and benefits payable	7,004,821
Intergovernmental payable	216,081
Pension and postemployment benefits payable	1,312,304
Accrued interest payable	108,483
Unearned revenue	1,150,561
Claims payable	886,000
Long-term liabilities:	
Due within one year	3,185,070
Due in more than one year:	
Net pension liability	79,744,982
Net OPEB liability	4,292,829
Other amounts due in more than one year	37,230,067
Total liabilities	141,285,837
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	22,839,802
Lease	612,269
Pension	8,436,946
OPEB	11,271,695
Total deferred inflows of resources	43,160,712
Net position:	
Net investment in capital assets	100,637,950
Restricted for:	
Debt service	1,549,252
State funded programs	118,174
Federally funded programs	3,682,642
Food service operations	3,914,451
Student activities	305,036
Other purposes	90,213
Unrestricted (deficit)	(17,909,458)
Total net position	\$ 92,388,260

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

			Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities
Governmental activities:						
Instruction:						
Regular	\$ 37,671,115	\$ 489,747	\$ 6,922,480	\$ -		\$ (30,258,888)
Special	16,604,476	188,353	8,430,705	-		(7,985,418)
Vocational	329,588	-	53,578	-		(276,010)
Other	232,131	-	-	-		(232,131)
Support services:						
Pupil	6,504,765	-	1,759,815	-		(4,744,950)
Instructional staff	5,212,618	-	3,611,573	-		(1,601,045)
Board of education	133,495	-	-	-		(133,495)
Administration	5,420,935	-	371,192	-		(5,049,743)
Fiscal	1,841,043	-	-	-		(1,841,043)
Business	623,778	-	-	-		(623,778)
Operations and maintenance	9,340,876	729,516	2,163,377	350,000		(6,097,983)
Pupil transportation	3,128,801	12,444	1,462,673	156,056		(1,497,628)
Central	663,262	-	-	-		(663,262)
Operation of non-instructional services:						
Food service operations	3,308,990	212,910	2,875,658	-		(220,422)
Other non-instructional services	964,770	41,007	718,625	-		(205,138)
Extracurricular activities	1,801,336	265,384	87,297	-		(1,448,655)
Interest and fiscal charges	1,024,416	-	-	-		(1,024,416)
Totals	\$ 94,806,395	\$ 1,939,361	\$ 28,456,973	\$ 506,056		(63,904,005)
General revenues:						
Property taxes levied for:						
						26,078,960
						3,952,029
						1,220,383
						412,881
						191,755
Payments in lieu of taxes						
						191,755
Income taxes levied for:						
						12,727,964
Grants and entitlements not restricted to specific programs						
						34,517,041
						1,488,507
						(34,032)
						262,475
						80,817,963
						16,913,958
						75,474,302
						\$ 92,388,260

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General	ESSER	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and cash investments	\$ 52,562,270	\$ -	\$ 7,970,364	\$ 60,532,634
Receivables:				
Property taxes	24,357,518	-	4,830,008	29,187,526
Income taxes	5,125,052	-	-	5,125,052
Accounts	3,259	-	1,799,753	1,803,012
Accrued interest	41,445	-	-	41,445
Interfund loans	1,351,453	-	-	1,351,453
Intergovernmental	87,291	3,637,406	1,501,301	5,225,998
Prepayments	191,504	-	4,669	196,173
Materials and supplies inventory	-	-	7,791	7,791
Inventory held for resale	-	-	14,924	14,924
Advances to other funds	598,000	-	-	598,000
Lease receivable	623,869	-	-	623,869
Total assets	<u>\$ 84,941,661</u>	<u>\$ 3,637,406</u>	<u>\$ 16,128,810</u>	<u>\$ 104,707,877</u>
Liabilities:				
Accounts payable	\$ 255,624	\$ 5,382	\$ 2,387,291	\$ 2,648,297
Contracts payable	-	3,504,205	-	3,504,205
Accrued wages and benefits payable	6,383,309	76,779	544,733	7,004,821
Compensated absences payable	1,781	-	-	1,781
Intergovernmental payable	208,006	1,113	6,962	216,081
Pension and postemployment benefits payable	1,199,445	16,786	96,073	1,312,304
Interfund loans payable	-	33,141	1,318,312	1,351,453
Advance from other funds	-	-	598,000	598,000
Total liabilities	<u>8,048,165</u>	<u>3,637,406</u>	<u>4,951,371</u>	<u>16,636,942</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	19,062,559	-	3,777,243	22,839,802
Delinquent property tax revenue not available	594,130	-	120,123	714,253
Income tax revenue not available	839,866	-	-	839,866
Intergovernmental revenue not available	504	1,942,011	776,506	2,719,021
Accrued interest not available	38,479	-	-	38,479
Miscellaneous revenue not available	1,265	-	863,503	864,768
Lease	612,269	-	-	612,269
Total deferred inflows of resources	<u>21,149,072</u>	<u>1,942,011</u>	<u>5,537,375</u>	<u>28,628,458</u>
Fund balances:				
Nonspendable:				
Materials and supplies inventory	-	-	7,791	7,791
Prepays	191,504	-	4,669	196,173
Long-term loans	598,000	-	-	598,000
Restricted:				
Debt service	-	-	2,599,072	2,599,072
Food service operations	-	-	3,981,565	3,981,565
Non-public schools	-	-	46,084	46,084
State funded programs	-	-	79,357	79,357
Federally funded programs	-	-	178,434	178,434
Extracurricular	-	-	305,036	305,036
Other purposes	-	-	90,211	90,211
Assigned:				
Student instruction	1,110,310	-	-	1,110,310
Student and staff support	1,482,589	-	-	1,482,589
Extracurricular activities	338	-	-	338
Facilities acquisition and construction	14,303	-	-	14,303
Subsequent year's appropriations	4,731,096	-	-	4,731,096
Other purposes	111,519	-	-	111,519
Unassigned (deficit)	<u>47,504,765</u>	<u>(1,942,011)</u>	<u>(1,652,155)</u>	<u>43,910,599</u>
Total fund balances (deficit)	<u>55,744,424</u>	<u>(1,942,011)</u>	<u>5,640,064</u>	<u>59,442,477</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 84,941,661</u>	<u>\$ 3,637,406</u>	<u>\$ 16,128,810</u>	<u>\$ 104,707,877</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2023

Total governmental fund balances		\$ 59,442,477
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		139,000,727
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	\$ 714,253	
Income taxes receivable	839,866	
Accounts receivable	864,768	
Accrued interest receivable	38,479	
Intergovernmental receivable	2,719,021	
Total		5,176,387
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.		2,063,060
Unamortized premiums on bonds issued are not recognized in the funds.		(1,905,883)
Unamortized amounts on refundings are not recognized in the funds.		541,423
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(108,483)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows - pension	21,006,874	
Deferred inflows - pension	(8,436,946)	
Net pension liability	(79,744,982)	
Deferred outflows - OPEB	2,023,145	
Deferred inflows - OPEB	(11,271,695)	
Net OPEB asset	7,402,458	
Net OPEB liability	(4,292,829)	
Total		(73,313,975)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(34,305,131)	
Lease payable	(179,967)	
SBITA payable	(35,416)	
Compensated absences	(3,986,959)	
Total		(38,507,473)
Net position of governmental activities		\$ 92,388,260

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>General</u>	<u>ESSER</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 26,134,050	\$ -	\$ 5,628,879	\$ 31,762,929
Income taxes	12,661,500	-	-	12,661,500
Intergovernmental	42,101,537	12,401,477	10,694,694	65,197,708
Investment earnings	1,454,161	-	82,560	1,536,721
Tuition and fees	683,677	-	-	683,677
Extracurricular	5,760	-	266,838	272,598
Rental income	729,516	-	-	729,516
Charges for services	9,069	-	212,910	221,979
Contributions and donations	49,821	-	83,695	133,516
Payment in lieu of taxes	191,755	-	-	191,755
Miscellaneous	296,778	-	63,291	360,069
(Decrease) in fair value of investments	(34,032)	-	-	(34,032)
Total revenues	<u>84,283,592</u>	<u>12,401,477</u>	<u>17,032,867</u>	<u>113,717,936</u>
Expenditures:				
Current:				
Instruction:				
Regular	34,492,073	605,227	309,762	35,407,062
Special	13,106,020	1,522	3,492,304	16,599,846
Vocational	181,897	-	-	181,897
Other	233,059	-	-	233,059
Support services:				
Pupil	5,594,102	-	869,100	6,463,202
Instructional staff	3,758,761	279,375	1,112,681	5,150,817
Board of education	133,550	-	-	133,550
Administration	4,655,477	-	502,090	5,157,567
Fiscal	1,753,553	-	77,644	1,831,197
Business	566,203	-	-	566,203
Operations and maintenance	7,759,064	192,398	800,297	8,751,759
Pupil transportation	3,496,088	44,907	269,527	3,810,522
Central	662,236	-	-	662,236
Operation of non-instructional services:				
Food service operations	-	-	3,098,526	3,098,526
Other non-instructional services	65,715	-	901,411	967,126
Extracurricular activities	1,092,330	-	416,359	1,508,689
Facilities acquisition and construction	68,469	11,111,202	2,347,347	13,527,018
Debt service:				
Principal retirement	89,020	-	3,099,364	3,188,384
Interest and fiscal charges	6,647	-	1,045,290	1,051,937
Accretion on capital appreciation bonds	-	-	215,636	215,636
Total expenditures	<u>77,714,264</u>	<u>12,234,631</u>	<u>18,557,338</u>	<u>108,506,233</u>
Excess of revenues over (under) expenditures	<u>6,569,328</u>	<u>166,846</u>	<u>(1,524,471)</u>	<u>5,211,703</u>
Other financing sources:				
SBITA transaction	54,166	-	-	54,166
Total other financing sources	<u>54,166</u>	<u>-</u>	<u>-</u>	<u>54,166</u>
Net change in fund balances	6,623,494	166,846	(1,524,471)	5,265,869
Fund balances (deficit) at beginning of year	49,120,930	(2,108,857)	7,177,245	54,189,318
Change in reserve for inventory	-	-	(12,710)	(12,710)
Fund balances (deficit) at end of year	<u>\$ 55,744,424</u>	<u>\$ (1,942,011)</u>	<u>\$ 5,640,064</u>	<u>\$ 59,442,477</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Net change in fund balances - total governmental funds	\$	5,265,869
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	\$ 13,441,825	
Current year depreciation/amortization	<u>(4,553,948)</u>	
Total		8,887,877
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed.		
		(12,710)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(98,676)	
Income taxes	66,464	
Earnings on investments	34,346	
Insurance proceeds	863,503	
Other local revenue	(2,712)	
Intergovernmental	<u>(1,997,005)</u>	
Total		(1,134,080)
Repayment of bond and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
Bonds	3,000,000	
Capital appreciation bonds	99,364	
Accretion on capital appreciation bonds	215,636	
Lease payable	70,270	
SBITA payable	<u>18,750</u>	
Total		3,404,020
Issuance of SBITA payable are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position.		
		(54,166)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Decrease in accrued interest payable	8,140	
Accreted interest on capital appreciation bonds	(285,424)	
Amortization of bond premiums	445,850	
Amortization of deferred charges	<u>(141,045)</u>	
Total		27,521
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	7,089,047	
OPEB	<u>212,580</u>	
Total		7,301,627
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension	(8,627,960)	
OPEB	<u>1,528,083</u>	
Total		(7,099,877)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		(50,544)
An internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		
		<u>378,421</u>
Change in net position of governmental activities	\$	<u>16,913,958</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes	\$ 22,821,780	\$ 23,038,191	\$ 23,152,114	\$ 113,923
Income taxes	11,589,204	11,709,009	12,817,037	1,108,028
Intergovernmental	43,166,664	43,557,898	41,845,999	(1,711,899)
Investment earnings	119,892	133,000	1,402,354	1,269,354
Tuition and fees	655,317	661,701	682,964	21,263
Rental income	801,482	909,500	804,295	(105,205)
Charges for services	-	-	9,069	9,069
Contributions and donations	22,999	23,000	70	(22,930)
Payment in lieu of taxes	228,208	230,000	191,755	(38,245)
Miscellaneous	564,720	567,467	293,883	(273,584)
Total revenues	<u>79,970,266</u>	<u>80,829,766</u>	<u>81,199,540</u>	<u>369,774</u>
Expenditures:				
Current:				
Instruction:				
Regular	40,759,920	35,507,587	35,507,585	2
Special	13,971,831	13,311,853	13,311,853	-
Vocational	316,531	298,286	298,286	-
Other	203,572	232,138	232,138	-
Support services:				
Pupil	5,951,230	5,654,473	5,654,473	-
Instructional staff	3,319,477	3,933,528	3,933,528	-
Board of education	225,887	186,077	186,077	-
Administration	4,717,061	4,640,766	4,640,766	-
Fiscal	2,503,265	1,843,819	1,843,819	-
Business	741,691	642,303	642,303	-
Operations and maintenance	8,873,437	8,337,254	8,337,192	62
Pupil transportation	3,760,025	3,663,909	3,663,906	3
Central	1,407,580	1,169,617	1,169,617	-
Operation of non-instructional services:				
Other non-instructional services	3,372	6,455	6,455	-
Extracurricular activities	990,351	1,110,562	1,110,562	-
Facilities acquisition and construction	-	28,606	28,606	-
Total expenditures	<u>87,745,230</u>	<u>80,567,233</u>	<u>80,567,166</u>	<u>67</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,774,964)</u>	<u>262,533</u>	<u>632,374</u>	<u>369,841</u>
Other financing sources (uses):				
Refund of prior year's expenditures	150,000	150,000	213,587	63,587
Refund of prior year's receipts	(15,452)	(10,000)	(10,000)	-
Transfers in	100,734	100,734	188,512	87,778
Transfers (out)	(162,985)	(188,512)	(188,512)	-
Advances in	150,000	150,000	150,000	-
Advances (out)	(886,688)	(526,340)	(526,340)	-
Sale of capital assets	21,000	21,000	900	(20,100)
Total other financing sources (uses)	<u>(643,391)</u>	<u>(303,118)</u>	<u>(171,853)</u>	<u>131,265</u>
Net change in fund balance	(8,418,355)	(40,585)	460,521	501,106
Fund balance at beginning of year	46,292,561	46,292,561	46,292,561	-
Prior year encumbrances appropriated	3,677,854	3,677,854	3,677,854	-
Fund balance at end of year	<u>\$ 41,552,060</u>	<u>\$ 49,929,830</u>	<u>\$ 50,430,936</u>	<u>\$ 501,106</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ELEMENTARY AND SECONDARY EDUCATION EMERGENCY RELIEF FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 3,579,962	\$ 21,941,949	\$ 10,706,081	\$ (11,235,868)
Total revenue	<u>3,579,962</u>	<u>21,941,949</u>	<u>10,706,081</u>	<u>(11,235,868)</u>
Expenditures:				
Current:				
Instruction:				
Regular	4,409,594	1,860,586	1,860,349	237
Special	23,406	37,420	1,521	35,899
Support services:				
Pupil	10,000	2,825	-	2,825
Instructional staff	15,000	534,512	293,991	240,521
Operations and maintenance	155,744	197,342	197,342	-
Pupil transportation	88,848	50,000	45,157	4,843
Facilities acquisition and construction	17,218,944	19,221,012	19,221,012	-
Total expenditures	<u>21,921,536</u>	<u>21,903,697</u>	<u>21,619,372</u>	<u>284,325</u>
Net change in fund balance	(18,341,574)	38,252	(10,913,291)	(10,951,543)
Fund balance (deficit) at beginning of year	(18,379,826)	(18,379,826)	(18,379,826)	-
Prior year encumbrances appropriated	18,341,574	18,341,574	18,341,574	-
Fund balance (deficit) at end of year	<u>\$ (18,379,826)</u>	<u>\$ -</u>	<u>\$ (10,951,543)</u>	<u>\$ (10,951,543)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2023

	<u>Governmental Activities - Internal Service Fund</u>
Assets:	
Current assets:	
Equity in pooled cash and investments	\$ 3,837,758
Cash in segregated accounts	<u>264,000</u>
Total assets	<u><u>4,101,758</u></u>
Liabilities:	
Current liabilities:	
Accounts payable	2,137
Claims payable	886,000
Unearned revenue	<u>1,150,561</u>
Total liabilities	<u><u>2,038,698</u></u>
Net position:	
Unrestricted	<u>2,063,060</u>
Total net position	<u><u>\$ 2,063,060</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Governmental Activities - Internal Service Fund
Operating revenues:	
Charges for services	\$ 13,904,974
Total operating revenues	13,904,974
Operating expenses:	
Purchased services	1,937,071
Claims	11,589,482
Total operating expenses	13,526,553
Operating income / change in net position	378,421
Net position at beginning of year	1,684,639
Net position at end of year	\$ 2,063,060

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Governmental Activities - Internal Service Fund
Cash flows from operating activities:	
Cash received from sales/charges for services	\$ 13,724,917
Cash payments for purchased services	(1,934,934)
Cash payments for claims	(11,072,482)
Net cash provided by operating activities	717,501
Net increase in cash and cash investments	717,501
Cash and investments at beginning of year	3,384,257
Cash and investments at end of year	\$ 4,101,758
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 378,421
Changes in assets and liabilities:	
Increase in accounts payable	2,137
(Decrease) in unearned revenue	(180,057)
Increase in claims payable	517,000
Net cash provided by operating activities	\$ 717,501

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Newark City School District (the “District”) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The District operates under a locally elected five-member Board form of government and provides educational services as mandated by State and/or federal agencies. The Board controls the District’s one administrative building, 12 instructional facilities, and one transportation/maintenance/warehouse building compound all staffed by 254 non-certified employees, 515 certified employees to provide services to approximately 5,982 students in grades K through 12.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District’s significant accounting policies are described below.

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, “The Financial Reporting Entity” as amended by GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units” and GASB Statement No. 61, “The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34”. The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization’s Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization’s resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government’s financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units.

The following organizations are described due to their relationship to the District:

JOINTLY GOVERNED ORGANIZATIONS

Licking Area Computer Association (LACA)

LACA is the computer service organization or Data Acquisition Site (DAS) used by the District. LACA is an association of public school districts in a geographic area determined by the Ohio Department of Education. The Licking County Educational Service Center acts as the fiscal agent for the association. The purpose of the association is to develop and employ a computer system efficiently and effectively for the needs of the member Boards of Education. All Districts in the association are required to pay fees, charges and assessments as charged. A Board made up of superintendents from all of the participating districts governs LACA. An elected Executive Board consisting of five members of the Governing Board is the managerial body of the association and meets on a monthly basis. The District does not maintain an ongoing financial interest or an ongoing financial responsibility. Payments in the amount of \$44,486 were made to LACA during the current fiscal year.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Licking County Career and Technology Educational Center (C-TEC)

The C-TEC is a distinct political subdivision of the State of Ohio, which provides vocational education for students. The C-TEC is operated under the direction of a Board consisting of three representatives from the Licking County Educational Service Center, two representatives from Newark City Schools, one representative from the Heath City Schools, and one representative from the Granville Exempted Village Schools elected boards. The C-TEC possesses its own budgeting and taxing authority. Financial information can be obtained from Ben Streby, who serves as the Chief Fiscal Officer, at 150 Price Road, Newark, Ohio 43055.

PUBLIC ENTITY RISK POOL

Workers' Compensation Group Rating Program

The District participates in the Sheakley UniServe Workers' Compensation Group Retrospective Rating Program (GRP). The GRP is administered by Sheakley UniServe, Inc. The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The District pays a fee to the GRP to cover the costs of administering the program.

RELATED ORGANIZATIONS

Licking County Library (the "Library")

The Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. A Board of Trustees appointed by the District's Board of Education governs the Library. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the District for operational subsidies. Although the District serves as the taxing authority and may issue tax-related debt on behalf of the Library, its role is limited to a ministerial function. The District has issued bonds on behalf of the Library (See Note 11). The determination to request approval of a tax, the rate, and the purpose are discretionary decisions made solely by the Board of Trustees. The Library is not considered part of the District, and its operations are not included within the accompanying basic financial statements.

B. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid.

The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

General fund - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Elementary and secondary school education emergency relief (ESSER) fund - This fund is used to account for financial resources received and expenditures for the ESSER program.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Other governmental funds of the District are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects, and (c) financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

PROPRIETARY FUNDS

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector. The District has no enterprise funds. The following is a description of the District's internal service fund:

Internal service fund - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis. The internal service fund of the District accounts for a self-insurance program which provides medical and dental benefits to employees.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District's only custodial fund accounts for monies held and remitted to the Ohio High School Athletic Association (OHSAA). The District's fiduciary fund had no activity during fiscal year 2023.

C. Basis of Presentation and Measurement Focus

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. Interfund services provided and used are not eliminated in the process of consolidation.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the District.

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the District are included on the statement of net position.

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column, and all nonmajor funds are aggregated into one column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of fund net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activity.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the District's health and dental self-insurance internal service fund are charges for services (premiums). Operating expenses for the internal service fund include claims and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

Revenues - Exchange and Nonexchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within thirty-one days of fiscal year end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, includes property taxes, income taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from income taxes is recognized in the fiscal year in which the underlying exchange transaction occurred (See Note 8). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, income taxes, interest, tuition, grants, student fees and rentals.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 14 and 15 for deferred outflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The deferred inflow of resources for leases is related to the lease receivable and is being amortized to lease revenue in a systematic and rational manner over the term of the lease.

See Notes 14 and 15 for deferred inflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities received during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Unpaid contractually required pension and OPEB obligations due at year end (See Notes 14 and 15) are recorded as liabilities and expenses/expenditures in both the government-wide and fund financial statements.

E. Budgets

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 resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than custodial funds, are legally required to be budgeted and appropriated. The legal level of budgetary control has been established at the fund level for all funds. Any budgetary modifications at the legal level of budgetary control may only be made by resolution of the Board of Education.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Tax Budget: Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The purpose of this budget document is to reflect the need for existing (or increased) tax rates. By no later than January 20, the Board-adopted budget is filed with the Licking County Budget Commission for rate determination. The Licking County Budget Commissioners waived this requirement for fiscal year 2023.

Estimated Resources: By April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources, which states the projected revenue of each fund. Prior to July 1, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statement reflect the amounts in the original and final amended certificate of estimated resources issued during the fiscal year.

Appropriations: Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying a new amended certificate is not necessary, the annual appropriation resolution is enacted by the Board of Education. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures may not exceed the appropriation totals at the legal level of control. Any revisions that alter the legal level of budgetary control must be approved by the Board of Education.

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, all supplemental appropriations were legally enacted.

In the budgetary statement, the amounts reported as the original budgeted amounts represent the first appropriations passed by the Board during the fiscal year including amounts automatically carried over from prior years and the amounts reported as the final budgeted amounts represent the final appropriations passed by the Board during the fiscal year; including all amendments.

F. Cash and Investments

To improve cash management, cash received by the District is pooled. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the financial statements.

During fiscal year 2023, investments were limited to Federal National Mortgage Association (FNMA) securities, Federal Home Loan Bank (FHLB) securities, Federal Farm Credit Bank (FFCB) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, U.S. Treasury Bonds, U.S. Treasury Bills, negotiable certificates of deposit (negotiable CDs), and a U.S. government money market mutual fund. The District measures investments at fair value which is based on quoted market prices except for non-negotiable CDs, which are reported at cost.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund or the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2023 amounted to \$1,454,161 which includes \$201,796 assigned from other District funds.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

For presentation on the basic financial statements and for the purposes of the statement of cash flows, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an original maturity of more than three months that are not made from the cash management pool are reported as investments.

An analysis of the District's investment account at year-end is provided in Note 4.

G. Inventory

On government-wide and fund financial statements, inventories of supplies are reported at cost, inventories held for resale are reported at the lower of cost or market, and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed/expended when used. Inventories are accounted for using the purchase method on the fund statements and using the consumption method on the government-wide statements.

On the fund financial statements, reported material and supplies inventory is equally offset by nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets. Inventory consists of expendable supplies held for consumption, donated food and purchased food.

H. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of Net Position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives
Land improvements	20 years
Buildings and improvements	25 - 50 years
Furniture and equipment	5 - 20 years
Vehicles	6 - 10 years
Intangible assets	5 years

The District is reporting intangible right to use assets related to leased equipment and Subscription Based Information Technology Arrangements (SBITAs). The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease/SBITA term or the useful life of the underlying asset.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables”. These amounts are eliminated in the governmental activities column on the statement of net position.

J. Compensated Absences

The District reports compensated absences in accordance with the provisions of GASB No. 16, “Accounting for Compensated Absences”. Vacation benefits are accrued as a liability as the benefits are earned if the employee’s rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the District’s past experience of making termination payments.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements.

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from the internal service fund are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences, the net pension liability, the net OPEB liability, leases, and SBITAs that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan’s fiduciary net position is not sufficient for payment of those benefits.

L. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted - Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the District Board of Education (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted nor committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education or a District official delegated that authority by State statute. State statute authorizes the District Treasurer to assign fund balance for purchase on order provided such amounts have been lawfully appropriated.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

M. Estimates

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

N. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

O. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the financial statements using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

On the fund financial statements, reported prepayments is equally offset by nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

P. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in the proprietary fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the basic financial statements.

Interfund activities between governmental funds are eliminated for reporting in the statement of activities.

Q. Issuance Costs/Bond Premiums and Discounts and Accounting Gain or Loss on Debt Refunding

On the governmental fund financial statements, issuance costs, bond premiums, bond discounts, and deferred charges from debt refunding are recognized in the current period.

On the government-wide financial statements, issuance costs are recognized in the current period and are not amortized. Bond premiums and discounts are amortized over the term of the bonds using the straight-line method. Unamortized bond premiums are presented as an addition to the face amount of the bonds reported on the statement of net position. Unamortized bond discounts are presented as a reduction to the face amount of the bonds reported on the statement of net position. The reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 11.

For advance refunding resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred outflow of resources.

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. The District had neither type of transaction during fiscal year 2023.

S. Nonpublic Schools

Within the boundaries of the District, Saint Francis Elementary, Blessed Sacrament Elementary and Newark Catholic High School are operated through the Columbus Catholic Diocese; and Montessori is operated as a private school. State Legislation provides funding to these parochial and private schools. The District receives the money and then disburses the money as directed by the parochial and private schools. These transactions are reported in a nonmajor governmental fund of the District.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

T. Budget Stabilization Arrangement

The District has established a budget stabilization reserve. Additions to the budget stabilization reserve can only be made by formal resolution of the Board of Education. Expenditures out of the budget stabilization reserve can only be made to offset future budget deficits. At June 30, 2023, the balance in the budget stabilization reserve was \$934,406. This amount is included in unassigned fund balance of the general fund and in unrestricted net position on the statement of net position.

U. Pensions/Other Postemployment Benefits (OPEB)

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

V. Fair Value Measurements

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2023, the District has implemented GASB Statement No. 91, "Conduit Debt Obligations", GASB Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements", GASB Statement No. 96, "Subscription Based Information Technology Arrangements", certain questions and answers of GASB Implementation Guide 2021-1 and certain paragraphs of GASB Statement No. 99, "Omnibus 2022".

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the District.

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the District.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. These changes were incorporated in the District’s fiscal year 2023 financial statements.

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on the financial statements of the District.

GASB Statement No. 99 to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the District.

B. Deficit Fund Balances

Fund balances at June 30, 2023 included the following individual fund deficits:

<u>Major funds</u>	<u>Deficit</u>
ESSER	\$ 1,942,011
<u>Nonmajor funds</u>	
Classroom facilities maintenance	159,589
21st century	6,364
Title VI-B	93,528
Non-competitive	17,892
Title I	531,720
EHA Preschool Grant	2,677
Title II-A	52,650
Title IV-A	71,421
Permanent improvement	713,235

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts. Interim monies may be deposited or invested in the following securities:

1. 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 and interest by the United States;
2. 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, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. 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;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,
8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

Protection of the deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited.

Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

A. Cash on Hand

At fiscal year end, the District had \$1,545 in undeposited cash on hand which is included on the financial statements of the District as part of “equity in pooled cash and investments”.

B. Cash in Segregated Accounts

At fiscal year end, the District had \$264,000 of cash and cash equivalents deposited with the District’s health insurance agent to cover unpaid claims. This amount is included in the amount of “Deposits with Financial Institutions” below.

C. Deposits with Financial Institutions

At June 30, 2023, the carrying amount of all District deposits was \$54,428,316 and the bank balance of all District deposits was \$54,484,340. Of the bank balance, \$40,889,480 was covered by the FDIC and \$13,594,860 was potentially exposed to custodial credit risk discussed below because those deposits were uninsured and could be uncollateralized.

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2023, the District’s financial institutions was approved for a collateral rate of 102 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

D. Investments

As of June 30, 2023, the District had the following investments and maturity:

Measurement/ Investment type	Measurement Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Fair Value:						
Negotiable CD's	\$ 3,975,037	\$ 221,260	\$ 742,457	\$ 912,509	\$ 475,550	\$ 1,623,261
FNMA	180,235	-	-	-	-	180,235
FHLB	1,708,225	-	-	235,140	494,132	978,953
FFCB	195,430	195,430	-	-	-	-
FHLMC	192,365	-	192,365	-	-	-
US Treasury bills	1,491,368	1,009,995	481,373	-	-	-
US Treasury bond	2,121,166	-	-	493,320	-	1,627,846
U.S. Government money market mutual fund	340,705	340,705	-	-	-	-
Total	\$ 10,204,531	\$ 1,767,390	\$ 1,416,195	\$ 1,640,969	\$ 969,682	\$ 4,410,295

The weighted average maturity of investments is 1.97 years.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

The District's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The District's investments in federal agency securities (FNMA, FHLB, FFCB, and FHLMC), U.S. Treasury bonds, U.S. Treasury bills, and negotiable CD's are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk: Interest rate risk arises as potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to three years or less.

Credit Risk: The federal agency securities and US Treasury bonds and bills were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The negotiable CDs are not rated but are fully covered by the FDIC. Standard & Poor's has assigned the U.S. Government money market mutual fund a AAAM money market rating. The District's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities, commercial paper, and U.S. Treasury Bonds are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the District's name. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk: The District's investment policy does not place specific limits on the percentage of the District's portfolio that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2023:

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>% of Total</u>
Fair Value:		
Negotiable CD's	\$ 3,975,037	38.95
FNMA	180,235	1.77
FHLB	1,708,225	16.74
FFCB	195,430	1.92
FHLMC	192,365	1.89
US Treasury bills	1,491,368	14.61
US Treasury bonds	2,121,166	20.78
U.S Government money market mutual fund	<u>340,705</u>	<u>3.34</u>
Total	<u>\$ 10,204,531</u>	<u>100.00</u>

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

E. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2023:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 54,428,316
Investments	10,204,531
Cash on hand	1,545
Total	\$ 64,634,392
 <u>Cash and cash equivalents per statement of net position</u>	
Governmental activities	\$ 64,370,392
<u>Cash in segregated accounts per statement of net position</u>	
Governmental activities	264,000
Total	\$ 64,634,392

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund loans

Interfund loans receivable/payable consisted of the following at June 30, 2023, as reported on the fund statements:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General Fund	ESSER fund	\$ 33,141
General Fund	Nonmajor governmental funds	1,318,312
		\$ 1,351,453

B. Advance to/from other funds

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 598,000

Advances are long-term interfund loans that will not be repaid within one year. The long-term advance from general fund to the permanent improvement fund (a nonmajor governmental fund) is expected to be repaid in fiscal year 2027. The long-term advance from general fund to the District managed student activities fund (a nonmajor governmental fund) is expected to be repaid in fiscal year 2028. Advances to/from other funds between governmental funds are eliminated on the government-wide financial statements.

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the District fiscal year runs from July through June. First half tax collections are received by the District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 6 - PROPERTY TAXES - (Continued)

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2023 represent the collection of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed values as of January 1, 2022, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised fair value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2023 represent the collection of calendar year 2022 taxes. Public utility real and personal property taxes received in calendar year 2023 became a lien on December 31, 2021, were levied after April 1, 2022, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Licking County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2023, are available to finance fiscal year 2023 operations. The amount available as an advance at June 30, 2023 was \$4,700,829 in the general fund, \$658,401 in the debt service fund, and \$274,241 in the permanent improvement fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2022 was \$1,718,892 in the general fund, \$323,089 in the debt service fund, and \$111,323 in the permanent improvement fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2023 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

On the accrual basis of accounting, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis of accounting the revenue has been reported as a deferred inflow.

The assessed values upon which the fiscal year 2023 taxes were collected are:

	2022 Second Half Collections		2023 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 941,527,742	94.81	\$ 945,035,941	94.45
Public utility personal	<u>51,500,490</u>	<u>5.19</u>	<u>55,519,550</u>	<u>5.55</u>
Total	<u>\$ 993,028,232</u>	<u>100.00</u>	<u>\$ 1,000,555,491</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 41.33		\$ 40.03	

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 7 - RECEIVABLES

A. Receivables

Receivables at June 30, 2023 consisted of property taxes, income taxes, accounts (billings for user charged services and student fees), intergovernmental grants and entitlements and accrued interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs and the current year guarantee of federal funds.

A summary of the principal items of receivables reported on the statement of net position follows:

Governmental activities:

Property taxes	\$ 29,187,526
School district income tax	5,125,052
Accounts	1,803,012
Accrued interest	41,445
Intergovernmental	<u>5,225,998</u>
Total	<u>\$ 41,383,033</u>

Receivables have been disaggregated on the face of the financial statements. All receivables are expected to be collected in the subsequent year.

B. Leases Receivable

The District is reporting leases receivable of \$623,869 in the general fund. For fiscal year 2023, the District recognized lease revenue of \$729,516, which is reported in rental income, and interest revenue of \$37,503.

The District has entered into lease agreements for building space rental with multiple companies at varying years and terms as follows:

<u>Purpose</u>	<u>Lease Commencement Date</u>	<u>Years</u>	<u>Lease End Date</u>	<u>Payment Method</u>
Building	2018	5	2023	Monthly
Building	2022	2	2024	Monthly
Building	2022	2	2024	Monthly

Lease payments will be paid into the general fund. The following is a schedule of future lease payments under the lease agreements:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 622,338	\$ 11,094	\$ 633,432
2025	<u>1,531</u>	<u>5</u>	<u>1,536</u>
Total	<u>\$ 623,869</u>	<u>\$ 11,099</u>	<u>\$ 634,968</u>

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 8 - INCOME TAXES

The District levies a voted tax of one percent for general operation on the income of resident and of estate. The tax was effective on January 1, 1998 and was renewed in 2011 for another five year period and was renewed again for an additional five years beginning in January 2017. The current income tax levy was continued in 2022. Employers of the residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the general fund and totaled \$12,661,500 on the governmental fund financial statements during fiscal year 2023.

NOTE 9 - OTHER COMMITMENTS

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the District's commitments for encumbrances in the governmental funds (excluding those already included in payables) were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 2,484,805
ESSER	7,408,815
Other governmental	<u>97,094</u>
Total	<u>\$ 9,990,714</u>

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**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10 - CAPITAL ASSETS

Due to the implementation of GASB Statement No. 96 (see Note 3.A for detail), the District has reported capital assets for the right to use SBITA assets which are reflected in the schedule below. The change in governmental activities capital assets for fiscal year 2023 is as follows:

	Balance <u>June 30, 2022</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>June 30, 2023</u>
<i>Capital assets, not being depreciated/amortized:</i>				
Land	\$ 2,305,317	\$ -	\$ -	\$ 2,305,317
Construction-in-progress	<u>2,067,157</u>	<u>11,719,759</u>	<u>(423,355)</u>	<u>13,363,561</u>
Total capital assets, not being depreciated/amortized	<u>4,372,474</u>	<u>11,719,759</u>	<u>(423,355)</u>	<u>15,668,878</u>
<i>Capital assets, being depreciated/amortized:</i>				
Land improvements	1,820,528	-	-	1,820,528
Building/improvements	168,760,600	423,355	-	169,183,955
Furniture/equipment	4,136,405	480,192	-	4,616,597
Vehicles	6,009,884	1,187,708	(349,178)	6,848,414
Intangible right to use:				
Leased equipment	291,922	-	-	291,922
SBITAs	<u>-</u>	<u>54,166</u>	<u>-</u>	<u>54,166</u>
Total capital asset, being depreciated/amortized	<u>181,019,339</u>	<u>2,145,421</u>	<u>(349,178)</u>	<u>182,815,582</u>
<i>Less: accumulated depreciation/amortization:</i>				
Land improvements	(842,185)	(113,943)	-	(956,128)
Building/improvements	(45,783,831)	(3,706,512)	-	(49,490,343)
Furniture/equipment	(3,782,601)	(164,468)	-	(3,947,069)
Vehicles	(4,826,558)	(497,100)	349,178	(4,974,480)
Intangible right to use:				
Leased equipment	(43,788)	(58,384)	-	(102,172)
SBITAs	<u>-</u>	<u>(13,541)</u>	<u>-</u>	<u>(13,541)</u>
Total accumulated depreciation/amortization	<u>(55,278,963)</u>	<u>(4,553,948)</u>	<u>349,178</u>	<u>(59,483,733)</u>
Governmental activities capital assets, net	<u>\$ 130,112,850</u>	<u>\$ 9,311,232</u>	<u>\$ (423,355)</u>	<u>\$ 139,000,727</u>

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NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10 - CAPITAL ASSETS - (Continued)

Depreciation/amortization expense was charged to governmental functions as follows:

Instruction:

Regular	\$ 2,598,061
Special	2,000
Vocational	147,208

Support services:

Pupil	91,194
Instructional staff	147,265
Administration	237,874
Fiscal	13,541
Business	59,663
Operations and maintenance	217,012
Pupil transportation	530,811

Operation of non-instructional services:

Food service operations	212,914
Extracurricular activities	296,405
Total depreciation/amortization expense	<u>\$ 4,553,948</u>

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**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 11 - LONG-TERM OBLIGATIONS

Due to the implementation of GASB Statement No. 96 (see Note 3.A for detail), the District has reported obligations for SBITA payable which are reflected in the schedule below. The District's long-term obligations during the year consist of the following.

	Balance			Balance	Amounts
	<u>June 30, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2023</u>	<u>Due in</u> <u>One Year</u>
Governmental activities:					
<u>General Obligation Bonds:</u>					
Refunding bonds - Series 2012					
Current interest bonds	\$ 3,985,000	\$ -	\$ -	\$ 3,985,000	\$ 1,955,000
Unamortized premium	279,049	-	(115,468)	163,581	-
Refunding bonds - Series 2016					
Current interest bonds	19,900,000	-	(3,000,000)	16,900,000	-
Unamortized premium	1,263,861	-	(121,332)	1,142,529	-
Refunding bonds - Series 2020					
Current interest bonds	12,855,000	-	-	12,855,000	375,000
Unamortized premium	808,823	-	(209,050)	599,773	-
Capital appreciation bonds	237,866	-	(99,364)	138,502	123,699
Accreted interest	<u>356,841</u>	<u>285,424</u>	<u>(215,636)</u>	<u>426,629</u>	<u>292,807</u>
Total general obligation bonds payable	<u>39,686,440</u>	<u>285,424</u>	<u>(3,760,850)</u>	<u>36,211,014</u>	<u>2,746,506</u>
<u>Other Long-Term Obligations:</u>					
Lease payable	250,237	-	(70,270)	179,967	\$ 57,710
SBITA payable	-	54,166	(18,750)	35,416	17,369
Net pension liability:					
STRS	37,486,830	26,065,299	-	63,552,129	-
SERS	<u>10,785,620</u>	<u>5,407,233</u>	<u>-</u>	<u>16,192,853</u>	<u>-</u>
Total net pension liability	<u>48,272,450</u>	<u>31,472,532</u>	<u>-</u>	<u>79,744,982</u>	<u>-</u>
Net OPEB liability:					
SERS	<u>5,716,216</u>	<u>-</u>	<u>(1,423,387)</u>	<u>4,292,829</u>	<u>-</u>
Total net OPEB liability	<u>5,716,216</u>	<u>-</u>	<u>(1,423,387)</u>	<u>4,292,829</u>	<u>-</u>
Compensated absences	<u>3,969,392</u>	<u>720,957</u>	<u>(701,609)</u>	<u>3,988,740</u>	<u>363,485</u>
Total other long-term obligations	<u>58,208,295</u>	<u>32,247,655</u>	<u>(2,214,016)</u>	<u>88,241,934</u>	<u>438,564</u>
Total long-term obligations	<u>\$ 97,894,735</u>	<u>\$ 32,533,079</u>	<u>\$ (5,974,866)</u>	<u>\$ 124,452,948</u>	<u>\$ 3,185,070</u>

Series 2012 Refunding General Obligation Bonds

On May 8, 2012, the District issued general obligation bonds (Series 2012 Refunding Bonds) to advance refund the callable of the Series 2005 school improvement current interest bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of Net Position. The refunding bond proceeds were received in the debt service fund and disbursed to the bond escrow agent for payment of future debt service requirements on the refunded Series 2005 bonds. The balance of the refunded bonds at June 30, 2023, is \$4,075,000.

The refunding issue is comprised of current interest bonds, par value \$8,545,000. The interest rates on the current interest bonds range from 4.0% - 5.00%. Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2024.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

The reacquisition price exceeded the net carrying amount of the old debt by \$1,301,981. This amount is amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. The unamortized balance is reported as a deferred outflow of resources on the statement of net position.

Series 2016 Refunding General Obligation Bonds

On March 15, 2016, the District issued general obligation bonds (Series 2016 Refunding Bonds) to advance refund the callable portion of the Series 2006 library refunding bonds (\$3,170,000), the Series 2005 school improvement bonds (\$21,630,000), and the Series 2005A school improvement bonds (\$3,390,000). This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded bonds at June 30, 2023, is \$18,235,000.

The refunding issue is comprised of current interest bonds, par value \$8,985,000. The interest rates on the current interest bonds range from 1.5 to 4.0 percent. Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2032.

The net carrying amount of the old debt (including unamortized premiums and deferred charges) exceeded the reacquisition price by \$57,147. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. The unamortized balance is reported as a component of deferred outflow on the statement of net position.

Series 2020 Refunding General Obligation Bonds

On July 23, 2020, the District issued general obligation bonds (Series 2020 Refunding Bonds) to advance refund the callable portion of the Series 2013 Refunding General Obligation Bonds (\$4,910,000) and the callable portion of the Series 2014 Refunding General Obligation Bonds (\$8,460,000). This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded bonds at June 30, 2023, is \$13,315,000.

The refunding issue is comprised of both current interest bonds, par value \$12,855,000, and capital appreciation bonds par value \$510,491. The interest rates on the current interest bonds range from 0.75 to 2.16 percent. The capital appreciation bonds mature on December 1, 2020 (effective interest rate 55.50 percent), on December 1, 2021 (effective interest rate 55.50 percent), on December 1, 2022 (effective interest rate 55.50 percent), on December 1, 2023 (effective interest rate 55.50 percent), and on December 1, 2024 (effective interest rate 55.50 percent) at a redemption price equal to 100 percent of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bond maturing December 1, 2020 is \$160,000, December 1, 2021 is \$270,000, December 1, 2022 is \$315,000, December 1, 2023 is \$640,000, and December 1, 2024 is \$125,000. Total accreted interest of \$426,629 has been included in the statement of net position at June 30, 2023.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2033.

The reacquisition price exceeded the net carrying amount of the old debt by \$546,731. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. The unamortized balance is reported as deferred outflow on the statement of net position. The refunding was undertaken to reduce future debt service payments by \$1,540,353 resulting in a current economic gain of \$1,358,762.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Principal and interest requirements to retire the long-term obligations outstanding at June 30, 2023, which will be paid from the debt service fund, are as follows:

Fiscal Year Ended	Refunding Bonds Current Interest			Refunding Bonds Capital Appreciation		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 2,330,000	\$ 970,333	\$ 3,300,333	\$ 123,699	\$ 516,301	\$ 640,000
2025	2,925,000	885,039	3,810,039	14,803	110,197	125,000
2026	3,075,000	823,550	3,898,550	-	-	-
2027	3,175,000	766,354	3,941,354	-	-	-
2028	3,250,000	674,045	3,924,045	-	-	-
2029 - 2033	17,860,000	1,670,203	19,530,203	-	-	-
2034	1,125,000	12,128	1,137,128	-	-	-
Total	<u>\$ 33,740,000</u>	<u>\$ 5,801,652</u>	<u>\$ 39,541,652</u>	<u>\$ 138,502</u>	<u>\$ 626,498</u>	<u>\$ 765,000</u>

Lease Payable

The District has entered into lease agreements for the use of right to use equipment. Due to the implementation of GASB Statement No. 87, the District will report an intangible capital asset and corresponding liability for the future scheduled payments under the leases. The lease payments will be paid from the general fund.

The District has entered into lease agreements for copier equipment:

<u>Purpose</u>	<u>Lease Commencement Date</u>	<u>Years</u>	<u>Lease End Date</u>	<u>Payment Method</u>
Copiers	2021	5	2026	Semi-Annual

The following is a schedule of future lease payments under the lease agreements:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 57,710	\$ 6,090	\$ 63,800
2025	59,960	3,840	63,800
2026	62,297	1,503	63,800
Total	<u>\$ 179,967</u>	<u>\$ 11,433</u>	<u>\$ 191,400</u>

SBITA Payable

The District has entered into an agreement for the right to use subscription to software. Due to the implementation of GASB Statement No. 96, the District will report an intangible capital asset and corresponding liability for the future scheduled payments under the subscription. The subscription payments will be paid from the general fund.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

The District has entered into agreements for subscriptions at varying years and terms as follows:

<u>SBITA</u>	<u>Commencement Date</u>	<u>Years</u>	<u>End Date</u>	<u>Payment Method</u>
Time Clocks	2022	3	2025	Monthly

The following is a schedule of future payments under the agreements:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 17,369	\$ 1,381	\$ 18,750
2025	<u>18,047</u>	<u>703</u>	<u>18,750</u>
Total	<u>\$ 35,416</u>	<u>\$ 2,084</u>	<u>\$ 37,500</u>

Net Pension Liability

See Note 14 for information on the District's net pension liability. The District pays obligations related to employee compensation from the general fund.

Net OPEB Liability/Asset

See Note 15 for information on the District's net OPEB liability/asset. The District pays obligations related to employee compensation from the general fund.

Compensated Absences

Compensated absences will be paid from the fund from which the employees' salaries are paid. Compensated absences will primarily be paid from the general fund.

Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The effects of these debt limitations at June 30, 2023, are a voted debt margin of \$58,770,564 (including available funds of \$2,599,072) and an unvoted debt margin of \$1,000,555.

NOTE 12 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty-two days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time.

Each employee earns sick leave at the rate of one and one-fourth days per month. Upon retirement, payment is made for twenty-five percent of the total sick leave accumulation, up to a maximum accumulation of seventy days for certificated employees and sixty-five days for classified employees. An employee receiving such payment must meet the retirement provisions set by the State Teachers Retirement System of Ohio and School Employees Retirement System.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 12 - OTHER EMPLOYEE BENEFITS - (Continued)

B. Insurance Benefits

The District provides life insurance and accidental death and dismemberment insurance in the amount of \$50,000 to certified employees. For classified employees, group term life insurance is provided in the amount of \$50,000 for employees under contract for thirty hours or more per week, \$20,000 for classified employees under contract for twenty to twenty-nine hours per week, and \$10,000 for employees working less than twenty hours per week.

NOTE 13 - RISK MANAGEMENT

A. Property and Liability

The District 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. During fiscal year 2023, the District maintained comprehensive insurance coverage for liability, real property, building contents and vehicles. The District obtains insurance coverage through Wright Specialty Insurance (Andrew Insurance Agency). Vehicle policies include liability coverage for bodily injury and property damage.

The following is a description of the District's insurance coverage:

Building and contents - replacement cost	\$ 251,325,669
Equipment breakdown	251,325,669
General Liability:	
Per occurrence	1,000,000
Annual aggregate	3,000,000
Data compromise coverage	1,000,000
Vehicle - combined single limit	1,000,000
Educators legal liability	1,000,000
Educators excess liability	4,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no reduction in coverage from the prior year.

B. Group Health and Dental Insurance

Health, life, dental and other group insurance is offered to employees as a fringe benefit. The District provides medical and dental insurance for its employees on a self-insurance basis. Employer and employee contributions to premium are determined by negotiated agreements with employee labor unions. Classified, certified, administrative and exempt employees receive health insurance that is 80% Board-paid and 20% employee paid and dental insurance that is 75% Board-paid and 25% employee paid. All life insurance is 100% Board-paid for all full-time staff.

Postemployment health care is provided to plan participants or their beneficiaries through the respective retirement systems discussed in Note 15. As such, no funding provisions are required by the District.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 13 - RISK MANAGEMENT - (Continued)

All funds of the District participate in the program and make payments to the Risk Management Fund based on actuarial estimates of the amounts needed to pay claims and actual amounts needed to pay fixed costs (premiums for stop-loss coverage and medical conversion and administrative fees and services). The claims liability of \$886,000 reported in the basic financial statements at June 30, 2023, is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10, “Accounting and Financial Reporting for Risk Financing and Related Insurance Issues”, as amended by GASB Statement No. 30, “Risk Financing Omnibus”, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claim.

Claims activities for the current and prior year are as follows:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2023	\$ 369,000	\$ 11,589,482	\$(11,072,482)	\$ 886,000
2022	378,000	12,890,646	(12,899,646)	369,000

C. Workers’ Compensation Rating Program

For fiscal year 2023, the District participated in the Sheakley UniServe Workers’ Compensation Group Retrospective Rating Program (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. Under the GRP, the participating districts continues to pay their own individual premiums and have the opportunity to receive retrospective premium adjustments based upon the combined performance of the group. Depending upon that performance, the participating districts receive either a premium refund or an assessment. The participating districts pay an experience- or base-rated premium under the same terms as if they were not in a retrospective group. The group-retrospective premiums are recalculated twelve months after the end of the policy year and the recalculated premium is compared to the standard premium. If the retrospective premium is lower than the standard premium, the participating districts receive a refund. If the retrospective premium is higher than the standard premium, the participating districts are charged an assessment. Participation in the GRP is limited to school districts that can meet the GRP’s selection criteria. The firm of Sheakley UniServe provides administrative, cost control and actuarial services to the GRP.

NOTE 14 - DEFINED BENEFIT PENSION PLANS

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Net OPEB Liability/Asset

The net pension liability and the net OPEB liability/asset reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

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

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients.

The remainder of this note includes the required pension disclosures. See Note 15 for the required OPEB disclosures.

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

Plan Description - School Employees Retirement System (SERS)

Plan Description - The District’s non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire after August 1, 2017
Full benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially reduced benefits	Age 60 with 5 years of service credit; or Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

* Members with 25 years of service credit as of August 1, 2017 will be included in this plan.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on years of service; 2.2% for the first thirty years of service and 2.5% for years of service credit over 30. Final average salary is the average of the highest three years of salary.

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0%. In 2022, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2023.

Funding Policy - Plan members are required to contribute 10.00% of their annual covered salary and the District is required to contribute 14.00% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10.00% for plan members and 14.00% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2023, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2023, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was \$1,611,062 for fiscal year 2023. Of this amount, \$167,158 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description - Licensed teachers participate in STRS, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS website at www.strsoh.org.

New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined (CO) Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.20% of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023 when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit regardless of age.

The DC Plan allows members to place all of their member contributions and 9.53% of the 14% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS Ohio. The remaining 4.47% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12% of the 14% member rate goes to the DC Plan and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 and after termination of employment.

New members who choose the DC Plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service, who is determined to be disabled, may qualify for a disability benefit. New members, on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2023 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For fiscal year 2023, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was \$5,477,985 for fiscal year 2023. Of this amount, \$932,084 is reported as pension and postemployment benefits payable.

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

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.292316200%	0.293188849%	
Proportion of the net pension liability current measurement date	<u>0.299381000%</u>	<u>0.285882900%</u>	
Change in proportionate share	<u>0.007064800%</u>	<u>-0.007305949%</u>	
Proportionate share of the net pension liability	\$ 16,192,853	\$ 63,552,129	\$ 79,744,982
Pension expense	\$ 759,751	\$ 7,868,209	\$ 8,627,960

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 655,824	\$ 813,553	\$ 1,469,377
Net difference between projected and actual earnings on pension plan investments	-	2,211,475	2,211,475
Changes of assumptions	159,778	7,605,281	7,765,059
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	300,069	2,171,847	2,471,916
Contributions subsequent to the measurement date	<u>1,611,062</u>	<u>5,477,985</u>	<u>7,089,047</u>
Total deferred outflows of resources	<u>\$ 2,726,733</u>	<u>\$ 18,280,141</u>	<u>\$ 21,006,874</u>
	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 106,302	\$ 243,108	\$ 349,410
Net difference between projected and actual earnings on pension plan investments	565,055	-	565,055
Changes of assumptions	-	5,724,590	5,724,590
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>258,553</u>	<u>1,539,338</u>	<u>1,797,891</u>
Total deferred inflows of resources	<u>\$ 929,910</u>	<u>\$ 7,507,036</u>	<u>\$ 8,436,946</u>

\$7,089,047 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2024	\$ (39,275)	\$ 628,606	\$ 589,331
2025	93,200	(177,826)	(84,626)
2026	(807,194)	(1,600,879)	(2,408,073)
2027	<u>939,030</u>	<u>6,445,219</u>	<u>7,384,249</u>
Total	<u>\$ 185,761</u>	<u>\$ 5,295,120</u>	<u>\$ 5,480,881</u>

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2022, are presented below:

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	2.40%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%
COLA or ad hoc COLA:	
Current measurement date	2.00%
Prior measurement date	2.00%
Investment rate of return:	
Current measurement date	7.00% net of system expenses
Prior measurement date	7.00% net of system expenses
Discount rate:	
Current measurement date	7.00%
Prior measurement date	7.00%
Actuarial cost method	Entry age normal (level percent of payroll)

In 2022, mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

In the prior measurement date, mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

The most recent experience study was completed for the five-year period ended June 30, 2020.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.45) %
US Equity	24.75	5.37
Non-US Equity Developed	13.50	6.22
Non-US Equity Emerging	6.75	8.22
Fixed Income/Global Bonds	19.00	1.20
Private Equity	11.00	10.05
Real Estate/Real Assets	16.00	4.87
Multi-Asset Strategy	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	<u>100.00 %</u>	

Discount Rate - The total pension liability was calculated using the discount rate of 7.00%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00%). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.00%, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%), or one percentage point higher (8.00%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 23,835,107	\$ 16,192,853	\$ 9,754,358

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022, actuarial valuation are presented below:

	June 30, 2022	June 30, 2021
Inflation	2.50%	2.50%
Projected salary increases	Varies by service from 2.50% to 8.50%	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.00%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%

For the June 30, 2022 actuarial valuation, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For the prior measurement date, post-retirement mortality rates are based on the RP-2014 Annuitant Mortality Tables with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Tables, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Tables with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

STRS Ohio's investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return **
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	100.00 %	

**NEWARK CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.

**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and is net of investment expenses. Over a 30-year period, STRS Ohio’s investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described previously. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS Ohio’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2022.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table represents the net pension liability as of June 30, 2022, calculated using the current period discount rate assumption of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 96,004,131	\$ 63,552,129	\$ 36,107,783

Changes Between Measurement Date and Reporting Date - STRS approved a one-time 1.00% cost-of-living adjustment to eligible benefit recipients effective July 1, 2023. It is unknown what effect this change will have on the net pension liability.

NOTE 15 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 14 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS’ Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS’ health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS’ health care coverage. Most retirees and dependents choosing SERS’ health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS’ website at www.ohsers.org under Employers/Audit Resources.

**NEWARK CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2023, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the District's surcharge obligation was \$212,580.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$212,580 for fiscal year 2023. Of this amount, \$212,580 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description - The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2023, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability/asset was measured as of June 30, 2022, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

Following is information related to the proportionate share and OPEB expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.302032700%	0.293188849%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.305754800%</u>	<u>0.285882900%</u>	
Change in proportionate share	<u>0.003722100%</u>	<u>-0.007305949%</u>	
Proportionate share of the net OPEB liability	\$ 4,292,829	\$ -	\$ 4,292,829
Proportionate share of the net OPEB asset	\$ -	\$ 7,402,458	\$ 7,402,458
OPEB expense	\$ (227,514)	\$ (1,300,569)	\$ (1,528,083)

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 36,088	\$ 107,313	\$ 143,401
Net difference between projected and actual earnings on OPEB plan investments	22,311	128,859	151,170
Changes of assumptions	682,830	315,317	998,147
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	445,931	71,916	517,847
Contributions subsequent to the measurement date	<u>212,580</u>	<u>-</u>	<u>212,580</u>
Total deferred outflows of resources	<u>\$ 1,399,740</u>	<u>\$ 623,405</u>	<u>\$ 2,023,145</u>
	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 2,746,005	\$ 1,111,717	\$ 3,857,722
Changes of assumptions	1,762,236	5,249,067	7,011,303
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>400,808</u>	<u>1,862</u>	<u>402,670</u>
Total deferred inflows of resources	<u>\$ 4,909,049</u>	<u>\$ 6,362,646</u>	<u>\$ 11,271,695</u>

\$212,580 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2024.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2024	\$ (797,635)	\$ (1,664,419)	\$ (2,462,054)
2025	(803,537)	(1,659,521)	(2,463,058)
2026	(731,795)	(781,086)	(1,512,881)
2027	(526,867)	(329,024)	(855,891)
2028	(367,154)	(430,627)	(797,781)
Thereafter	<u>(494,901)</u>	<u>(874,564)</u>	<u>(1,369,465)</u>
Total	<u>\$ (3,721,889)</u>	<u>\$ (5,739,241)</u>	<u>\$ (9,461,130)</u>

Actuarial Assumptions - SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2022 are presented below:

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	2.40%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%
Investment rate of return:	
Current measurement date	7.00% net of investment expense, including inflation
Prior measurement date	7.00% net of investment expense, including inflation
Municipal bond index rate:	
Current measurement date	3.69%
Prior measurement date	1.92%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Current measurement date	4.08%
Prior measurement date	2.27%
Medical trend assumption:	
Current measurement date	7.00 to 4.40%
Prior measurement date	
Medicare	5.125 to 4.400%
Pre-Medicare	6.750 to 4.400%

In 2022, mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

In the prior measurement date, mortality rates were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

The most recent experience study was completed for the five-year period ended June 30, 2020.

**NEWARK CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

The long-term expected rate of return on plan assets is reviewed as part of the actuarial 5-year experience study. The most recent study covers fiscal years 2016 through 2020, and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	2.00 %	(0.45) %
US Equity	24.75	5.37
Non-US Equity Developed	13.50	6.22
Non-US Equity Emerging	6.75	8.22
Fixed Income/Global Bonds	19.00	1.20
Private Equity	11.00	10.05
Real Estate/Real Assets	16.00	4.87
Multi-Asset Strategy	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	<u>100.00 %</u>	

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2022, was 4.08%. The discount rate used to measure total OPEB liability prior to June 30, 2022, was 2.27%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50% of projected covered payroll each year, which includes a 1.50% payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2022 and the June 30, 2021 total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 3.69% at June 30, 2022 and 1.92% at June 30, 2021.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability, what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.08%) and higher (5.08%) than the current discount rate (4.08%). Also shown is what the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate (7.00% decreasing to 4.40%).

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 5,331,759	\$ 4,292,829	\$ 3,454,131

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 3,310,542	\$ 4,292,829	\$ 5,575,856

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022 actuarial valuation, compared with June 30, 2021 actuarial valuation, are presented below:

	June 30, 2022		June 30, 2021	
Inflation	2.50%		2.50%	
Projected salary increases	Varies by service from 2.50% to 8.50%		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.00%, net of investment expenses, including inflation		7.00%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discount rate of return	7.00%		7.00%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	7.50%	3.94%	5.00%	4.00%
Medicare	-68.78%	3.94%	-16.18%	4.00%
Prescription Drug				
Pre-Medicare	9.00%	3.94%	6.50%	4.00%
Medicare	-5.47%	3.94%	29.98%	4.00%

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For the June 30, 2022 actuarial valuation, for healthy retirees the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

For the prior measurement date, for healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Tables with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Tables with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

Assumption Changes Since the Prior Measurement Date - The discount rate remained unchanged at 7.00% for the June 30, 2022 valuation.

Benefit Term Changes Since the Prior Measurement Date - Salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return **
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	<u>100.00 %</u>	

* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.

**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate - The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on health care fund investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022.

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB asset as of June 30, 2022, calculated using the current period discount rate assumption of 7.00%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 6,854,814	\$ 7,402,458	\$ 7,881,360

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 7,678,151	\$ 7,402,458	\$ 7,054,466

NOTE 16 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

B. Litigation

The District is involved in no material litigation as either plaintiff or defendant.

NOTE 17 - SET-ASIDES

The District is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year. The following cash-basis information describes the change in the fiscal year-end set-aside amount for capital improvements. Disclosure of this information is required by State statute.

	<u>Capital Improvements</u>
Set-aside balance June 30, 2022	\$ -
Current year set-aside requirement	1,310,672
Current year offsets	<u>(1,310,672)</u>
Total	<u>\$ -</u>
Balance carried forward to fiscal year 2024	<u>\$ -</u>
Set-aside balance June 30, 2023	<u>\$ -</u>

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and,
- (e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund and ESSER fund are as follows:

Net Change in Fund Balance

	General fund	ESSER
Budget basis	\$ 460,521	\$ (10,913,291)
Net adjustment for revenue accruals	2,993,213	1,695,396
Net adjustment for expenditure accruals	201,829	(1,533,661)
Net adjustment for other sources/uses	226,019	-
Funds budgeted elsewhere	10,834	-
Adjustment for encumbrances	2,731,078	10,918,402
GAAP basis	\$ 6,623,494	\$ 166,846

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. These include the public school support fund, the school activity trusts fund, the staff trusts fund, the rotary-special services fund, and the rotary fund.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 19 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

The City of Newark has entered into property tax abatement agreements with property owners under the Ohio Community Reinvestment Area (“CRA”) program within taxing districts of the District. The CRA program is a direct incentive tax exemption program benefiting property owners who renovate existing buildings or construct new buildings. Under this program, the City of Newark has designated areas to encourage revitalization of the existing structures and the development of new structures.

The District has incurred a reduction in property tax receipts due to agreements entered into by the City of Newark. During fiscal year 2023, the District’s property tax receipts were reduced under agreements entered into by the City of Newark as follows:

<u>Government Entering Into Agreement</u>	<u>Tax Abatement Program CRA</u>
City of Newark	\$ <u>456,166</u>

The District is not receiving any amounts from the City of Newark in association with the forgone property tax receipts.

NOTE 20 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During fiscal year 2023, the District received COVID-19 funding. The District will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

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REQUIRED SUPPLEMENTARY INFORMATION

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net pension liability	0.29938100%	0.29231620%	0.31137250%	0.29465500%
District's proportionate share of the net pension liability	\$ 16,192,853	\$ 10,785,620	\$ 20,594,833	\$ 17,629,725
District's covered payroll	\$ 11,614,579	\$ 10,409,579	\$ 10,634,229	\$ 10,178,867
District's proportionate share of the net pension liability as a percentage of its covered payroll	139.42%	103.61%	193.67%	173.20%
Plan fiduciary net position as a percentage of the total pension liability	75.82%	82.86%	68.55%	70.85%

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
0.28852890%	0.28053360%	0.28969410%	0.28561610%	0.28305800%	0.28305800%
\$ 16,524,585	\$ 16,761,263	\$ 21,202,935	\$ 16,297,532	\$ 14,325,404	\$ 16,832,551
\$ 9,415,074	\$ 9,025,736	\$ 7,829,386	\$ 8,598,536	\$ 8,225,115	\$ 7,804,321
175.51%	185.71%	270.81%	189.54%	174.17%	215.68%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net pension liability	0.28588290%	0.29318885%	0.27922772%	0.28122668%
District's proportionate share of the net pension liability	\$ 63,552,129	\$ 37,486,830	\$ 67,563,173	\$ 62,191,590
District's covered payroll	\$ 37,198,143	\$ 36,717,500	\$ 34,023,021	\$ 33,213,071
District's proportionate share of the net pension liability as a percentage of its covered payroll	170.85%	102.10%	198.58%	187.25%
Plan fiduciary net position as a percentage of the total pension liability	78.88%	87.78%	75.48%	77.40%

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
0.26918285%	0.26878668%	0.26604662%	0.26130152%	0.26505768%	0.26505768%
\$ 59,187,265	\$ 63,850,852	\$ 89,053,823	\$ 72,216,097	\$ 64,471,201	\$ 76,797,673
\$ 31,039,436	\$ 29,973,514	\$ 27,686,014	\$ 27,573,121	\$ 27,081,569	\$ 28,403,269
190.68%	213.02%	321.66%	261.91%	238.06%	270.38%
77.31%	75.30%	66.80%	72.10%	74.70%	69.30%

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 1,611,062	\$ 1,626,041	\$ 1,457,341	\$ 1,488,792
Contributions in relation to the contractually required contribution	<u>(1,611,062)</u>	<u>(1,626,041)</u>	<u>(1,457,341)</u>	<u>(1,488,792)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 11,507,586	\$ 11,614,579	\$ 10,409,579	\$ 10,634,229
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 1,374,147	\$ 1,271,035	\$ 1,263,603	\$ 1,096,114	\$ 1,133,287	\$ 1,140,001
<u>(1,374,147)</u>	<u>(1,271,035)</u>	<u>(1,263,603)</u>	<u>(1,096,114)</u>	<u>(1,133,287)</u>	<u>(1,140,001)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 10,178,867	\$ 9,415,074	\$ 9,025,736	\$ 7,829,386	\$ 8,598,536	\$ 8,225,115
13.50%	13.50%	14.00%	14.00%	13.18%	13.86%

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	\$ 5,477,985	\$ 5,207,740	\$ 5,140,450	\$ 4,763,223
Contributions in relation to the contractually required contribution	(5,477,985)	(5,207,740)	(5,140,450)	(4,763,223)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 39,128,464	\$ 37,198,143	\$ 36,717,500	\$ 34,023,021
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 4,649,830	\$ 4,345,521	\$ 4,196,292	\$ 3,876,042	\$ 3,860,237	\$ 3,520,604
<u>(4,649,830)</u>	<u>(4,345,521)</u>	<u>(4,196,292)</u>	<u>(3,876,042)</u>	<u>(3,860,237)</u>	<u>(3,520,604)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 33,213,071	\$ 31,039,436	\$ 29,973,514	\$ 27,686,014	\$ 29,694,131	\$ 27,081,569
14.00%	14.00%	14.00%	14.00%	13.00%	13.00%

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST SEVEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net OPEB liability	0.30575480%	0.30203270%	0.32100190%	0.30116110%
District's proportionate share of the net OPEB liability	\$ 4,292,829	\$ 5,716,216	\$ 6,976,422	\$ 7,573,568
District's covered payroll	\$ 11,614,579	\$ 10,409,579	\$ 10,634,229	\$ 10,178,867
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	36.96%	54.91%	65.60%	74.40%
Plan fiduciary net position as a percentage of the total OPEB liability	30.34%	24.08%	18.17%	15.57%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>
0.29179020%	0.28385870%	0.29309130%
\$ 8,095,048	\$ 7,618,022	\$ 8,354,186
\$ 9,415,074	\$ 9,025,736	\$ 7,829,386
85.98%	84.40%	106.70%
13.57%	12.46%	11.49%

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/ASSET
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST SEVEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net OPEB liability/asset	0.28588290%	0.29318885%	0.27922772%	0.28122668%
District's proportionate share of the net OPEB liability/(asset)	\$ (7,402,458)	\$ (6,181,647)	\$ (4,907,425)	\$ (4,657,788)
District's covered payroll	\$ 37,198,143	\$ 36,717,500	\$ 34,023,021	\$ 33,213,071
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	19.90%	16.84%	14.42%	14.02%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	230.73%	174.73%	182.10%	174.70%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>
0.26918285%	0.26878668%	0.26604662%
\$ (4,325,493)	\$ 10,487,064	\$ 14,228,242
\$ 31,039,436	\$ 29,973,514	\$ 27,686,014
13.94%	34.99%	51.39%
176.00%	47.10%	37.33%

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	\$ 212,580	\$ 197,808	\$ 196,875	\$ 196,245
Contributions in relation to the contractually required contribution	(212,580)	(197,808)	(196,875)	(196,245)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 11,507,586	\$ 11,614,579	\$ 10,409,579	\$ 10,634,229
Contributions as a percentage of covered payroll	1.85%	1.70%	1.89%	1.85%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 230,953	\$ 200,616	\$ 150,926	\$ 146,238	\$ 213,230	\$ 145,848
<u>(230,953)</u>	<u>(200,616)</u>	<u>(150,926)</u>	<u>(146,238)</u>	<u>(213,230)</u>	<u>(145,848)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 10,178,867	\$ 9,415,074	\$ 9,025,736	\$ 7,829,386	\$ 8,598,536	\$ 8,225,115
2.27%	2.13%	1.67%	1.87%	2.48%	1.77%

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 39,128,464	\$ 37,198,143	\$ 36,717,500	\$ 34,023,021
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 277,364
-	-	-	-	-	(277,364)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 33,213,071	\$ 31,039,436	\$ 29,973,514	\$ 27,686,014	\$ 29,694,131	\$ 27,081,569
0.00%	0.00%	0.00%	0.00%	0.00%	1.00%

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for fiscal year 2014.
- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.
- For fiscal year 2019, with the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2021.
- For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2023.

(Continued)

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

PENSION (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for fiscal year 2014.
- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2019.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2021.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2022.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation, (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00% and (b) the discount rate of return was reduced from 7.45% to 7.00%.
- For fiscal year 2023, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the projected salary increases went from 12.50% at age 20 to 2.50% at age 65 to varies by service from 2.50% to 8.50%.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- There were no changes in benefit terms from the amounts reported for fiscal year 2018.
- There were no changes in benefit terms from the amounts reported for fiscal year 2019.
- There were no changes in benefit terms from the amounts reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts reported for fiscal year 2021.
- There were no changes in benefit terms from the amounts reported for fiscal year 2022.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.

(Continued)

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO (CONTINUED)

Changes in assumptions :

- For fiscal year 2017, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.
- For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.
- For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%, and (c) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22% to 2.63%.
- For fiscal year 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- For fiscal year 2023, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 1.92% to 3.69%, (b) single equivalent interest rate when from 2.27% to 4.08% and (c) medical trend assumptions went from 5.125% to 4.40% Medicare and 6.75% to 4.40% Pre-Medicare to 7.00% to 4.40%.

(Continued)

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts previously reported for fiscal year 2017.
- For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.
- For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.
- For fiscal year 2020, STRS increased the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.
- For fiscal year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.
- For fiscal year 2022, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.
- For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.

(Continued)

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO (CONTINUED)

Changes in assumptions (continued):

- For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For fiscal year 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.
- For fiscal year 2023, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) projected salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50% and (b) health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from -16.18% initial - 4.00% ultimate to -68.78% initial - 3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to -5.47% initial - 3.94% ultimate.

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

SUPPLEMENTAL INFORMATION

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

FUND DESCRIPTION - MAJOR FUNDS

General Fund

The general fund is used to account for resources traditionally associated with a school district which are not required legally or by sound financial management to be accounted for in another fund. These activities include, but are not limited to, general instruction, pupil services, operation and maintenance of facilities, student transportation, and administration.

Since the legal level of budgetary control is not greater than that presented in the basic financial statements, no additional financial statements are presented for the general fund.

OTHER MAJOR FUNDS

Elementary and Secondary School Emergency Relief

A fund used to account for a Federal grant received by the District to combat the coronavirus pandemic.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and investments	\$ 5,436,017	\$ 1,940,671	\$ 593,676	\$ 7,970,364
Receivables:				
Property taxes	-	3,662,413	1,167,595	4,830,008
Accounts	572	-	1,799,181	1,799,753
Intergovernmental	1,501,301	-	-	1,501,301
Prepayments	4,669	-	-	4,669
Materials and supplies inventory	7,791	-	-	7,791
Inventory held for resale	14,924	-	-	14,924
Total assets	<u>\$ 6,965,274</u>	<u>\$ 5,603,084</u>	<u>\$ 3,560,452</u>	<u>\$ 16,128,810</u>
Liabilities:				
Accounts payable	\$ 524,415	\$ -	\$ 1,862,876	\$ 2,387,291
Accrued wages and benefits	544,733	-	-	544,733
Intergovernmental payable	6,962	-	-	6,962
Pension and postemployment benefits payable	96,073	-	-	96,073
Interfund loan payable	1,114,358	-	203,954	1,318,312
Advances from other funds	148,000	-	450,000	598,000
Total liabilities	<u>2,434,541</u>	<u>-</u>	<u>2,516,830</u>	<u>4,951,371</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	2,921,230	856,013	3,777,243
Delinquent property tax revenue not available	-	82,782	37,341	120,123
Miscellaneous revenue not available	-	-	863,503	863,503
Intergovernmental revenue not available	776,506	-	-	776,506
Total deferred inflows of resources	<u>776,506</u>	<u>3,004,012</u>	<u>1,756,857</u>	<u>5,537,375</u>
Fund balances:				
Nonspendable:				
Materials and supplies inventory	7,791	-	-	7,791
Prepays	4,669	-	-	4,669
Restricted:				
Debt service	-	2,599,072	-	2,599,072
Food service operations	3,981,565	-	-	3,981,565
Non-public schools	46,084	-	-	46,084
State funded programs	79,357	-	-	79,357
Federally funded programs	178,434	-	-	178,434
Extracurricular	305,036	-	-	305,036
Other purposes	90,211	-	-	90,211
Unassigned (deficit)	(938,920)	-	(713,235)	(1,652,155)
Total fund balances (deficit)	<u>3,754,227</u>	<u>2,599,072</u>	<u>(713,235)</u>	<u>5,640,064</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 6,965,274</u>	<u>\$ 2,599,072</u>	<u>\$ 3,560,452</u>	<u>\$ 16,128,810</u>

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:				
Property taxes	\$ 412,881	\$ 3,991,277	\$ 1,224,721	\$ 5,628,879
Intergovernmental	9,980,015	550,452	164,227	10,694,694
Investment earnings	82,560	-	-	82,560
Extracurricular	266,838	-	-	266,838
Charges for services	212,910	-	-	212,910
Contributions and donations	83,695	-	-	83,695
Miscellaneous	63,291	-	-	63,291
Total revenues	<u>11,102,190</u>	<u>4,541,729</u>	<u>1,388,948</u>	<u>17,032,867</u>
Expenditures:				
Current:				
Instruction:				
Regular	289,819	-	19,943	309,762
Special	3,492,304	-	-	3,492,304
Support services:				
Pupil	869,100	-	-	869,100
Instructional staff	1,112,681	-	-	1,112,681
Administration	502,090	-	-	502,090
Fiscal	-	55,514	22,130	77,644
Operations and maintenance	412,304	-	387,993	800,297
Pupil transportation	157,653	-	111,874	269,527
Operation of non-instructional services:				
Food service operations	3,098,526	-	-	3,098,526
Other non-instructional services	901,411	-	-	901,411
Extracurricular activities	416,359	-	-	416,359
Facilities acquisition and construction	967,571	-	1,379,776	2,347,347
Debt service:				
Principal retirement	-	3,099,364	-	3,099,364
Interest and fiscal charges	-	1,045,290	-	1,045,290
Accretion on capital appreciation bonds	-	215,636	-	215,636
Total expenditures	<u>12,219,818</u>	<u>4,415,804</u>	<u>1,921,716</u>	<u>18,557,338</u>
Net change in fund balances	(1,117,628)	125,925	(532,768)	(1,524,471)
Fund balances (deficit) at beginning of year	4,884,565	2,473,147	(180,467)	7,177,245
Change in reserve for inventory	(12,710)	-	-	(12,710)
Fund balances (deficit) at end of year	<u>\$ 3,754,227</u>	<u>\$ 2,599,072</u>	<u>\$ (713,235)</u>	<u>\$ 5,640,064</u>

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

FUND DESCRIPTIONS

Nonmajor Special Revenue Funds

The special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The title of each special revenue fund is descriptive of the activities accounted for therein. The nonmajor special revenue funds are:

Miscellaneous Grants

To account for a number of small local grants that are restricted for specific expenditures.

District Managed Student Activity

To account for those student activity programs which have student participation in the activity, but do not have student management of the programs. This fund includes athletic programs as well as band, cheerleaders, drama clubs, and other similar types of activities.

Auxiliary Services

To account for State funds which provide services and materials to students attending non-public schools within the boundaries of the District as provided by State law.

Student Managed Activity

To account for those student activity programs which have student participation in the activity and have students involved in the management of the program. This fund includes activities which consist of a student body, student president, student treasurer, and faculty advisor.

Public School Preschool

To account for State funds provided to the District for paying the cost of preschool programs for three and four year olds.

Data Communications

To account for revenues received from the State to be used to install and provide support costs for data communication links to connect any school to the local A-site.

Special Trust

To account for scholarship programs, not administered through a trust agreement, where the District has administrative involvement in the selection of the scholarship recipient.

Endowment Fund

To account for scholarship programs, not administered through a trust agreement, where money was endowed to the District and where the District has administrative involvement in the selection of the scholarship recipient.

Student Wellness and Success

To account for revenues received from the State to be used for students well being and success, such as providing mental health services for students.

Miscellaneous State Grants

To account for monies received from State agencies which are not classified elsewhere.

Title VI-B

To account for Federal funds for the provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels; assist in the training of teachers, supervisors and other specialists in providing educational services to the handicapped.

Limited English Proficiency

To account for Federal funds to meet the educational needs of children of limited English proficiency at the preschool, elementary and secondary levels.

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

FUND DESCRIPTIONS

Nonmajor Special Revenue Funds (Continued)

Title I

To account for Federal funds for services provided to meet special educational needs of educationally deprived children.

EHA Preschool Grant

To account for Federal funds used for the improvement and expansion of services for handicapped children ages three through five years.

Title II-A

To account for a Federal grant aimed at reducing class sizes through out the District.

Miscellaneous Federal Grants

To account for Federal revenues received through State agencies from the Federal government or directly from the Federal government which are not classified elsewhere.

Food Service

To account for all revenues and expenditures related to the provision of food services, including breakfast and lunch, for the District students and staff.

Classroom Facilities Maintenance

To account for revenues earmarked for the maintenance of facilities.

Non-Competitive Supplemental

A fund provided to account for revenues received from the federal government to help schools improve teaching and learning of children failing, or most at risk of failing to meet challenging State academic achievement standards.

21st Century

To account for a Federal grant for the District's after school programs.

Title IV-A

To account for a Federal grant received by the District to provide student support and academic enrichment programs.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

FUND DESCRIPTIONS

Nonmajor Special Revenue Funds (Continued)

The following funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis). These funds are not included in the combining statements for the nonmajor special revenue funds since they are reported in the general fund (GAAP basis); however, the budgetary schedules for these funds are presented in this section.

School Activity Trusts

To account for trust agreements in which the principal and income are used to support District programs.

Staff Trusts

To account for revenues and expenditures related to vending and donations from employees to support District programs.

Rotary Fund - Special Services

To account for operations made in connection with goods and services provided by the District.

Rotary Fund

To account for operations that provide goods or services to other governmental units on a cost-reimbursement basis.

Public School Support

To account for specific local revenue sources (other than taxes) generated by individual school buildings (e.g. sales of pictures, profits from vending machines, etc.). Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	Miscellaneous Grants	District Managed Student Activity	Auxiliary Services	Student Managed Activity
Assets:				
Equity in pooled cash and investments	\$ 52,123	\$ 402,755	\$ 94,799	\$ 89,322
Receivables:				
Accounts	-	572	-	-
Intergovernmental	-	-	-	-
Prepayments	-	-	157	-
Materials and supplies inventory	-	-	-	-
Inventory held for resale	-	-	-	-
Total assets	<u>\$ 52,123</u>	<u>\$ 403,327</u>	<u>\$ 94,956</u>	<u>\$ 89,322</u>
Liabilities:				
Accounts payable	\$ 26	\$ 2,613	\$ 33,524	\$ -
Accrued wages and benefits	-	-	13,238	-
Intergovernmental payable	-	-	160	-
Pension and postemployment benefits payable	-	-	1,793	-
Interfund loan payable	-	37,000	-	-
Advances from other funds	-	148,000	-	-
Total liabilities	<u>26</u>	<u>187,613</u>	<u>48,715</u>	<u>-</u>
Deferred inflows of resources:				
Intergovernmental revenue not available	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable:				
Materials and supplies inventory	-	-	-	-
Prepays	-	-	157	-
Restricted:				
Food service operations	-	-	-	-
Non-public schools	-	-	46,084	-
State funded programs	-	-	-	-
Federally funded programs	-	-	-	-
Extracurricular	-	215,714	-	89,322
Other purposes	52,097	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	<u>52,097</u>	<u>215,714</u>	<u>46,241</u>	<u>89,322</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 52,123</u>	<u>\$ 403,327</u>	<u>\$ 94,956</u>	<u>\$ 89,322</u>

<u>Data Communication</u>	<u>Special Trust</u>	<u>Endowment Fund</u>	<u>Miscellaneous State Grants</u>	<u>Title VI-B</u>	<u>Limited English Proficiency</u>
\$ 1,800	\$ 27,558	\$ 10,556	\$ 81,112	\$ -	\$ 7,555
-	-	-	-	-	-
-	-	-	3,568	410,005	-
-	-	-	34	430	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,800</u>	<u>\$ 27,558</u>	<u>\$ 10,556</u>	<u>\$ 84,714</u>	<u>\$ 410,435</u>	<u>\$ 7,555</u>
\$ -	\$ -	\$ -	\$ -	\$ 75,928	\$ -
-	-	-	2,658	38,888	-
-	-	-	39	468	-
-	-	-	858	6,022	-
-	-	-	-	288,699	-
-	-	-	-	-	-
-	-	-	3,555	410,005	-
-	-	-	-	-	-
-	-	-	3,568	93,958	-
-	-	-	3,568	93,958	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	34	430	-
-	-	-	-	-	-
-	-	-	-	-	-
1,800	-	-	77,557	-	-
-	-	-	-	-	7,555
-	-	-	-	-	-
-	27,558	10,556	-	-	-
-	-	-	-	(93,958)	-
<u>1,800</u>	<u>27,558</u>	<u>10,556</u>	<u>77,591</u>	<u>(93,528)</u>	<u>7,555</u>
<u>\$ 1,800</u>	<u>\$ 27,558</u>	<u>\$ 10,556</u>	<u>\$ 84,714</u>	<u>\$ 410,435</u>	<u>\$ 7,555</u>

- Continued

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	<u>Title I</u>	<u>EHA Preschool Grant</u>	<u>Title II-A</u>	<u>Miscellaneous Federal Grants</u>
Assets:				
Equity in pooled cash and investments	\$ -	\$ 135	\$ -	\$ 170,879
Receivables:				
Accounts	-	-	-	-
Intergovernmental	746,599	3,408	65,411	-
Prepayments	2,315	-	280	-
Materials and supplies inventory	-	-	-	-
Inventory held for resale	-	-	-	-
Total assets	<u>\$ 748,914</u>	<u>\$ 3,543</u>	<u>\$ 65,691</u>	<u>\$ 170,879</u>
Liabilities:				
Accounts payable	\$ 254,736	\$ -	\$ 18,057	\$ -
Accrued wages and benefits	316,679	2,692	38,111	-
Intergovernmental payable	4,213	28	475	-
Pension and postemployment benefits payable	48,283	803	4,588	-
Interfund loan payable	122,688	-	4,180	-
Advances from other funds	-	-	-	-
Total liabilities	<u>746,599</u>	<u>3,523</u>	<u>65,411</u>	<u>-</u>
Deferred inflows of resources:				
Intergovernmental revenue not available	534,035	2,697	52,930	-
Total deferred inflows of resources	<u>534,035</u>	<u>2,697</u>	<u>52,930</u>	<u>-</u>
Fund balances:				
Nonspendable:				
Materials and supplies inventory	-	-	-	-
Prepays	2,315	-	280	-
Restricted:				
Food service operations	-	-	-	-
Non-public schools	-	-	-	-
State funded programs	-	-	-	-
Federally funded programs	-	-	-	170,879
Extracurricular	-	-	-	-
Other purposes	-	-	-	-
Unassigned (deficit)	<u>(534,035)</u>	<u>(2,677)</u>	<u>(52,930)</u>	<u>-</u>
Total fund balances (deficit)	<u>(531,720)</u>	<u>(2,677)</u>	<u>(52,650)</u>	<u>170,879</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 748,914</u>	<u>\$ 3,543</u>	<u>\$ 65,691</u>	<u>\$ 170,879</u>

<u>Food Service</u>	<u>Classroom Facilities Maintenance</u>	<u>Non-Competitive Supplemental</u>	<u>21st Century</u>	<u>Title IV-A</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 4,141,370	\$ 356,053	\$ -	\$ -	\$ -	5,436,017
-	-	-	-	-	572
-	-	25,869	133,147	113,294	1,501,301
1,399	-	3	49	2	4,669
7,791	-	-	-	-	7,791
14,924	-	-	-	-	14,924
<u>\$ 4,165,484</u>	<u>\$ 356,053</u>	<u>\$ 25,872</u>	<u>\$ 133,196</u>	<u>\$ 113,296</u>	<u>\$ 6,965,274</u>
\$ 6,957	\$ 43,256	\$ 17,895	\$ -	\$ 71,423	\$ 524,415
132,467	-	-	-	-	544,733
1,579	-	-	-	-	6,962
33,726	-	-	-	-	96,073
-	472,386	7,974	139,560	41,871	1,114,358
-	-	-	-	-	148,000
<u>174,729</u>	<u>515,642</u>	<u>25,869</u>	<u>139,560</u>	<u>113,294</u>	<u>2,434,541</u>
-	-	17,895	-	71,423	776,506
-	-	17,895	-	71,423	776,506
7,791	-	-	-	-	7,791
1,399	-	3	49	2	4,669
3,981,565	-	-	-	-	3,981,565
-	-	-	-	-	46,084
-	-	-	-	-	79,357
-	-	-	-	-	178,434
-	-	-	-	-	305,036
-	-	-	-	-	90,211
-	(159,589)	(17,895)	(6,413)	(71,423)	(938,920)
<u>3,990,755</u>	<u>(159,589)</u>	<u>(17,892)</u>	<u>(6,364)</u>	<u>(71,421)</u>	<u>3,754,227</u>
<u>\$ 4,165,484</u>	<u>\$ 356,053</u>	<u>\$ 25,872</u>	<u>\$ 133,196</u>	<u>\$ 113,296</u>	<u>\$ 6,965,274</u>

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Miscellaneous Grants</u>	<u>District Managed Student Activity</u>	<u>Auxiliary Services</u>	<u>Student Managed Activity</u>
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	608,414	-
Investments earnings	-	-	6,112	-
Extracurricular	-	230,507	-	36,331
Charges for services	-	-	-	-
Contributions and donations	56,998	26,389	-	208
Miscellaneous	-	60,417	-	493
Total revenues	<u>56,998</u>	<u>317,313</u>	<u>614,526</u>	<u>37,032</u>
Expenditures:				
Current:				
Instruction:				
Regular	22,268	-	-	-
Special	-	873	-	-
Support services:				
Pupil	153	-	-	-
Instructional staff	-	-	-	-
Administration	-	-	-	-
Operations and maintenance	-	-	-	-
Pupil transportation	-	-	-	-
Operation of non-instructional services:				
Food service operations	-	-	-	-
Other non-instructional services	11,741	-	768,178	613
Extracurricular activities	-	393,370	-	22,989
Facilities acquisition and construction	-	-	-	-
Total expenditures	<u>34,162</u>	<u>394,243</u>	<u>768,178</u>	<u>23,602</u>
Net change in fund balances	22,836	(76,930)	(153,652)	13,430
Fund balances (deficit) at beginning of year	29,261	292,644	199,893	75,892
Change in reserve for inventory	-	-	-	-
Fund balances (deficit) at end of year	<u>\$ 52,097</u>	<u>\$ 215,714</u>	<u>\$ 46,241</u>	<u>\$ 89,322</u>

<u>Data Communications</u>	<u>Special Trust</u>	<u>Endowment Fund</u>	<u>Student Wellness and Success</u>	<u>Miscellaneous State Grants</u>	<u>Title VI-B</u>	<u>Limited English Proficiency</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,800	-	-	-	213,510	2,026,071	3,445
-	40	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,800</u>	<u>40</u>	<u>-</u>	<u>-</u>	<u>213,510</u>	<u>2,026,071</u>	<u>3,445</u>
1,800	-	-	-	-	-	1,187
-	-	-	297	-	863,783	-
-	-	-	624	-	736,087	-
-	-	-	-	23,686	2,754	-
-	-	-	-	-	394,308	-
-	-	-	-	-	-	-
-	-	-	-	156,056	1,597	-
-	-	-	-	-	-	-
-	1,450	-	-	-	30,729	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,800</u>	<u>1,450</u>	<u>-</u>	<u>921</u>	<u>179,742</u>	<u>2,029,258</u>	<u>1,187</u>
-	(1,410)	-	(921)	33,768	(3,187)	2,258
1,800	28,968	10,556	921	43,823	(90,341)	5,297
-	-	-	-	-	-	-
<u>\$ 1,800</u>	<u>\$ 27,558</u>	<u>\$ 10,556</u>	<u>\$ -</u>	<u>\$ 77,591</u>	<u>\$ (93,528)</u>	<u>\$ 7,555</u>

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**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Title I</u>	<u>EHA Preschool Grant</u>	<u>Title II-A</u>	<u>Miscellaneous Federal Grants</u>
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,779,138	83,959	396,223	350,000
Investments earnings	-	-	-	-
Extracurricular	-	-	-	-
Charges for services	-	-	-	-
Contributions and donations	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>2,779,138</u>	<u>83,959</u>	<u>396,223</u>	<u>350,000</u>
Expenditures:				
Current:				
Instruction:				
Regular		-	-	-
Special	2,452,314	56,391	-	-
Support services:				
Pupil	166	-	-	-
Instructional staff	484,827	-	381,737	-
Administration	107,782	-	-	-
Operations and maintenance	-	-	-	-
Pupil transportation	-	-	-	-
Operation of non-instructional services:				
Food service operations	-	-	-	-
Other non-instructional services	59,245	-	21,379	-
Extracurricular activities	-	-	-	-
Facilities acquisition and construction	-	-	-	179,121
Total expenditures	<u>3,104,334</u>	<u>56,391</u>	<u>403,116</u>	<u>179,121</u>
Net change in fund balances	(325,196)	27,568	(6,893)	170,879
Fund balances (deficit)				
at beginning of year	(206,524)	(30,245)	(45,757)	-
Change in reserve for inventory	-	-	-	-
Fund balances (deficit) at end of year	<u>\$ (531,720)</u>	<u>\$ (2,677)</u>	<u>\$ (52,650)</u>	<u>\$ 170,879</u>

Food Service	Classroom Facilities Maintenance	Non-Competitive Supplemental	21st Century	Title IV-A	Total Nonmajor Special Revenue Funds
\$ -	\$ 412,881	\$ -	\$ -	\$ -	\$ 412,881
2,796,769	69,931	54,002	406,003	190,750	9,980,015
76,408	-	-	-	-	82,560
-	-	-	-	-	266,838
212,910	-	-	-	-	212,910
100	-	-	-	-	83,695
2,381	-	-	-	-	63,291
<u>3,088,568</u>	<u>482,812</u>	<u>54,002</u>	<u>406,003</u>	<u>190,750</u>	<u>11,102,190</u>
-	11,655	-	252,909	-	289,819
-	-	68,287	-	50,359	3,492,304
-	-	-	132,070	-	869,100
-	-	3,605	22,389	193,683	1,112,681
-	-	-	-	-	502,090
-	412,304	-	-	-	412,304
-	-	-	-	-	157,653
3,098,526	-	-	-	-	3,098,526
-	-	-	-	8,076	901,411
-	-	-	-	-	416,359
<u>168,453</u>	<u>619,997</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>967,571</u>
<u>3,266,979</u>	<u>1,043,956</u>	<u>71,892</u>	<u>407,368</u>	<u>252,118</u>	<u>12,219,818</u>
(178,411)	(561,144)	(17,890)	(1,365)	(61,368)	(1,117,628)
4,181,876	401,555	(2)	(4,999)	(10,053)	4,884,565
(12,710)	-	-	-	-	(12,710)
<u>\$ 3,990,755</u>	<u>\$ (159,589)</u>	<u>\$ (17,892)</u>	<u>\$ (6,364)</u>	<u>\$ (71,421)</u>	<u>\$ 3,754,227</u>

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Miscellaneous Grants				
Total Revenues and Other Sources	\$ 45,000	\$ 45,000	\$ 56,998	\$ 11,998
Total Expenditures and Other Uses	<u>48,442</u>	<u>39,651</u>	<u>39,651</u>	<u>-</u>
Net Change in Fund Balance	(3,442)	5,349	17,347	11,998
Fund balance at beginning of year	25,948	25,948	25,948	-
Prior year encumbrances appropriated	<u>3,442</u>	<u>3,442</u>	<u>3,442</u>	<u>-</u>
Fund balance at end of year	<u>\$ 25,948</u>	<u>\$ 34,739</u>	<u>\$ 46,737</u>	<u>\$ 11,998</u>
District Managed Student Activity				
Total Revenues and Other Sources	\$ 344,760	\$ 344,760	\$ 299,991	\$ (44,769)
Total Expenditures and Other Uses	<u>559,033</u>	<u>486,404</u>	<u>486,404</u>	<u>-</u>
Net Change in Fund Balance	(214,273)	(141,644)	(186,413)	(44,769)
Fund balance at beginning of year	316,640	316,640	316,640	-
Prior year encumbrances appropriated	<u>214,273</u>	<u>214,273</u>	<u>214,273</u>	<u>-</u>
Fund balance at end of year	<u>\$ 316,640</u>	<u>\$ 389,269</u>	<u>\$ 344,500</u>	<u>\$ (44,769)</u>
Auxiliary Services				
Total Revenues and Other Sources	\$ 551,719	\$ 866,789	\$ 614,526	\$ (252,263)
Total Expenditures and Other Uses	<u>626,285</u>	<u>903,610</u>	<u>824,295</u>	<u>79,315</u>
Net Change in Fund Balance	(74,566)	(36,821)	(209,769)	(172,948)
Fund balance at beginning of year	163,800	163,800	163,800	-
Prior year encumbrances appropriated	<u>74,566</u>	<u>74,566</u>	<u>74,566</u>	<u>-</u>
Fund balance at end of year	<u>\$ 163,800</u>	<u>\$ 201,545</u>	<u>\$ 28,597</u>	<u>\$ (172,948)</u>

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Student Managed Activity				
Total Revenues and Other Sources	\$ 67,000	\$ 67,000	\$ 37,033	\$ (29,967)
Total Expenditures and Other Uses	<u>75,464</u>	<u>26,404</u>	<u>26,404</u>	<u>-</u>
Net Change in Fund Balances	(8,464)	40,596	10,629	(29,967)
Fund balance at beginning of year	67,813	67,813	67,813	-
Prior Year Encumbrances Appropriated	<u>8,464</u>	<u>8,464</u>	<u>8,464</u>	<u>-</u>
Fund balance at end of year	<u>\$ 67,813</u>	<u>\$ 116,873</u>	<u>\$ 86,906</u>	<u>\$ (29,967)</u>
Public School Preschool				
Total Revenues and Other Sources	\$ 220,000	\$ 220,000	\$ -	\$ (220,000)
Total Expenditures and Other Uses	<u>220,000</u>	<u>220,000</u>	<u>-</u>	<u>220,000</u>
Net Change in Fund Balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Data Communications				
Total Revenues and Other Sources	\$ 1,800	\$ 1,800	\$ 1,800	\$ -
Total Expenditures and Other Uses	<u>1,800</u>	<u>1,800</u>	<u>1,800</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund balance at beginning of year	<u>1,800</u>	<u>1,800</u>	<u>1,800</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,800</u>	<u>\$ 1,800</u>	<u>\$ 1,800</u>	<u>\$ -</u>

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Special Trust				
Total Revenues and Other Sources	\$ 89	\$ 89	\$ 40	\$ (49)
Total Expenditures and Other Uses	<u>89</u>	<u>60</u>	<u>1,950</u>	<u>(1,890)</u>
Net Change in Fund Balances	-	29	(1,910)	(1,939)
Fund balance at beginning of year	<u>28,968</u>	<u>28,968</u>	<u>28,968</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 28,968</u></u>	<u><u>\$ 28,997</u></u>	<u><u>\$ 27,058</u></u>	<u><u>\$ (1,939)</u></u>
Endowment Fund				
Total Revenues and Other Sources	\$ 175	\$ 175	\$ -	\$ (175)
Total Expenditures and Other Uses	<u>175</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	175	-	(175)
Fund balance at beginning of year	<u>10,556</u>	<u>10,556</u>	<u>10,556</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 10,556</u></u>	<u><u>\$ 10,731</u></u>	<u><u>\$ 10,556</u></u>	<u><u>\$ (175)</u></u>

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Miscellaneous State Grants				
Total Revenues and Other Sources	\$ 25,000	\$ 214,098	\$ 213,510	\$ (588)
Total Expenditures and Other Uses	<u>28,053</u>	<u>217,151</u>	<u>213,582</u>	<u>3,569</u>
Net Change in Fund Balance	(3,053)	(3,053)	(72)	2,981
Fund balance at beginning of year	<u>48,142</u>	<u>48,142</u>	<u>48,142</u>	<u>-</u>
Fund balance at end of year	<u>\$ 45,089</u>	<u>\$ 45,089</u>	<u>\$ 48,070</u>	<u>\$ 2,981</u>
Title VI-B				
Total Revenues and Other Sources	\$ 2,191,181	\$ 2,450,553	\$ 1,710,024	\$ (740,529)
Total Expenditures and Other Uses	<u>2,388,322</u>	<u>2,377,562</u>	<u>2,200,998</u>	<u>176,564</u>
Net Change in Fund Balance	(197,141)	72,991	(490,974)	(563,965)
Fund balance (deficit) at beginning of year	(214,150)	(214,150)	(214,150)	-
Prior year encumbrances appropriated	<u>197,141</u>	<u>197,141</u>	<u>197,141</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (214,150)</u>	<u>\$ 55,982</u>	<u>\$ (507,983)</u>	<u>\$ (563,965)</u>
Limited English Proficiency				
Total Revenues and Other Sources	\$ 8,856	\$ 8,856	\$ 3,445	\$ (5,411)
Total Expenditures and Other Uses	<u>8,872</u>	<u>8,872</u>	<u>5,297</u>	<u>3,575</u>
Net Change in Fund Balance	(16)	(16)	(1,852)	(1,836)
Fund balance at beginning of year	<u>5,297</u>	<u>5,297</u>	<u>5,297</u>	<u>-</u>
Fund balance at end of year	<u>\$ 5,281</u>	<u>\$ 5,281</u>	<u>\$ 3,445</u>	<u>\$ (1,836)</u>

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Title I				
Total Revenues and Other Sources	\$ 3,606,298	\$ 3,665,018	\$ 2,566,574	\$ (1,098,444)
Total Expenditures and Other Uses	<u>3,651,468</u>	<u>3,644,079</u>	<u>3,016,256</u>	<u>627,823</u>
Net Change in Fund Balance	(45,170)	20,939	(449,682)	(470,621)
Fund balance (deficit) at beginning of year	(66,109)	(66,109)	(66,109)	-
Prior year encumbrances appropriated	<u>45,170</u>	<u>45,170</u>	<u>45,170</u>	<u>-</u>
Fund balance (deficit) at end of year	<u><u>\$ (66,109)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (470,621)</u></u>	<u><u>\$ (470,621)</u></u>
EHA Preschool Grant				
Total Revenues and Other Sources	\$ 60,136	\$ 87,067	\$ 83,247	\$ (3,820)
Total Expenditures and Other Uses	<u>60,242</u>	<u>59,831</u>	<u>56,287</u>	<u>3,544</u>
Net Change in Fund Balance	(106)	27,236	26,960	(276)
Fund balance (deficit) at beginning of year	(26,932)	(26,932)	(26,932)	-
Prior year encumbrances appropriated	<u>107</u>	<u>107</u>	<u>107</u>	<u>-</u>
Fund balance (deficit) at end of year	<u><u>\$ (26,931)</u></u>	<u><u>\$ 411</u></u>	<u><u>\$ 135</u></u>	<u><u>\$ (276)</u></u>
Title II-A				
Total Revenues and Other Sources	\$ 437,667	\$ 479,601	\$ 383,742	\$ (95,859)
Total Expenditures and Other Uses	<u>468,039</u>	<u>471,663</u>	<u>421,053</u>	<u>50,610</u>
Net Change in Fund Balance	(30,372)	7,938	(37,311)	(45,249)
Fund balance (deficit) at beginning of year	(38,310)	(38,310)	(38,310)	-
Prior year encumbrances appropriated	<u>30,372</u>	<u>30,372</u>	<u>30,372</u>	<u>-</u>
Fund balance (deficit) at end of year	<u><u>\$ (38,310)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (45,249)</u></u>	<u><u>\$ (45,249)</u></u>

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Miscellaneous Federal Grants				
Total Revenues and Other Sources	\$ -	\$ 550,000	\$ 350,000	\$ (200,000)
Total Expenditures and Other Uses	-	550,000	529,121	20,879
Net Change in Fund Balance	-	-	(179,121)	(179,121)
Fund balance (deficit) at beginning of year	-	-	-	-
Fund balance (deficit) at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (179,121)</u>	<u>\$ (179,121)</u>
Food Service				
Total Revenues and Other Sources	\$ 3,270,612	\$ 3,270,612	\$ 2,849,609	\$ (421,003)
Total Expenditures and Other Uses	3,723,691	3,306,337	3,306,344	(7)
Net Change in Fund Balance	(453,079)	(35,725)	(456,735)	(421,010)
Fund balance at beginning of year	3,887,260	3,887,260	3,887,260	-
Prior year encumbrances appropriated	453,079	453,079	453,079	-
Fund balance at end of year	<u>\$ 3,887,260</u>	<u>\$ 4,304,614</u>	<u>\$ 3,883,604</u>	<u>\$ (421,010)</u>
Classroom Facilities Maintenance				
Total Revenues and Other Sources	\$ 700,000	\$ 700,000	\$ 955,198	\$ 255,198
Total Expenditures and Other Uses	1,263,184	1,723,020	1,723,020	-
Net Change in Fund Balance	(563,184)	(1,023,020)	(767,822)	255,198
Fund balance at beginning of year	204,638	204,638	204,638	-
Prior year encumbrances appropriated	563,184	563,184	563,184	-
Fund balance (deficit) at end of year	<u>\$ 204,638</u>	<u>\$ (255,198)</u>	<u>\$ -</u>	<u>\$ 255,198</u>

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Non-Competitive Supplemental				
Total Revenues and Other Sources	\$ 229,192	\$ 229,197	\$ 46,027	\$ (183,170)
Total Expenditures and Other Uses	<u>229,192</u>	<u>229,192</u>	<u>85,795</u>	<u>143,397</u>
Net Change in Fund Balance	-	5	(39,768)	(39,773)
Fund balance (deficit) at beginning of year	<u>(5)</u>	<u>(5)</u>	<u>(5)</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (5)</u>	<u>\$ -</u>	<u>\$ (39,773)</u>	<u>\$ (39,773)</u>
21st Century				
Total Revenues and Other Sources	\$ 207,143	\$ 406,003	\$ 272,857	\$ (133,146)
Total Expenditures and Other Uses	<u>407,143</u>	<u>407,143</u>	<u>413,557</u>	<u>(6,414)</u>
Net Change in Fund Balance	(200,000)	(1,140)	(140,700)	(139,560)
Fund balance at beginning of year	<u>1,140</u>	<u>1,140</u>	<u>1,140</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (198,860)</u>	<u>\$ -</u>	<u>\$ (139,560)</u>	<u>\$ (139,560)</u>
Title IV-A				
Total Revenues and Other Sources	\$ 482,379	\$ 515,602	\$ 148,879	\$ (366,723)
Total Expenditures and Other Uses	<u>513,009</u>	<u>510,780</u>	<u>322,135</u>	<u>188,645</u>
Net Change in Fund Balance	(30,630)	4,822	(173,256)	(178,078)
Fund balance at beginning of year	(35,453)	(35,453)	(35,453)	-
Prior year encumbrances appropriated	<u>30,631</u>	<u>30,631</u>	<u>30,631</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (35,452)</u>	<u>\$ -</u>	<u>\$ (178,078)</u>	<u>\$ (178,078)</u>

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
School Activity Trusts				
Total Revenues and Other Sources	\$ 90,551	\$ 90,551	\$ 40,915	\$ (49,636)
Total Expenditures and Other Uses	<u>195,551</u>	<u>109,350</u>	<u>105,000</u>	<u>4,350</u>
Net Change in Fund Balance	(105,000)	(18,799)	(64,085)	(45,286)
Fund balance at beginning of year	26,153	26,153	26,153	-
Prior year encumbrances appropriated	<u>105,000</u>	<u>105,000</u>	<u>105,000</u>	<u>-</u>
Fund balance at end of year	<u>\$ 26,153</u>	<u>\$ 112,354</u>	<u>\$ 67,068</u>	<u>\$ (45,286)</u>
Staff Trusts				
Total Revenues and Other Sources	\$ 630	\$ 630	\$ 285	\$ (345)
Total Expenditures and Other Uses	<u>3,011</u>	<u>2,505</u>	<u>4,965</u>	<u>(2,460)</u>
Net Change in Fund Balance	(2,381)	(1,875)	(4,680)	(2,805)
Fund balance at beginning of year	17,642	17,642	17,642	-
Prior year encumbrances appropriated	<u>2,381</u>	<u>2,381</u>	<u>2,381</u>	<u>-</u>
Fund balance at end of year	<u>\$ 17,642</u>	<u>\$ 18,148</u>	<u>\$ 15,343</u>	<u>\$ (2,805)</u>

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Rotary Fund - Special Services				
Total Revenues and Other Sources	\$ 9,000	\$ 9,000	\$ 1,025	\$ (7,975)
Total Expenditures and Other Uses	<u>9,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	9,000	1,025	(7,975)
Fund balance at beginning of year	<u>12,844</u>	<u>12,844</u>	<u>12,844</u>	<u>-</u>
Fund balance at end of year	<u>\$ 12,844</u>	<u>\$ 21,844</u>	<u>\$ 13,869</u>	<u>\$ (7,975)</u>
Rotary Fund				
Total Revenues and Other Sources	\$ 4,000	\$ 4,000	\$ 2,160	\$ (1,840)
Total Expenditures and Other Uses	<u>4,632</u>	<u>1,494</u>	<u>1,494</u>	<u>-</u>
Net Change in Fund Balance	(632)	2,506	666	(1,840)
Fund balance at beginning of year	11,975	11,975	11,975	-
Prior year encumbrances appropriated	<u>632</u>	<u>632</u>	<u>632</u>	<u>-</u>
Fund balance at end of year	<u>\$ 11,975</u>	<u>\$ 15,113</u>	<u>\$ 13,273</u>	<u>\$ (1,840)</u>
Public School Support				
Total Revenues and Other Sources	\$ 100,000	\$ 100,000	\$ 46,887	\$ (53,113)
Total Expenditures and Other Uses	<u>113,299</u>	<u>56,500</u>	<u>56,500</u>	<u>-</u>
Net Change in Fund Balance	(13,299)	43,500	(9,613)	(53,113)
Fund balance at beginning of year	121,015	121,015	121,015	-
Prior year encumbrances appropriated	<u>13,299</u>	<u>13,299</u>	<u>13,299</u>	<u>-</u>
Fund balance at end of year	<u>\$ 121,015</u>	<u>\$ 177,814</u>	<u>\$ 124,701</u>	<u>\$ (53,113)</u>

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

FUND DESCRIPTION

Nonmajor Debt Service Fund

A fund used to account for and report financial resources that are restricted, committed, or assigned to expenditure for payment of general obligation bond principal and interest and certain long-term obligations from governmental resources when the government is obligated in some manner for payment. It is also used to account for the accumulation of resources and payment of general obligation bonds and library bonds payable, as required by Ohio Law.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Debt Service				
Total Revenues and Other Sources	\$ 4,485,889	\$ 4,485,889	\$ 4,206,417	\$ (279,472)
Total Expenditures and Other Uses	<u>4,485,889</u>	<u>4,415,804</u>	<u>4,415,804</u>	<u>-</u>
Net Change in Fund Balance	-	70,085	(209,387)	(279,472)
Fund balance at beginning of year	<u>2,150,058</u>	<u>2,150,058</u>	<u>2,150,058</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,150,058</u>	<u>\$ 2,220,143</u>	<u>\$ 1,940,671</u>	<u>\$ (279,472)</u>

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

FUND DESCRIPTIONS

Nonmajor Capital Projects Fund

Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition and construction of capital facilities and other capital assets. The nonmajor capital projects funds are:

Permanent Improvement

To account for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary and trust funds.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Permanent Improvement				
Total Revenues and Other Sources	\$ 1,412,881	\$ 1,412,881	\$ 1,742,865	\$ 329,984
Total Expenditures and Other Uses	<u>1,772,196</u>	<u>2,412,925</u>	<u>2,412,925</u>	<u>-</u>
Net Change in Fund Balance	(359,315)	(1,000,044)	(670,060)	329,984
Fund balance at beginning of year	310,745	310,745	310,745	-
Prior year encumbrances appropriated	<u>359,315</u>	<u>359,315</u>	<u>359,315</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 310,745</u>	<u>\$ (329,984)</u>	<u>\$ -</u>	<u>\$ 329,984</u>

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

FUND DESCRIPTION

Internal Service Fund

A fund category used to account for the financing of goods or services provided by one department or agency of the District to other departments or agencies on a cost-reimbursement basis. Charges are intended only to recoup the total cost of such services.

Employee Benefits Self-Insurance

This fund is provided to account for monies received from other funds as payment for providing dental benefits. The Self-Insured Dental fund may make payments for services provided to employees, for reimbursement to employees who have paid providers, to third party administrators for claims payment or administration, for stop-loss coverage, or for any other reinsurance or other similar purposes.

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Employee Benefits Self-Insurance				
Total Operating and Non-operating Revenues	\$ 14,875,000	\$ 14,875,000	\$ 13,724,917	\$ (1,150,083)
Total Operating and Non-operating Expenses	<u>15,008,534</u>	<u>14,503,423</u>	<u>13,048,819</u>	<u>1,454,604</u>
Net change in fund equity	(133,534)	371,577	676,098	304,521
Fund equity at beginning of year	3,250,723	3,250,723	3,250,723	-
Prior year encumbrances appropriated	<u>133,534</u>	<u>133,534</u>	<u>133,534</u>	<u>-</u>
Fund equity at end of year	<u>\$ 3,250,723</u>	<u>\$ 3,755,834</u>	<u>\$ 4,060,355</u>	<u>\$ 304,521</u>

STATISTICAL SECTION

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**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	142-155
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	156-161
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	162-165
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	166-167
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	168-179

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Governmental activities				
Net investment in capital assets	\$ 100,637,950	\$ 91,233,273	\$ 91,722,835	\$ 89,197,522
Restricted	9,659,768	9,172,704	6,989,084	7,252,514
Unrestricted (deficit)	<u>(17,909,458)</u>	<u>(24,931,675)</u>	<u>(36,218,668)</u>	<u>(33,227,437)</u>
Total governmental activities net position	<u>\$ 92,388,260</u>	<u>\$ 75,474,302</u>	<u>\$ 62,493,251</u>	<u>\$ 63,222,599</u>

- (1) The District implemented GASB Statement No. 75 in 2018.
Amounts for 2017 have been restated to reflect the implementation of this statement.
- (2) The District implemented GASB Statement No. 68 in 2016.
Amounts for 2015 have been restated to reflect the implementation of this statement.
- (3) The District implemented GASB Statement No. 84 in 2020.
Amounts for 2019 have been restated to reflect the implementation of this statement.
- Source:** School District financial records.

2019 (3)	2018	2017 (1)	2016	2015 (2)	2014
\$ 88,396,281	\$ 85,310,047	\$ 85,515,706	\$ 84,802,559	\$ 89,306,195	\$ 89,834,198
5,123,792	8,272,223	8,694,181	11,693,660	10,338,400	10,295,131
(29,259,526)	(43,209,142)	(82,678,310)	(61,813,654)	(70,450,227)	11,672,708
<u>\$ 64,260,547</u>	<u>\$ 50,373,128</u>	<u>\$ 11,531,577</u>	<u>\$ 34,682,565</u>	<u>\$ 29,194,368</u>	<u>\$ 111,802,037</u>

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Expenses					
Governmental activities:					
Instruction:					
Regular	\$ 37,671,115	\$ 38,508,917	\$ 46,084,811	\$ 41,333,875	\$ 35,153,977
Special	16,604,476	14,609,140	18,635,843	18,114,502	14,109,189
Vocational	329,588	369,793	380,910	350,396	326,222
Other instructional	232,131	209,401	280,310	244,144	156,753
Support services:					
Pupil	6,504,765	5,967,429	5,219,699	5,475,988	4,946,968
Instructional staff	5,212,618	4,333,654	5,262,866	3,700,193	3,160,083
Board of education	133,495	205,208	149,182	160,036	195,240
Administration	5,420,935	4,725,856	5,449,105	5,256,579	4,373,035
Fiscal	1,841,043	1,597,082	1,653,583	1,602,781	1,363,855
Business	623,778	599,897	676,147	662,469	524,775
Operations and maintenance	9,340,876	9,124,343	7,949,267	8,113,087	6,947,510
Pupil transportation	3,128,801	3,791,213	4,037,653	4,533,278	4,624,303
Central	663,262	870,281	1,029,248	924,097	558,210
Operation of non-instructional services:					
Food service operations	3,308,990	2,962,757	2,711,825	3,172,208	2,742,860
Other non-instructional services	964,770	607,372	799,413	634,636	1,247,063
Extracurricular activities	1,801,336	1,547,878	1,475,463	1,667,245	1,117,658
Interest and fiscal charges	1,024,416	1,334,402	1,788,748	1,707,831	1,718,585
Total governmental activities expenses	<u>94,806,395</u>	<u>91,364,623</u>	<u>103,584,073</u>	<u>97,653,345</u>	<u>83,266,286</u>

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 21,433,067	\$ 37,735,297	\$ 35,039,883	\$ 33,574,541	\$ 34,785,398
8,746,410	15,014,909	12,202,659	11,175,826	11,011,351
234,237	369,372	337,294	392,481	405,009
74,319	153,373	232,702	211,952	264,203
2,699,314	4,539,392	4,037,014	3,662,387	3,860,974
1,911,702	3,674,400	3,026,969	2,866,379	2,903,788
180,770	150,549	259,894	150,058	163,268
1,650,210	4,281,207	3,953,871	3,665,474	3,771,253
1,004,123	1,372,452	1,475,422	1,316,322	1,346,565
322,180	630,260	500,683	461,300	574,959
4,947,884	7,176,597	7,243,616	6,701,896	6,447,978
2,620,951	3,615,232	3,232,114	3,103,190	2,976,377
437,122	537,799	538,794	511,210	402,627
2,217,708	2,938,568	2,590,338	2,395,676	2,281,336
609,437	2,470,071	670,056	847,440	540,290
620,541	1,256,345	1,096,845	1,138,134	843,918
1,802,473	1,900,549	2,075,843	2,358,614	2,646,583
<u>51,512,448</u>	<u>87,816,372</u>	<u>78,513,997</u>	<u>74,532,880</u>	<u>75,225,877</u>

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS - (Continued)
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Program Revenues					
Governmental activities:					
Charges for services:					
Instruction:					
Regular	\$ 489,747	\$ 1,076,593	\$ 1,605,813	\$ 1,758,790	\$ 1,840,113
Special	188,353	200,273	440,172	156,378	116,150
Support services:					
Operations and maintenance	729,516	219,514	104,150	108,117	110,351
Pupil transportation	12,444	14,375	2,545	12,873	17,728
Operation of non-instructional services:					
Food service operations	212,910	53,909	23,013	376,860	460,367
Other non-instructional services	41,007	45,801	36,740	79,620	63,513
Extracurricular activities	265,384	240,480	125,961	185,461	176,716
Operating grants and contributions:					
Instruction:					
Regular	6,922,480	4,918,275	5,267,386	726,349	596,369
Special	8,430,705	9,114,744	10,397,603	10,356,604	8,460,689
Vocational	53,578	56,972	90,697	90,697	90,697
Support services:					
Pupil	1,759,815	1,938,653	1,795,905	1,720,343	770,592
Instructional staff	3,611,573	1,616,268	1,618,558	1,520,192	1,056,598
Administration	371,192	543,158	462,131	543,841	302,777
Fiscal	-	-	-	-	-
Operations and maintenance	2,163,377	891,492	127,863	67,981	180,724
Pupil transportation	1,462,673	1,055,049	1,298,423	532,367	429,377
Central	-	-	-	-	-
Operation of non-instructional services:					
Food service operations	2,875,658	4,222,176	2,395,811	2,489,008	2,721,304
Other non-instructional services	718,625	714,796	709,322	663,283	757,714
Extracurricular activities	87,297	151,964	46,142	37,817	51,899
Capital grants and contributions:					
Support services:					
Operations and maintenance	350,000	-	-	-	-
Pupil transportation	156,056	-	52,019	-	-
Extracurricular activities	-	-	-	35,000	-
Total governmental program revenues	<u>30,902,390</u>	<u>27,074,492</u>	<u>26,600,254</u>	<u>21,461,581</u>	<u>18,203,678</u>
Net (Expense)/Revenue					
Governmental activities	<u>(63,904,005)</u>	<u>(64,290,131)</u>	<u>(76,983,819)</u>	<u>(76,191,764)</u>	<u>(65,062,608)</u>

2018	2017	2016	2015	2014
\$ 1,355,447	\$ 1,047,952	\$ 765,956	\$ 759,762	\$ 720,191
140,532	67,249	123,414	166,875	175,956
105,752	109,750	114,297	111,221	84,034
18,876	24,623	117,754	105,598	102,525
462,168	542,784	573,261	437,690	459,673
64,700	62,319	44,163	48,670	50,791
172,378	166,301	150,993	148,999	141,829
640,572	404,649	510,119	203,894	321,031
8,623,850	8,832,513	7,903,952	7,928,058	7,222,647
75,659	75,377	65,170	27,992	28,462
280,356	280,315	208,408	127,199	215,583
1,024,943	1,209,845	1,138,034	1,263,858	995,815
258,784	269,129	314,439	104,156	153,788
7,364	7,639	7,500	6,100	7,756
123,259	112,259	134,569	92,510	31,119
467,131	388,981	415,828	353,892	295,828
-	-	-	-	-
2,791,046	2,414,080	2,138,339	1,943,880	1,886,745
724,136	723,077	715,556	654,718	628,125
53,844	49,606	35,173	32,526	29,498
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>17,390,797</u>	<u>16,788,448</u>	<u>15,476,925</u>	<u>14,517,598</u>	<u>13,551,396</u>
<u>(34,121,651)</u>	<u>(71,027,924)</u>	<u>(63,037,072)</u>	<u>(60,015,282)</u>	<u>(61,674,481)</u>

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS - (Continued)
(ACCRUAL BASIS OF ACCOUNTING)

General Revenues and Other Changes in Net Position	2023	2022	2021	2020	2019
Governmental activities:					
Property taxes levied for:					
General purposes	\$ 26,078,960	\$ 23,404,033	\$ 21,526,591	\$ 21,300,057	\$ 20,622,930
Debt service	3,952,029	4,642,499	4,646,688	4,227,788	3,412,525
Capital outlay	1,220,383	1,081,520	992,511	1,060,566	1,011,279
Facilities maintenance	412,881	412,881	412,881	412,881	412,881
School district income taxes	12,727,964	12,403,471	10,627,611	9,107,699	9,873,513
Payment in lieu of taxes	191,755	196,202	239,184	100,672	202,392
Grants and entitlements not restricted to specific programs	34,517,041	34,834,074	37,422,824	36,650,466	37,764,786
Investment earnings	1,488,507	130,015	135,660	881,837	1,054,048
(Decrease) in fair value of investments	(34,032)	(205,756)	-	-	-
Gain on sale of capital assets	-	189,019	-	-	-
Insurance proceeds	-	-	-	1,010,530	-
Miscellaneous	262,475	183,224	250,521	401,320	327,382
Special Item:					
Newark Digital Academy accounts transfer	-	-	-	-	4,153,087
Total governmental activities	<u>80,817,963</u>	<u>77,271,182</u>	<u>76,254,471</u>	<u>75,153,816</u>	<u>78,834,823</u>
 Total primary government	<u>80,817,963</u>	<u>77,271,182</u>	<u>76,254,471</u>	<u>75,153,816</u>	<u>78,834,823</u>
 Change in Net Position					
Governmental activities	<u>\$ 16,913,958</u>	<u>\$ 12,981,051</u>	<u>\$ (729,348)</u>	<u>\$ (1,037,948)</u>	<u>\$ 13,772,215</u>

Source: School District financial records.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 20,005,333	\$ 19,201,896	\$ 19,434,839	\$ 19,580,708	\$ 19,646,227
2,944,801	3,833,655	4,331,366	3,982,733	3,634,892
974,468	931,011	960,058	964,252	963,608
412,881	412,881	412,881	412,881	412,881
9,478,714	8,870,372	8,745,391	8,447,025	8,251,484
213,593	307,928	107,329	216,287	11,103
36,990,552	36,105,065	34,014,142	32,076,321	29,074,075
523,415	263,738	111,006	55,049	37,478
-	-	-	-	-
74,784	-	-	-	-
1,000,000	-	-	-	-
344,661	381,892	408,257	641,976	432,353
-	-	-	-	-
<u>72,963,202</u>	<u>70,308,438</u>	<u>68,525,269</u>	<u>66,377,232</u>	<u>62,464,101</u>
<u>72,963,202</u>	<u>70,308,438</u>	<u>68,525,269</u>	<u>66,377,232</u>	<u>62,464,101</u>
<u>\$ 38,841,551</u>	<u>\$ (719,486)</u>	<u>\$ 5,488,197</u>	<u>\$ 6,361,950</u>	<u>\$ 789,620</u>

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019 (1)</u>
General Fund:					
Nonspendable	\$ 789,504	\$ 776,500	\$ 932,780	\$ 211,935	\$ 216,196
Committed	-	-	-	-	-
Assigned	7,450,155	8,152,080	6,219,619	6,034,450	1,658,385
Unassigned	<u>47,504,765</u>	<u>40,192,350</u>	<u>38,125,793</u>	<u>36,948,402</u>	<u>38,863,546</u>
Total general fund	<u>\$ 55,744,424</u>	<u>\$ 49,120,930</u>	<u>\$ 45,278,192</u>	<u>\$ 43,194,787</u>	<u>\$ 40,738,127</u>
All Other Governmental Funds:					
Nonspendable	\$ 12,460	\$ 13,736	\$ 13,580	\$ 14,258	\$ 14,542
Restricted	7,279,759	7,735,021	6,900,643	5,946,172	5,446,515
Unassigned (deficit)	<u>(3,594,166)</u>	<u>(2,680,369)</u>	<u>(2,360,246)</u>	<u>(1,634,924)</u>	<u>(976,796)</u>
Total all other governmental funds	<u>\$ 3,698,053</u>	<u>\$ 5,068,388</u>	<u>\$ 4,553,977</u>	<u>\$ 4,325,506</u>	<u>\$ 4,484,261</u>

(1) The District implemented GASB Statement No. 84 in 2020.
Amounts for 2019 have been restated to reflect the implementation of this statement.

Source: School District financial records.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 219,705	\$ 200,754	\$ 79,861	\$ 78,073	\$ 74,875
-	889,729	889,729	889,729	889,729
2,552,697	967,189	2,054,393	4,937,642	2,708,548
<u>30,637,459</u>	<u>25,911,744</u>	<u>20,452,402</u>	<u>13,498,927</u>	<u>11,801,805</u>
<u>\$ 33,409,861</u>	<u>\$ 27,969,416</u>	<u>\$ 23,476,385</u>	<u>\$ 19,404,371</u>	<u>\$ 15,474,957</u>
\$ 16,819	\$ 14,551	\$ 5,546	\$ 9,274	\$ 47,267
7,929,056	8,601,863	10,788,025	9,511,461	9,779,886
<u>(799,287)</u>	<u>(211,761)</u>	<u>(188,342)</u>	<u>(496,512)</u>	<u>(369,896)</u>
<u>\$ 7,146,588</u>	<u>\$ 8,404,653</u>	<u>\$ 10,605,229</u>	<u>\$ 9,024,223</u>	<u>\$ 9,457,257</u>

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Revenues				
Taxes and payments in lieu of taxes	\$ 44,616,184	\$ 42,073,910	\$ 38,803,330	\$ 36,448,306
Intergovernmental	65,197,708	58,413,183	60,173,874	53,965,478
Tuition	683,677	1,286,218	2,045,122	1,820,113
Transportation fees	-	-	-	12,873
Charges for services	221,979	53,909	23,013	376,860
Investment earnings	1,536,721	154,778	191,828	917,163
(Decrease) in fair value of investments	(34,032)	(205,756)	-	-
Extracurricular	272,598	260,032	139,620	202,551
Classroom materials and fees	-	-	-	92,497
Rental income, contributions and donations, contract services and miscellaneous	1,223,101	597,974	613,931	726,978
Total revenues	<u>113,717,936</u>	<u>102,634,248</u>	<u>101,990,718</u>	<u>94,562,819</u>
Expenditures				
Current:				
Instruction:				
Regular	35,407,062	38,893,828	41,059,519	36,271,622
Special	16,599,846	15,671,951	17,630,311	17,017,090
Vocational	181,897	240,865	226,088	189,092
Other	233,059	227,893	258,731	214,352
Support services:				
Pupil	6,463,202	6,179,233	4,852,070	5,089,319
Instructional staff	5,150,817	4,541,987	4,710,934	3,293,430
Board of education	133,550	206,893	148,402	157,957
Administration	5,157,567	4,889,321	4,829,451	4,650,238
Fiscal	1,831,197	1,659,743	1,585,089	1,522,586
Business	566,203	615,335	634,913	610,876
Operations and maintenance	8,751,759	8,825,369	7,101,912	7,242,030
Pupil transportation	3,810,522	3,638,620	3,723,018	3,794,598
Central	662,236	898,178	1,005,181	894,311
Operation of non-instructional services:				
Food service operations	3,098,526	2,866,091	2,400,837	2,819,190
Other non-instructional services	967,126	608,734	785,415	617,645
Extracurricular activities	1,508,689	1,392,105	1,109,455	1,158,564
Facilities acquisitions and construction	13,527,018	2,666,886	2,970,000	1,659,887
Capital outlay	-	276,299	-	-
Debt service:				
Principal retirement	3,188,384	2,456,767	3,354,326	4,098,972
Interest and fiscal charges	1,267,573	2,033,814	1,302,102	1,946,464
Bond issue costs	-	-	231,177	-
Total expenditures	<u>108,506,233</u>	<u>98,789,912</u>	<u>99,918,931</u>	<u>93,248,223</u>
Excess (deficiency) of revenues over (under) expenditures	5,211,703	3,844,336	2,071,787	1,314,596

	2019	2018	2017	2016	2015	2014
\$	35,528,496	\$ 34,277,320	\$ 34,276,376	\$ 34,331,474	\$ 33,599,404	\$ 32,822,596
	53,417,591	51,317,064	50,796,475	47,076,479	44,536,828	40,902,951
	1,812,353	1,231,263	799,207	715,571	751,183	711,432
	17,728	18,949	24,550	117,754	105,598	102,525
	460,367	462,168	542,784	573,261	441,786	464,574
	1,082,782	517,992	271,043	113,338	56,110	37,743
	-	-	-	-	-	-
	196,179	197,340	181,788	178,393	195,530	186,521
	125,328	138,904	123,060	131,553	121,403	129,646
	773,154	831,662	1,071,804	785,628	922,730	726,912
	<u>93,413,978</u>	<u>88,992,662</u>	<u>88,087,087</u>	<u>84,023,451</u>	<u>80,730,572</u>	<u>76,084,900</u>
	35,292,707	34,582,118	33,914,883	32,792,831	32,536,337	32,219,790
	15,706,598	15,087,315	14,526,157	12,331,857	11,720,826	11,013,686
	196,545	189,953	208,428	189,787	276,845	255,081
	187,508	174,544	166,388	234,913	228,104	265,161
	5,286,741	4,526,415	4,305,825	4,013,386	3,719,856	3,780,884
	3,509,136	3,085,990	3,390,875	2,925,740	2,842,134	2,746,522
	196,971	189,012	149,365	260,100	150,430	163,268
	4,457,099	3,971,152	4,033,561	3,906,213	3,823,224	3,697,181
	1,454,125	1,384,312	1,378,473	1,478,900	1,343,235	1,344,376
	584,235	610,620	600,326	518,884	474,504	569,533
	7,351,948	6,670,483	6,441,782	6,881,027	6,728,725	6,593,304
	5,446,277	4,125,899	3,554,821	3,283,030	3,277,007	2,944,998
	589,230	551,240	528,126	537,230	522,941	396,894
	2,725,020	2,803,855	2,689,528	2,415,481	2,207,019	2,087,522
	1,281,123	749,729	2,654,023	673,773	856,472	533,221
	1,124,513	1,122,283	1,059,073	955,881	995,828	702,956
	1,270,614	1,332,003	1,360,303	2,093,329	574,873	2,208,994
	894,950	-	-	252,284	-	-
	3,343,533	2,552,363	2,996,878	2,599,105	2,647,146	2,422,425
	1,705,131	2,179,201	1,836,659	1,778,440	2,285,831	2,386,382
	-	-	-	326,815	-	288,471
	<u>92,604,004</u>	<u>85,888,487</u>	<u>85,795,474</u>	<u>80,449,006</u>	<u>77,211,337</u>	<u>76,620,649</u>
	809,974	3,104,175	2,291,613	3,574,445	3,519,235	(535,749)

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (Continued)
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Other Financing Sources (Uses)				
Transfers in	\$ -	\$ -	\$ 366,548	\$ -
Transfers (out)	-	-	(366,548)	-
Sale of capital assets	-	238,214	-	-
Insurance proceeds	-	-	-	1,010,530
Inception of lease	-	276,299	-	-
SBITA transaction	54,166	-	-	-
Refunding bond issued	-	-	13,365,491	-
Premium on bonds issuance	-	-	962,706	-
Payment to refunded bond escrow agent	-	-	(14,097,020)	-
Issuance of notes/bonds	-	-	-	-
Total other financing sources (uses)	<u>54,166</u>	<u>514,513</u>	<u>231,177</u>	<u>1,010,530</u>
Special Item:				
Newark Digital Academy account transfer	-	-	-	-
Net change in fund balances	<u>\$ 5,265,869</u>	<u>\$ 4,358,849</u>	<u>\$ 2,302,964</u>	<u>\$ 2,325,126</u>
Debt service principal and interest as a percentage of noncapital expenditures	4.69%	4.66%	4.80%	6.56%

Source: School District financial records.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ -	\$ -	\$ 155,163	\$ -	\$ -	\$ -
-	-	(155,163)	-	-	-
-	74,784	-	-	4,278	112,826
42,500	1,000,000	-	-	-	-
894,950	-	-	252,284	-	-
-	-	-	-	-	-
-	-	-	26,935,000	-	18,161,627
-	-	-	2,022,194	-	1,822,842
-	-	-	(28,630,379)	-	(19,688,517)
-	-	-	1,500,000	-	-
<u>937,450</u>	<u>1,074,784</u>	<u>-</u>	<u>2,079,099</u>	<u>4,278</u>	<u>408,778</u>
<u>2,768,670</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 4,516,094</u>	<u>\$ 4,178,959</u>	<u>\$ 2,291,613</u>	<u>\$ 5,653,544</u>	<u>\$ 3,523,513</u>	<u>\$ (126,971)</u>
5.58%	5.60%	5.72%	5.61%	6.47%	6.51%

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

Collection Year	Real Property (a)		Public Utility (b)	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2023	\$ 945,035,941	\$ 2,700,102,689	\$ 55,519,550	\$ 158,627,286
2022	941,527,742	2,690,079,263	51,500,490	147,144,257
2021	937,572,944	2,678,779,840	45,569,690	130,199,114
2020	811,503,418	2,318,581,194	42,993,230	122,837,800
2019	804,545,444	2,298,701,269	40,524,110	115,783,171
2018	806,049,778	2,302,999,366	39,031,530	111,518,657
2017	740,257,563	2,115,021,609	33,848,440	96,709,829
2016	735,178,590	2,100,510,257	34,608,820	98,882,343
2015	763,994,270	2,182,840,771	33,481,090	95,660,257
2014	775,983,370	2,217,095,343	32,918,010	94,051,457

Source: Licking County Auditor's Office

(a) The assessed value of real property is fixed at 35% of true value and is determined pursuant to the State Tax Commissioner.

(b) Assumes public utilities are assessed at true value which is 35%.

		Total		
Total Direct Tax Rate	Assessed Value	Estimated Actual Value	%	
\$ 40.03	\$ 1,000,555,491	\$ 2,858,729,975	35.00%	
41.33	993,028,232	2,837,223,520	35.00%	
42.43	983,142,634	2,808,978,954	35.00%	
42.90	854,496,648	2,441,418,994	35.00%	
42.90	845,069,554	2,414,484,440	35.00%	
40.80	845,081,308	2,414,518,023	35.00%	
43.50	774,106,003	2,211,731,438	35.00%	
44.63	769,787,410	2,199,392,600	35.00%	
43.86	797,475,360	2,278,501,028	35.00%	
43.19	808,901,380	2,311,146,800	35.00%	

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**DIRECT AND OVERLAPPING PROPERTY TAX RATES
(RATE PER \$1,000 OF ASSESSED VALUE)
LAST TEN YEARS**

Tax Year/ Collection Year	Overlapping Rates		Direct Rates				Licking County Joint Vocational School	
	County	City	Voted			Unvoted		Total
			General	Bond	Permanent Improvement			
2022/2023	8.40	3.70	29.38	3.65	2.90	4.10	40.03	2.50
2021/2022	9.50	3.70	29.40	4.93	2.90	4.10	41.33	2.50
2020/2021	9.50	3.70	29.50	5.93	2.90	4.10	42.43	2.50
2019/2020	9.50	3.70	30.50	5.40	2.90	4.10	42.90	2.55
2018/2019	9.50	3.70	30.50	5.40	2.90	4.10	42.90	2.55
2017/2018	9.50	3.70	30.50	3.30	2.90	4.10	40.80	2.55
2016/2017	8.00	3.70	31.10	5.40	2.90	4.10	43.50	2.57
2015/2016	8.00	3.70	31.10	6.53	2.90	4.10	44.63	2.58
2014/2015	8.00	3.70	30.90	5.96	2.90	4.10	43.86	2.54
2013/2014	7.70	3.70	30.77	5.42	2.90	4.10	43.19	2.56

Source: Licking County Auditor's Office

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO**

December 31, 2022			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Ohio Power	\$ 36,558,770	1	3.65%
AEP Ohio Transmission	7,280,930	2	0.73%
MIMG XXIII McMillen Woods LLC	6,779,690	3	0.68%
Columbia Gas of Ohio	6,701,840	4	0.67%
National Gas & Oil	3,719,070	5	0.37%
HPG OH Newark LLC	3,500,010	6	0.35%
Cole DC Newark Ohio LLC	3,428,150	7	0.34%
Licking Memorial Health Foundation	2,955,940	8	0.30%
Southgate Company	2,952,180	9	0.30%
Walmart Real Estate Business Trust	2,849,000	10	0.28%
Total	\$ 76,725,580		\$ 1,000,555,491

December 31, 2013			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Ohio Power	\$ 27,372,820	1	3.38%
Licking Memorial Hospital	6,191,150	2	0.77%
MIMG XXIII McMillen Woods LLC	5,073,680	3	0.63%
Cole DC Newark Ohio LLC	4,165,000	4	0.51%
Southgate Company	3,403,070	5	0.42%
Sharonbrooke Inn Limited	2,739,170	6	0.34%
LSREF2 Tractor REO	2,553,540	7	0.32%
Owens Corning Fiberglas	2,194,750	8	0.27%
Ohio II TIC Et Al	2,021,150	9	0.25%
Columbia Gas of Ohio	1,927,660	10	0.24%
Total	\$ 57,641,990		\$ 808,901,380

Source: Licking County Auditor's Office

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Tax Year/ Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collection	Percent of Current Levy Collected
2022/2023	\$ 31,715,667	\$ 1,413,269	\$ 33,128,936	\$ 31,074,073	97.98%
2021/2022	33,315,874	1,379,582	34,695,456	32,743,648	98.28%
2020/2021	29,682,936	1,861,837	31,544,773	29,028,365	97.79%
2019/2020	29,516,365	2,096,264	31,612,629	28,799,845	97.57%
2018/2019	28,157,966	1,523,064	29,681,030	27,494,119	97.64%
2017/2018	27,337,831	1,478,703	28,816,534	26,693,320	97.64%
2016/2017	27,978,452	2,933,117	30,911,569	27,204,739	97.23%
2015/2016	28,890,018	2,957,898	31,847,916	27,899,534	96.57%
2014/2015	28,365,346	3,226,488	31,591,834	27,131,371	95.65%
2013/2014	28,046,339	4,208,425	32,254,764	26,919,561	95.98%

Note: "Delinquent Levy" indicates the portion collected that was delinquent.

Source: Licking County Auditor's Office

Delinquent Collection	Total Collection	Total Collection As a Percent of Total Levy
\$ 784,705	\$ 31,858,778	96.17%
794,932	33,538,580	96.67%
921,735	29,950,100	94.94%
763,348	29,563,193	93.52%
795,825	28,289,944	95.31%
772,646	27,465,966	95.31%
936,639	28,141,378	91.04%
1,319,020	29,218,554	91.74%
1,166,491	28,297,862	89.57%
1,181,677	28,101,238	87.12%

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities				(a) Total Primary Government	(b) Per Capita	(b) Per ADM	(b) Percentage Personal Income
	General Obligation Bonds	Tax Anticipation Notes	Leases Payable	SBITA Payable				
2023	\$ 36,211,014	\$ -	\$ 179,967	\$ 35,416	\$ 36,426,397	718	6,089	2.58%
2022	39,686,440	-	250,237	-	39,936,677	792	6,555	3.05%
2021	42,928,541	-	-	-	42,928,541	868	6,972	3.44%
2020	45,970,068	-	352,618	-	46,322,686	921	7,040	4.14%
2019	48,953,927	1,200,000	688,728	-	50,842,655	1,016	7,910	4.46%
2018	51,951,416	1,350,000	157,311	-	53,458,727	1,049	8,549	4.72%
2017	54,872,993	1,500,000	205,697	-	56,578,690	1,152	9,234	5.29%
2016	57,950,708	1,500,000	252,575	-	59,703,283	1,255	9,543	5.72%
2015	60,522,496	-	44,396	-	60,566,892	1,273	9,628	5.80%
2014	63,254,966	-	86,542	-	63,341,508	1,331	9,699	6.07%

Source: School District financial records

(a) See notes to the financial statements regarding the District's outstanding debt information. Includes unamortized premiums and accreted interest on capital appreciation bonds.

(b) See schedule " Demographic and Economic Statistic, Last Ten Years" for personal income, population and enrollment information.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	General Obligation Bonds (1)	Net Position Restricted for Debt Service (2)	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2023	\$ 36,211,014	\$ 1,549,252	\$ 34,661,762	1.21%	683
2022	39,686,440	1,315,294	38,371,146	1.35%	761
2021	42,928,541	-	42,928,541	1.53%	868
2020	45,970,068	(258,252)	45,711,816	1.87%	909
2019	48,953,927	-	48,953,927	2.03%	979
2018	51,951,416	(658,336)	51,293,080	2.12%	1,006
2017	54,872,993	(1,539,363)	53,333,630	2.41%	1,085
2016	57,950,708	(2,101,564)	55,849,144	2.54%	1,174
2015	60,522,496	(1,770,261)	58,752,235	2.58%	1,235
2014	63,254,966	(2,132,581)	61,122,385	2.64%	1,285

(1) Details regarding the District's outstanding debt can be found in the notes to the financial statements. Total includes unamortized premiums and accreted interest on capital appreciation bonds.

(2) Amounts and calculations have been updated for 2018-2010 to reflect the net position restricted for debt service.

Source: School District financial records

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2023

<u>Governmental Unit</u>	<u>Net General Tax Supported Debt</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Newark City School District	\$ 36,426,397	100.00%	\$ 36,426,397
Overlapping debt:			
City of Newark	35,300,000	91.68%	32,363,040
Licking County	29,246,783	17.61%	5,150,358
Licking County Joint Vocational School	2,840,000	18.78%	533,352
Total overlapping debt	<u>67,386,783</u>		<u>38,046,750</u>
 Total direct and overlapping debt	 <u>\$ 103,813,180</u>		 <u>\$ 74,473,147</u>

Note: The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the District's taxable assessed value that is within the subdivision's boundaries and dividing it by the District's total taxable assessed value. Net general tax supported debt includes accreted interest on capital appreciation bonds but excludes unamortized bond premiums, discounts and deferred losses on refundings.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year	Voted Debt Limit	Total Debt Applicable to Limit (1)	Debt Service Available Balance	Net Debt Applicable to Limit	Voted Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2023	\$ 90,049,994	\$ 33,878,502	\$ 2,599,072	\$ 31,279,430	\$ 58,770,564	34.74%
2022	89,372,541	36,977,866	2,473,147	34,504,719	54,867,822	38.61%
2021	88,482,837	39,408,571	1,656,946	37,751,625	50,731,212	42.67%
2020	76,904,698	42,414,788	668,986	41,745,802	35,158,896	54.28%
2019	76,056,260	44,977,650	357,760	44,619,890	31,436,370	58.67%
2018	76,057,318	47,807,650	658,336	47,149,314	28,908,004	61.99%
2017	69,669,540	50,161,627	1,539,363	48,622,264	21,047,276	69.79%
2016	69,280,867	53,111,627	2,101,564	51,010,063	18,270,804	73.63%
2015	71,772,782	56,921,627	1,770,261	55,151,366	16,621,416	76.84%
2014	72,801,124	59,526,627	2,132,581	57,394,046	15,407,078	78.84%

Source: Licking County Auditor and School District financial records

(1) Total debt applicable to limit excludes unamortized premiums and accreted interest on capital appreciation bonds.

Note: Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt. House Bill 530 became effective on March 30, 2006, which excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations.

Voted Debt Margins are determined without reference to applicable monies in the District's debt service fund.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (1)</u>	<u>Personal Income (1)</u>	<u>Median Age (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rates (3)</u>		
						<u>Licking County</u>	<u>Ohio</u>	<u>United States</u>
2023	50,763	\$ 27,845	\$1,413,495,735	38.3	5,982	3.1%	3.3%	3.5%
2022	50,406	25,977	1,309,396,662	40.0	6,093	3.7%	3.9%	3.6%
2021	49,470	25,259	1,249,562,730	37.4	6,157	10.3%	5.4%	5.2%
2020	50,315	22,226	1,118,301,190	38.0	6,580	7.4%	10.9%	8.4%
2019	50,029	22,764	1,138,860,156	37.2	6,428	4.2%	4.0%	3.7%
2018	50,965	22,226	1,132,748,090	37.0	6,253	4.2%	4.5%	3.9%
2017	49,134	21,770	1,069,647,180	38.5	6,127	4.4%	4.5%	5.3%
2016	47,573	21,941	1,043,799,193	38.5	6,256	4.1%	4.7%	5.0%
2015	47,573	21,941	1,043,799,193	38.5	6,291	3.8%	4.3%	5.2%
2014	47,573	21,941	1,043,799,193	38.5	6,531	5.1%	5.5%	6.2%

(1) U. S. Census Bureau information for the City of Newark
2017-2019 information reflects estimates from Census Bureau.
2011-2016 information from 2010 Census.
2008-2010 information from 2005 Census.

(2) School District records.

(3) ODJFS Office of Workforce Development - Bureau of Labor Market Information.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

<u>December 31, 2022</u>			
<u>Employer</u>	<u>Nature of Business</u>	<u>Employees</u>	<u>Rank</u>
Licking Memorial Hospital	Health Care	1,975	1
Licking County Government	Government	1,200	2
Newark City Schools	Education	800	3
OSU-N/COTC	Education	550	4
Owens Corning, Inc.	Fiberglass Insulation	500	5
Anomatic Corp.	Metal Finishers	400	6
Newark City Government	Government	360	7
Ctec of Licking County	Education	312	8
Park National Bank Corporation	Banking/Finance	150	9
Tamarack Farms Dairy	Dairy Manufacturing	145	10
Total		<u>6,392</u>	
Total Employment within the City (1)		<u>N/A</u>	

<u>December 31, 2013</u>			
<u>Employer</u>	<u>Nature of Business</u>	<u>Employees</u>	<u>Rank</u>
Licking County Memorial Hospital	Health Care	1,700	1
State Farm Insurance Company	Insurance	1,496	2
Licking County Government	Government	1,112	3
Anomatic Corp.	Metal Finishers	1,087	4
OSU-N/COTC	Education	1,080	5
Newark City Schools	Education	970	6
Walmart	Grocery Retail	960	7
Owens Corning, Inc.	Fiberglass Insulation	550	8
Newark City Government	Government	462	9
Longaberger Corporation	Decorative Baskets	300	10
Total		<u>9,717</u>	
Total Employment within the City (1)		<u>N/A</u>	

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

Source: City of Newark Auditor's Office

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**STAFFING STATISTICS
FULL TIME EQUIVALENTS (FTE) BY TYPE AND FUNCTION
LAST TEN FISCAL YEARS**

Type	2023	2022	2021	2020	2019
Official - administrative	38.0	37.0	36.0	35.0	32.0
Professional - educational	472.2	489.0	496.0	485.4	487.0
Professional - other	26.4	13.4	13.4	20.0	20.2
Technical	37.9	36.6	41.2	48.2	44.1
Office - clerical	63.1	65.1	70.0	73.9	73.8
Craft & trade	9.6	8.0	9.0	9.0	11.0
Operative	25.9	35.6	36.7	43.3	45.2
Service worker/laborer	95.8	111.4	121.0	134.4	134.3
Total	768.9	796.1	823.3	849.2	847.6

Function	2023	2022	2021	2020	2019
Instruction:					
Regular	350.7	356.8	361.0	339.0	299.9
Special	153.7	147.1	153.3	168.4	153.0
Vocational	2.0	2.0	1.0	2.0	3.0
Other	2.0	0.0	3.0	1.0	2.0
Support Services:					
Pupil	34.2	36.3	39.2	46.8	47.0
Instructional staff	34.2	40.7	34.6	41.3	94.0
Administration	49.4	48.3	52.6	53.0	54.9
Fiscal	7.0	7.0	7.0	8.0	6.0
Business	5.0	5.0	7.0	6.0	4.9
Operations and maintenance	63.0	68.4	71.0	87.0	64.3
Pupil transportation	42.5	46.1	52.7	53.6	73.8
Central	2.0	3.0	3.0	3.0	3.0
Other non-instructional services:					
Food service operations	20.8	20.3	21.7	29.6	36.8
Other non-instructional	2.4	15.1	16.2	10.5	5.0
Extracurricular activities	0.0	0.0	0.0	0.0	0.0
Total Governmental Activities	768.9	796.1	823.3	849.2	847.6

Source: School District records

- (1) For 2014, the Ohio Department of Education required new coding for special education aids.
This new coding requirement moved FTE from instructional staff support to instruction special.

2018	2017	2016	2015	2014 (1)
26.0	26.0	25.9	24.0	28.6
459.0	443.9	433.5	432.1	431.5
19.5	19.0	20.1	18.0	26.7
51.7	42.5	42.9	42.9	40.5
65.4	61.7	62.3	59.4	58.9
10.0	11.0	9.0	9.0	9.0
40.0	32.6	31.0	29.2	29.8
126.5	111.7	108.6	101.0	103.7
798.1	748.4	733.3	715.6	728.5

2018	2017	2016	2015	2014 (1)
317.1	309.5	306.1	309.1	315.8
167.2	155.7	151.7	141.5	147.3
2.0	2.0	2.0	3.0	3.0
2.0	2.0	2.5	2.5	3.0
45.2	39.4	42.2	37.8	42.1
31.0	33.6	27.8	29.8	34.4
45.4	43.5	42.7	37.7	41.6
8.0	7.0	8.0	8.0	7.0
8.0	6.0	5.0	5.0	5.0
70.1	61.6	59.4	59.3	58.0
61.6	51.2	47.8	43.3	34.6
2.0	2.0	1.9	2.0	2.0
36.2	32.9	34.2	30.2	26.6
2.3	2.0	2.0	4.4	6.1
0.0	0.0	0.0	2.0	2.0
798.1	748.4	733.3	715.6	728.5

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2023	2022	2021	2020	2019
Instruction:					
Regular and Special					
Enrollment (students)	5,982	6,093	6,157	6,580	6,428
Graduates	366	391	440	428	478
Support services:					
Board of education					
Regular meetings per year	12	12	12	12	12
Special meetings per year	12	12	12	12	12
Administration					
Student attendance rate	90.40%	89.70%	90.86%	93.27%	92.10%
Fiscal					
Nonpayroll checks issued	2,751	2,857	2,306	2,713	2,896
Operations and maintenance					
Square footage maintained	1,333,416	1,333,416	1,003,383	1,003,383	1,003,383
Pupil transportation					
Avg. students transported daily	2,437	2,445	1,812	2,763	2,937
Food service operations					
Lunches served to students	440,305	542,265	375,642	468,472	610,371

(1) Information not currently available.

Source: School District records

2018	2017	2016	2015	2014
6,253 339	6,127 308	6,256 209	6,291 300	6,531 308
12 12	12 12	12 5	12 7	12 6
93.20%	94.00%	94.50%	94.20%	94.60%
2,635	2,601	2,617	2,479	2,554
993,282	993,282	993,282	993,282	993,282
2,215	2,412	2,222	2,235	2,393
572,210	569,849	585,710	586,399	590,987

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Land	\$ 2,305,317	\$ 2,305,317	\$ 2,354,512	\$ 2,234,512	\$ 2,090,712
Land improvements	864,400	978,343	1,092,286	971,029	620,317
Buildings and improvements	119,693,612	122,976,769	124,396,469	128,053,547	131,710,625
Furniture, fixtures and equipment	669,528	353,804	379,694	559,683	638,518
Vehicles	1,873,934	1,183,326	1,591,015	1,630,472	1,558,445
Construction in progress	13,363,561	2,067,157	2,273,628	-	-
Intangible right to use:					
Leased equipment	189,750	248,134	-	-	-
SBITAs	40,625	-	-	-	-
 Total Governmental Activities Capital Assets, net	 <u>\$ 139,000,727</u>	 <u>\$ 130,112,850</u>	 <u>\$ 132,087,604</u>	 <u>\$ 133,449,243</u>	 <u>\$ 136,618,617</u>

Source: School District financial records.

Note: Amounts above are presented net of accumulated depreciation.

2018	2017	2016	2015	2014
\$ 1,970,712	\$ 1,970,712	\$ 1,970,712	\$ 1,592,635	\$ 1,592,635
669,740	689,207	694,228	730,592	449,426
130,893,157	132,358,997	135,656,952	138,958,985	142,202,567
737,222	834,302	932,492	729,922	704,736
1,519,179	1,517,578	1,505,857	1,534,832	1,439,343
1,366,752	2,281,317	1,426,964	48,623	78,536
-	-	-	-	-
-	-	-	-	-
<u>\$ 137,156,762</u>	<u>\$ 139,652,113</u>	<u>\$ 142,187,205</u>	<u>\$ 143,595,589</u>	<u>\$ 146,467,243</u>

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

	Tickmark	2023	2022	2021	2020	2019
Ben Franklin Elementary (1954)						
Square feet		44,982	44,982	44,982	44,982	44,982
Capacity (students)		350	350	350	350	350
Enrollment		272	270	267	308	324
Carson Elementary (2008)	(5)					
Square feet		61,073	61,073	61,073	61,073	61,073
Capacity (students)		500	500	500	500	500
Enrollment		381	393	382	456	425
Cherry Valley Elementary (2008)	(1)					
Square feet		61,073	61,073	61,073	61,073	61,073
Capacity (students)		500	500	500	500	500
Enrollment		416	434	403	472	462
Hillview Elementary (2008)	(5)					
Square feet		61,073	61,073	61,073	61,073	61,073
Capacity (students)		500	500	500	500	500
Enrollment		492	462	427	474	462
John Clem Elementary (1958)	(7)					
Square feet		62,169	62,169	62,169	62,169	62,169
Capacity (students)		428	528	528	528	528
Enrollment		412	426	420	424	439
Legend Elementary (2007)	(2)					
Square feet		61,073	61,073	61,073	61,073	61,073
Capacity (students)		500	500	500	500	500
Enrollment		497	500	479	526	496
McGuffey Elementary (1958)	(6)					
Square feet		62,367	62,367	62,367	62,367	62,367
Capacity (students)		472	472	472	472	472
Enrollment		436	440	404	455	491
Heritage Middle School (2011)	(3),(8)					
Square feet		72,905	72,905	72,905	72,905	72,905
Capacity (students)		500	500	500	500	500
Enrollment		428	422	482	506	514
Liberty Middle School (2008)	(5)					
Square feet		69,922	69,922	69,922	69,922	69,922
Capacity (students)		450	450	450	450	450
Enrollment		455	464	492	521	490
Wilson Middle School (1929)						
Square feet		67,950	67,950	67,950	67,950	67,950
Capacity (students)		450	450	450	450	450
Enrollment		354	346	360	383	394
Newark Digital Academy	(4)					
Square feet		10,101	10,101	10,101	10,101	10,101
Capacity (students)		-	-	-	-	-
Enrollment		341	396	438	366	347
High School (1961)	(9)					
Square feet		302,094	302,094	302,094	302,094	302,094
Capacity (students)		1,523	1,523	1,523	1,523	1,523
Enrollment		1,498	1,331	1,411	1,402	1,365

2018	2017	2016	2015	2014
44,982	44,982	44,982	44,982	44,982
350	350	350	350	350
327	370	415	446	451
61,073	61,073	61,073	61,073	61,073
500	500	500	500	500
463	456	502	475	493
61,073	61,073	61,073	61,073	61,073
500	500	500	500	500
488	463	470	468	479
61,073	61,073	61,073	61,073	61,073
500	500	500	500	500
467	458	458	488	463
62,169	62,169	62,169	62,169	62,169
528	528	528	528	528
504	487	499	452	514
61,073	61,073	61,073	61,073	61,073
500	500	500	500	500
548	555	554	567	543
62,367	62,367	62,367	62,367	62,367
472	472	472	472	472
502	514	525	519	507
72,905	72,905	72,905	72,905	72,905
500	500	500	500	500
530	482	501	527	528
69,922	69,922	69,922	69,922	69,922
450	450	450	450	450
458	458	476	493	497
67,950	67,950	67,950	67,950	67,950
450	450	450	450	450
407	388	438	414	444
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
302,094	302,094	302,094	302,094	302,094
1,523	1,523	1,523	1,523	1,523
1,382	1,496	1,418	1,442	1,612

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS - (Continued)

	<u>Tickmark</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
State Farm Building						
Square feet	(11)	330,033	330,033	-	-	-
Administrative Service Center						
Square feet	(10)	45,201	45,201	45,201	45,201	45,201
Transportation and warehouse						
Square feet		25,628	25,628	25,628	25,628	25,628

Source: School District records

Note: Year of original construction is in parentheses

Note: For fiscal year 2017 - 2018, enrollment by building from District May enrollment. For fiscal years 2016-2009, enrollment by building from ODE Fall Headcount.

Tickmarks

- (1) Cherry Valley moved into a new building in January 2008. The old Cherry Valley building (1916) was demolished
- (2) North Elementary was renamed Legend and moved into a new building in January 2008. The old North building was demolished.
- (3) Lincoln was renamed Heritage beginning of 2007-2008 school year.
- (4) Newark Digital Academy building was acquired in fiscal year 2019.
- (5) Hillview, Liberty and Carson were opened in 2008.
- (6) McGuffey renovations were completed in 2012 increasing capacity and square footage.
- (7) John Clem renovations were completed in 2011 increasing capacity and square footage.
- (8) Heritage moved to a new building in January 2011. The former building was demolished.
- (9) High School renovations, demolition and additions started Summer 2010 and was a three year project.
- (10) Administrative Service Center moved August 2013 to former Roosevelt Building.
 Third floor rented to Licking Area Computer Association (LACA) and Licking County ESC. Part of second floor also LACA.
 Former Administrative Service Center on E. Main St. was sold in November 2013.
- (11) State Farm building acquired in fiscal year 2022.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
-	-	-	-	-
45,201	45,201	45,201	45,201	45,201
21,400	21,400	21,400	21,400	21,400

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Funds		Governmental Activities		Enrollment	Percent Change
	Expenditures (1)	Cost per pupil	Expenses (1)	Cost per pupil		
2023	\$ 104,050,276	17,394	\$ 93,781,979	\$ 15,677	5,982	(1.82) %
2022	94,299,331	15,477	90,030,221	14,776	6,093	(1.04) %
2021	95,031,326	15,435	101,795,325	16,533	6,157	(6.43) %
2020	87,202,787	13,253	95,945,514	14,581	6,580	2.36 %
2019	87,555,340	13,621	81,547,701	12,686	6,428	2.80 %
2018	81,156,923	12,979	49,709,975	7,950	6,253	2.06 %
2017	80,961,937	13,214	85,915,823	14,022	6,127	(2.06) %
2016	75,744,646	12,108	76,438,154	12,218	6,256	(0.56) %
2015	72,278,360	11,489	72,174,266	11,473	6,291	(3.67) %
2014	71,523,371	10,951	72,579,294	11,113	6,531	1.52 %

Source: School District financial records

(1) Debt Service totals have been excluded.

Teaching Staff	Pupil/Teacher Ratio	Student Attendance Percentage
472	12.67	90.40%
489	12.46	89.70%
496	12.41	90.86%
485	13.56	93.27%
487	13.20	92.10%
459	13.62	93.20%
444	13.80	94.00%
434	14.43	94.50%
432	14.56	94.20%
431	15.15	94.60%

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