

VILLAGE OF NEWCOMERSTOWN
TUSCARAWAS COUNTY, OHIO

REGULAR AUDIT

FOR YEARS ENDED DECEMBER 31, 2023 AND 2022





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Columbus, Ohio 43215
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Village Council
Village of Newcomerstown
308 South College
P. O. Box 151
Newcomerstown, Ohio 43832

We have reviewed the *Independent Auditor's Report* of the Village of Newcomerstown, Tuscarawas County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2022 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

July 31, 2024

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**VILLAGE OF NEWCOMERSTOWN
TUSCARAWAS COUNTY
DECEMBER 31, 2023 AND 2022**

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**VILLAGE OF NEWCOMERSTOWN
TUSCARAWAS COUNTY
DECEMBER 31, 2023 AND 2022**

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INDEPENDENT AUDITOR'S REPORT

Village of Newcomerstown
Tuscarawas County
308 S College Street
PO Box 151
Newcomerstown, Ohio 43832

To the Village Council:

Report on the Audit of the Financial Statements

Opinion

We have audited the cash basis financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Newcomerstown, Tuscarawas County, Ohio (the Village), as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village as of December 31, 2023 and 2022, and the respective changes in cash basis financial position and the budgetary comparison for the General, Street Levy, Street Maintenance, and Police Operations funds for the years then ended in accordance with the cash basis of accounting described in Note 2.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Village, 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 opinion.

Emphasis of Matter - Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible 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 Village'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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

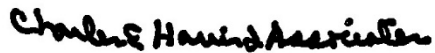
In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village'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 Village'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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2024, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village'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 Village's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.

June 18, 2024

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Village of Newcomerstown, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited

This discussion and analysis of the Village of Newcomerstown's (the Village) financial performance provides an overall review of the Village's financial activities for the year ended December 31, 2023, within the limitations of the Village's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Village's financial performance.

Highlights

Key highlights for 2023 are as follows:

- The total net position of the Village decreased by \$183,657.
- Net position of governmental activities decreased \$339,294, while net position of business-type activities increased by \$155,637.
- The Village's largest general receipts in governmental activities are income taxes and property tax receipts. These receipts represent, respectively, 51.62 and 8.07 percent of the total receipts received for governmental activities during the year. Program revenues make up 18.88 percent of total receipts for governmental activities.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Village's cash basis of accounting.

Report Components

The statement of net position and the statement of activities provide information about the cash activities of the Village as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Village as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Village has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Village's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Village of Newcomerstown, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited

Reporting the Village as a Whole

The statement of net position and the statement of activities reflect how the Village did financially during 2023, within the limitations of cash basis accounting. The statement of net position presents the cash balances of the governmental and business-type activities of the Village at year end. The statement of activities compares cash disbursements with program receipts for each governmental program and business-type activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or business-type activity draws from the Village's general receipts.

These statements report the Village's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Village's financial health. Over time, increases or decreases in the Village's cash position is one indicator of whether the Village's financial health is improving or deteriorating. When evaluating the Village's financial condition, you should also consider other non-financial factors as well, such as the Village's property tax base, the condition of the Village's capital assets and infrastructure, the extent of the Village's debt obligations, the reliance on non-local financial resources for operations, and the need for continued growth in the major local revenue sources such as property and income taxes.

In the statement of net position and the statement of activities, we divide the Village into two types of activities:

Governmental Activities – Most of the Village's basic services are reported here, including police, streets and parks. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Business-Type Activities – The Village has two business-type activities: the provision of water and sewer. Business-type activities are financed by a fee charged to the customers receiving the service.

Reporting the Village's Most Significant Funds

Fund financial statements provide detailed information about the Village's major funds – not the Village as a whole. The Village establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Village are split into two categories: governmental and proprietary.

Governmental Funds – Most of the Village's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Village's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Village's programs. The Village's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) are combined and presented in total in a single column. The Village's major governmental funds are the general fund, street levy fund, street maintenance fund, and the police operations fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Village of Newcomerstown, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited

Proprietary Funds – When the Village charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as an enterprise fund. The Village has two enterprise funds: water and sewer.

The Government as a Whole

Table 1 provides a summary of the Village's net position for 2023 compared to 2022 on a cash basis:

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Cash and Cash Equivalents	\$2,335,814	\$2,675,108	\$3,133,789	\$2,978,152	\$5,469,603	\$5,653,260
Net Position						
Restricted:						
Capital Projects	\$21,562	\$49,694	\$0	\$0	\$21,562	\$49,694
Other Purposes	1,801,488	2,108,769	0	0	1,801,488	2,108,769
Unrestricted	512,764	516,645	3,133,789	2,978,152	3,646,553	3,494,797
<i>Total Net Position</i>	\$2,335,814	\$2,675,108	\$3,133,789	\$2,978,152	\$5,469,603	\$5,653,260

Net position of the governmental activities decreased during 2023 as expenditures continue to exceed revenues despite the increase in revenues and a decrease in expenditures compared to the prior year. The increase in revenues is due to an increase in intergovernmental revenues and smaller increases attributable to property and income taxes. The decrease in expenditures is due to the decrease in capital outlay expenditures.

Net position of the business-type activities slightly increased during 2023 mainly due revenues continuing to outpace expenditures. The increase in revenues is due to the increase in charges for services receipts. The increase in expenditures is mostly due to the increase in sewer operation expenses.

Village of Newcomerstown, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited

Table 2 reflects the changes in net position for 2023 compared to 2022 and corresponds to the statement of activities.

Table 2
Changes in Net Position

	Governmental		Business-Type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Receipts						
Program Receipts:						
Charges for Services and Operating Assessments	\$172,978	\$151,314	\$1,661,861	\$1,637,169	\$1,834,839	\$1,788,483
Operating Grants and Contributions	352,749	457,591	0	0	352,749	457,591
Capital Grants and Contributions	34,063	28,577	120,074	57,333	154,137	85,910
Total Program Receipts	559,790	637,482	1,781,935	1,694,502	2,341,725	2,331,984
General Receipts:						
Property Taxes	239,453	218,299	0	0	239,453	218,299
Income Taxes	1,530,840	1,448,349	510,280	482,783	2,041,120	1,931,132
Hotel Taxes	15,972	18,666	0	0	15,972	18,666
Intergovernmental	536,915	196,253	0	0	536,915	196,253
Contributions and Donations	4,465	952	0	0	4,465	952
Investment Earnings/Interest	65,644	32,823	16,805	4,876	82,449	37,699
Miscellaneous	12,388	14,946	16,698	614	29,086	15,560
Gain on Sale of Capital Assets	0	71,780	0	0	0	71,780
Bond Proceeds	0	250,000	0	0	0	250,000
Loan Proceeds	0	0	0	70,765	0	70,765
Total General Receipts	2,405,677	2,252,068	543,783	559,038	2,949,460	2,811,106
Total Receipts	2,965,467	2,889,550	2,325,718	2,253,540	5,291,185	5,143,090
Program Disbursements						
General Government	883,401	729,783	0	0	883,401	729,783
Security of Persons and Property	813,179	848,461	0	0	813,179	848,461
Public Health Services	106,151	90,890	0	0	106,151	90,890
Leisure Time Activities	74,264	65,131	0	0	74,264	65,131
Basic Utility Services	5,106	4,806	0	0	5,106	4,806
Transportation	556,089	457,608	0	0	556,089	457,608
Capital Outlay	766,499	1,290,366	0	0	766,499	1,290,366
Principal Retirement	84,624	73,702	0	0	84,624	73,702
Interest and Fiscal Charges	15,448	11,700	0	0	15,448	11,700
Water	0	0	650,076	890,824	650,076	890,824
Sewer	0	0	1,520,005	1,012,444	1,520,005	1,012,444
Total Disbursements	3,304,761	3,572,447	2,170,081	1,903,268	5,474,842	5,475,715
Change in Net Position	(339,294)	(682,897)	155,637	350,272	(183,657)	(332,625)
Net Position Beginning of Year	2,675,108	3,358,005	2,978,152	2,627,880	5,653,260	5,985,885
Net Position End of Year	\$2,335,814	\$2,675,108	\$3,133,789	\$2,978,152	\$5,469,603	\$5,653,260

Village of Newcomerstown, Ohio
Management’s Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited

Program receipts for governmental activities represent a small portion of total receipts and are composed of charges for services and operating assessments and operating and capital grants and contributions.

General receipts for governmental activities represent the majority of the Village’s total receipts and are primarily composed of income taxes. Property taxes and intergovernmental receipts are also significant contributors to the Village’s general governmental receipts.

Disbursements for general government represent the overhead costs of running the Village and the support services provided for the other government activities. These include the costs of council, the fiscal officer and internal services such as purchasing. These costs do not represent direct services to residents and they have been limited to 26.73 percent of the total governmental disbursements of the Village in 2023.

Governmental Activities

If you look at the statement of activities, you will see that the first column lists the major services provided by the Village. The next column identifies the costs of providing these services. The major program disbursements for governmental activities were for general government, security of persons and property and transportation. The next two columns of the statement entitled “Program Cash Receipts” identify amounts paid by people who are directly charged for the service and grants received by the Village that must be used to provide a specific service. The “Net Receipts (Disbursements)” column compares the program receipts to the cost of the service. This “net cost” amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2023	2022	2023	2022
General Government	\$883,401	\$729,783	(\$824,296)	(\$612,720)
Security of Persons and Property	813,179	848,461	(751,172)	(830,004)
Public Health Services	106,151	90,890	(30,038)	(33,256)
Leisure Time Activities	74,264	65,131	(62,370)	(55,268)
Basic Utility Services	5,106	4,806	(4,747)	(4,377)
Transportation	556,089	457,608	(246,310)	(132,314)
Capital Outlay	766,499	1,290,366	(725,966)	(1,181,624)
Principal Retirement	84,624	73,702	(84,624)	(73,702)
Interest	15,448	11,700	(15,448)	(11,700)
Total Disbursements	<u>\$3,304,761</u>	<u>\$3,572,447</u>	<u>(\$2,744,971)</u>	<u>(\$2,934,965)</u>

Village of Newcomerstown, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited

Business-Type Activities

These activities represent operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village has two significant enterprise activities: water and sewer. There was an increase in net position in 2023, despite an increase in expenditures compared to the prior year, revenues continue to cover enterprise expenses.

The Village's Funds

Information about the Village's governmental funds begins on page 16. These funds are accounted for by using the cash basis of accounting. Total governmental funds had receipts and other financing sources under disbursements and other financing uses. The general fund had a slight decrease in fund balance for the year primarily as a result of expenses and transfers outpacing receipts during 2023. The street levy fund had receipts under disbursements, for a decrease in fund balance. The street maintenance fund had receipts over disbursements, increasing the fund balance. The police operations fund had receipts and transfers under disbursements, which lead to a decrease in fund balance. The decrease was mostly offset due to a large transfer in from the general fund.

General Fund Budgeting Highlights

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

During 2023, original budgeted receipts were the same as the final budgeted receipts. For the general fund, the actual receipts were less than the budgeted receipts, primarily due to lower than expected intergovernmental revenues.

Original budgeted disbursements were the same as final budgeted disbursements. Actual disbursements were less than final budgeted disbursements mainly due to lower general government expenditures than expected.

Debt Administration

The general obligation 2021 building acquisition bonds are for the purchase of a building to be repaid in biannual installments over 5 years.

The general obligation 2022 facility improvement bonds are for the purchase of facility updates to be repaid in biannual installments over 10 years.

One loan is paid from governmental activities to the Ohio Public Works Commission (OPWC) for street improvements and four other loans paid from business-type activities are for a pump station and sewage collection improvements.

The three Ohio Water Development Authority (OWDA) loans are for the construction of the water treatment plant, wastewater treatment plant improvements, and pump station projects.

See note 9 to the basic financial statements for additional information related to long-term debt activity.

Village of Newcomerstown, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited

Current Issues

In 2023, the Village created its own volunteer fire department. A separate fund was created to account for revenue and expenditures. The Village is expecting to extend water and sewer infrastructure west out of town into Coshocton County, along County Road 9. This 1/2 mile extension will service approximately 50 homes that will be built in a new house development. The engineering of this project will be done in 2024 and the construction phase will be completed in 2025.

Contacting the Village's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Village's finances and to reflect the Village's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Lisa Spillman, Fiscal Officer, Village of Newcomerstown, 308 S. College Street, Newcomerstown, Ohio 43832. The Village phone number is (740) 498-6289.

Basic Financial Statements

Village of Newcomerstown, Ohio
Tuscarawas County
Statement of Net Position - Cash Basis
December 31, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalent	\$2,335,814	\$3,133,789	\$5,469,603
Net Position			
Restricted for:			
Capital Projects	\$21,562	\$0	\$21,562
Other Purposes	1,801,488	0	1,801,488
Unrestricted	512,764	3,133,789	3,646,553
<i>Total Net Position</i>	\$2,335,814	\$3,133,789	\$5,469,603

See accompanying notes to the basic financial statement

Village of Newcomerstown, Ohio
Tuscarawas County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2023

	Program Cash Receipts			
	Cash Disbursements	Charges for Services and Operating Assessments	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
Current:				
General Government	\$883,401	\$59,105	\$0	\$0
Security of Persons and Property	813,179	21,982	40,025	0
Public Health Services	106,151	76,113	0	0
Leisure Time Activities	74,264	11,894	0	0
Basic Utility Services	5,106	359	0	0
Transportation	556,089	3,525	306,254	0
Capital Outlay	766,499	0	6,470	34,063
Debt Service:				
Principal Retirement	84,624	0	0	0
Interest	15,448	0	0	0
<i>Total Governmental Activities</i>	<u>3,304,761</u>	<u>172,978</u>	<u>352,749</u>	<u>34,063</u>
Business-Type Activities				
Water	650,076	847,691	0	37,500
Sewer	1,520,005	814,170	0	82,574
<i>Total Business-Type Activities</i>	<u>2,170,081</u>	<u>1,661,861</u>	<u>0</u>	<u>120,074</u>
Total	<u><u>\$5,474,842</u></u>	<u><u>\$1,834,839</u></u>	<u><u>\$352,749</u></u>	<u><u>\$154,137</u></u>

General Receipts

Property Taxes Levied for:
 General Purposes
 Other Purposes
Income Taxes Levied for:
 General Purposes
 Other Purposes
Hotel Taxes
Grants and Entitlements not
 Restricted to Specific Programs
Unrestricted Contributions and Donations
Investment Earnings/Interest
Miscellaneous

Total General Receipts

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

Net Receipts (Disbursements) and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$824,296)	\$0	(\$824,296)
(751,172)	0	(751,172)
(30,038)	0	(30,038)
(62,370)	0	(62,370)
(4,747)	0	(4,747)
(246,310)	0	(246,310)
(725,966)	0	(725,966)
(84,624)	0	(84,624)
(15,448)	0	(15,448)
<u>(2,744,971)</u>	<u>0</u>	<u>(2,744,971)</u>
0	235,115	235,115
0	(623,261)	(623,261)
0	(388,146)	(388,146)
<u>(2,744,971)</u>	<u>(388,146)</u>	<u>(3,133,117)</u>
140,841	0	140,841
98,612	0	98,612
1,020,561	0	1,020,561
510,279	510,280	1,020,559
15,972	0	15,972
536,915	0	536,915
4,465	0	4,465
65,644	16,805	82,449
12,388	16,698	29,086
<u>2,405,677</u>	<u>543,783</u>	<u>2,949,460</u>
(339,294)	155,637	(183,657)
<u>2,675,108</u>	<u>2,978,152</u>	<u>5,653,260</u>
<u>\$2,335,814</u>	<u>\$3,133,789</u>	<u>\$5,469,603</u>

Village of Newcomerstown, Ohio
Tuscarawas County
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2023

	General	Street Levy	Street Maintenance	Police Operations	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$487,653	\$623,496	\$316,642	\$97,901	\$810,122	\$2,335,814
Fund Balances						
Restricted	\$0	\$623,496	\$316,642	\$97,901	\$785,011	\$1,823,050
Committed	0	0	0	0	25,111	25,111
Assigned	487,653	0	0	0	0	487,653
<i>Total Fund Balances</i>	<u>\$487,653</u>	<u>\$623,496</u>	<u>\$316,642</u>	<u>\$97,901</u>	<u>\$810,122</u>	<u>\$2,335,814</u>

See accompanying notes to the basic financial statements

Village of Newcomerstown, Ohio
Tuscarawas County
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2023

	General	Street Levy	Street Maintenance	Police Operations	Other Governmental Funds	Total Governmental Funds
Receipts						
Income Taxes	\$1,020,561	\$510,279	\$0	\$0	\$0	\$1,530,840
Property Taxes	140,841	0	0	78,423	20,189	239,453
Hotel Taxes	15,972	0	0	0	0	15,972
Charges for Services	39,253	0	0	0	98,870	138,123
Fines, Licenses and Permits	29,302	0	0	0	700	30,002
Intergovernmental	536,915	16,435	240,732	0	111,992	906,074
Special Assessments	3,853	0	0	0	0	3,853
Rent	0	0	0	0	1,000	1,000
Contributions and Donations	4,465	0	0	0	17,653	22,118
Investment Earnings/Interest	53,708	5,694	1,562	1,549	3,131	65,644
Miscellaneous	9,928	0	433	161	1,866	12,388
<i>Total Receipts</i>	<u>1,854,798</u>	<u>532,408</u>	<u>242,727</u>	<u>80,133</u>	<u>255,401</u>	<u>2,965,467</u>
Disbursements						
Current:						
General Government	846,811	0	0	0	36,590	883,401
Security of Persons and Property	59,710	0	0	726,719	26,750	813,179
Public Health Services	0	0	0	0	106,151	106,151
Leisure Time Activities	74,364	0	0	0	(100)	74,264
Basic Utility Services	5,106	0	0	0	0	5,106
Transportation	55,200	236,892	215,914	0	48,083	556,089
Capital Outlay	115,799	527,769	0	18,078	104,853	766,499
Debt Service:		0				
Principal Retirement	81,808	3,582	0	0	0	85,390
Interest	14,682	0	0	0	0	14,682
<i>Total Disbursements</i>	<u>1,253,480</u>	<u>768,243</u>	<u>215,914</u>	<u>744,797</u>	<u>322,327</u>	<u>3,304,761</u>
<i>Excess of Receipts Over (Under)</i>						
<i> Disbursements</i>	<u>601,318</u>	<u>(235,835)</u>	<u>26,813</u>	<u>(664,664)</u>	<u>(66,926)</u>	<u>(339,294)</u>
Other Financing Sources (Uses)						
Transfers In	0	0	0	620,000	0	620,000
Transfers Out	(620,000)	0	0	0	0	(620,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(620,000)</u>	<u>0</u>	<u>0</u>	<u>620,000</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(18,682)</u>	<u>(235,835)</u>	<u>26,813</u>	<u>(44,664)</u>	<u>(66,926)</u>	<u>(339,294)</u>
<i>Fund Balance Beginning of Year</i>	<u>506,335</u>	<u>859,331</u>	<u>289,829</u>	<u>142,565</u>	<u>877,048</u>	<u>2,675,108</u>
<i>Fund Balance End of Year</i>	<u>\$487,653</u>	<u>\$623,496</u>	<u>\$316,642</u>	<u>\$97,901</u>	<u>\$810,122</u>	<u>\$2,335,814</u>

See accompanying notes to the basic financial statements

Village of Newcomerstown, Ohio
Tuscarawas County
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Receipts				
Income Taxes	\$965,500	\$965,500	\$1,020,561	\$55,061
Property Taxes	117,002	117,002	140,841	23,839
Hotel Taxes	10,000	10,000	7,986	(2,014)
Charges for Services	1,500	1,500	2,100	600
Fines, Licenses and Permits	26,300	26,300	29,302	3,002
Intergovernmental	770,300	770,300	536,915	(233,385)
Special Assessments	500	500	3,853	3,353
Contributions and Donations	2,000	2,000	4,465	2,465
Interest	10,227	10,227	53,284	43,057
Miscellaneous	14,000	14,000	9,881	(4,119)
<i>Total Receipts</i>	<u>1,917,329</u>	<u>1,917,329</u>	<u>1,809,188</u>	<u>(108,141)</u>
Disbursements				
Current:				
General Government	1,225,376	1,225,376	956,715	268,661
Security of Persons and Property	115,000	115,000	62,144	52,856
Public Health Services	1,500	1,500	0	1,500
Leisure Time Activities	37,728	37,728	20,834	16,894
Basic Utility Services	6,500	6,500	5,106	1,394
Transportation	60,062	60,062	60,290	(228)
Capital Outlay	142,805	142,805	115,799	27,006
Debt Service:				
Principal Retirement	81,206	81,206	81,042	164
Interest and Fiscal Charges	16,500	16,500	15,448	1,052
<i>Total Disbursements</i>	<u>1,686,677</u>	<u>1,686,677</u>	<u>1,317,378</u>	<u>369,299</u>
<i>Excess of Receipts Over Disbursements</i>	230,652	230,652	491,810	261,158
Other Financing Uses				
Transfers Out	(640,000)	(640,000)	(620,000)	20,000
<i>Net Change in Fund Balance</i>	(409,348)	(409,348)	(128,190)	281,158
<i>Fund Balance Beginning of Year</i>	50,727	50,727	50,727	0
Prior Year Encumbrances Appropriated	447,348	447,348	447,348	0
<i>Fund Balance End of Year</i>	<u>\$88,727</u>	<u>\$88,727</u>	<u>\$369,885</u>	<u>\$281,158</u>

See accompanying notes to the basic financial statements

Village of Newcomerstown, Ohio
Tuscarawas County
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
Street Levy Fund
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Receipts				
Income Tax	\$490,000	\$490,000	\$510,279	\$20,279
Intergovernmental	0	0	16,435	16,435
Interest	400	400	5,694	5,294
<i>Total Receipts</i>	<u>490,400</u>	<u>490,400</u>	<u>532,408</u>	<u>42,008</u>
Disbursements				
Current:				
Transportation	203,580	240,917	237,341	3,576
Capital Outlay	446,172	528,000	527,769	231
Debt Service:				
Principal Retirement	4,556	5,391	3,582	1,809
<i>Total Disbursements</i>	<u>654,308</u>	<u>774,308</u>	<u>768,692</u>	<u>5,616</u>
<i>Net Change in Fund Balance</i>	(163,908)	(283,908)	(236,284)	47,624
<i>Fund Balance Beginning of Year</i>	852,623	852,623	852,623	0
Prior Year Encumbrances Appropriated	<u>6,708</u>	<u>6,708</u>	<u>6,708</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$695,423</u></u>	<u><u>\$575,423</u></u>	<u><u>\$623,047</u></u>	<u><u>\$47,624</u></u>

See accompanying notes to the basic financial statements

Village of Newcomerstown, Ohio
Tuscarawas County
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
Street Maintenance Fund
For the Year Ended December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$233,200	\$233,200	\$240,732	\$7,532
Interest	800	800	1,562	762
Miscellaneous	1,000	1,000	433	(567)
<i>Total Receipts</i>	235,000	235,000	242,727	7,727
Disbursements				
Current:				
Transportation	223,088	223,588	217,303	6,285
<i>Net Change in Fund Balance</i>	11,912	11,412	25,424	14,012
<i>Fund Balance Beginning of Year</i>	287,341	287,341	287,341	0
Prior Year Encumbrances Appropriated	2,488	2,488	2,488	0
<i>Fund Balance End of Year</i>	<u>\$301,741</u>	<u>\$301,241</u>	<u>\$315,253</u>	<u>\$14,012</u>

See accompanying notes to the basic financial statements

Village of Newcomerstown, Ohio
Tuscarawas County
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
Police Operations Fund
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Receipts				
Property Taxes	\$74,000	\$74,000	\$78,423	\$4,423
Intergovernmental	33,000	33,000	0	(33,000)
Interest	15,000	15,000	1,549	(13,451)
Miscellaneous	7,000	7,000	161	(6,839)
<i>Total Receipts</i>	129,000	129,000	80,133	(48,867)
Disbursements				
Current:				
Security of Persons and Property	803,959	803,959	798,979	4,980
Capital Outlay	83,078	83,078	18,078	65,000
<i>Total Disbursements</i>	887,037	887,037	817,057	69,980
<i>Excess of Receipts Under Disbursements</i>	(758,037)	(758,037)	(736,924)	21,113
Other Financing Sources				
Transfers In	620,000	620,000	620,000	0
<i>Net Change in Fund Balance</i>	(138,037)	(138,037)	(116,924)	21,113
<i>Fund Balance Beginning of Year</i>	119,978	119,978	119,978	0
Prior Year Encumbrances Appropriated	22,587	22,587	22,587	0
<i>Fund Balance End of Year</i>	\$4,528	\$4,528	\$25,641	\$21,113

See accompanying notes to the basic financial statements

Village of Newcomerstown, Ohio
Tuscarawas County
Statement of Fund Net Position - Cash Basis
Enterprise Funds
December 31, 2023

	Business-Type Activities		Total Enterprise Funds
	Water	Sewer	
Assets			
Equity in Pooled Cash and Cash Equivalents	\$752,152	\$2,381,637	\$3,133,789
Net Position			
Unrestricted	\$752,152	\$2,381,637	\$3,133,789

See accompanying notes to the basic financial statements

Village of Newcomerstown, Ohio
Tuscarawas County
Statement of Receipts,
Disbursements and Changes in Fund Net Position - Cash Basis
Enterprise Funds
For the Year Ended December 31, 2023

	Business-Type Activities		Total Enterprise Funds
	Water	Sewer	
Operating Receipts			
Charges for Services	\$847,691	\$814,170	\$1,661,861
Other Operating Receipts	16,665	33	16,698
<i>Total Operating Receipts</i>	<u>864,356</u>	<u>814,203</u>	<u>1,678,559</u>
Operating Disbursements			
Personal Services	238,207	317,433	555,640
Fringe Benefits	113,568	123,520	237,088
Contractual Services	107,998	229,649	337,647
Materials and Supplies	79,736	39,618	119,354
<i>Total Operating Disbursements</i>	<u>539,509</u>	<u>710,220</u>	<u>1,249,729</u>
<i>Operating Income</i>	<u>324,847</u>	<u>103,983</u>	<u>428,830</u>
Non-Operating Receipts (Disbursements)			
Income Taxes	0	510,280	510,280
Investment Earnings/Interest	3,730	13,075	16,805
Capital Outlay	(110,567)	(514,630)	(625,197)
Principal Retirement	0	(285,089)	(285,089)
Interest	0	(10,066)	(10,066)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(106,837)</u>	<u>(286,430)</u>	<u>(393,267)</u>
<i>Income (Loss) Before Capital Contributions</i>	218,010	(182,447)	35,563
Capital Contributions	37,500	82,574	120,074
<i>Change in Net Position</i>	255,510	(99,873)	155,637
<i>Net Position Beginning of Year</i>	<u>496,642</u>	<u>2,481,510</u>	<u>2,978,152</u>
<i>Net Position End of Year</i>	<u>\$752,152</u>	<u>\$2,381,637</u>	<u>\$3,133,789</u>

See accompanying notes to the basic financial statements

Village of Newcomerstown, Ohio
Tuscarawas County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 1 – Description of the Village and Reporting Entity

The Village of Newcomerstown (the Village), Tuscarawas County, Ohio is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a six-member Council.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Village. The primary government of the Village of Newcomerstown provides the following services to its citizens: general government services, water and sewer utilities, maintenance of Village roads and bridges, park operations, police services and Mayor’s Court. The Village contracts with Newcomerstown Emergency Rescue Squad, Incorporated, to receive fire protection services. Council has direct responsibility for these services.

Jointly Governed Organizations

The Village participates in three jointly governed organizations. These organizations are presented in Note 10. The Village’s management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

As discussed further in the “Basis of Accounting” section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Village’s accounting policies.

Basis of Presentation

The Village’s basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements The statement of net position and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Village that are governmental in nature and those that are considered business-type activities. Governmental activities generally financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net position presents the cash balance of the governmental and business-type activities of the Village at year end. The statement of activities compares disbursements with program receipts for each program or function of the Village’s governmental and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or

Village of Newcomerstown, Ohio
Tuscarawas County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program or business-type activity is self-financing on a cash basis or draws from the Village's general receipts.

Fund Financial Statements During the year, the Village segregates transactions related to certain Village functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as nonoperating.

Fund Accounting

The Village uses fund accounting 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. The funds of the Village are presented in two categories: governmental and proprietary.

Governmental Funds Governmental funds are those through which most governmental functions of the Village are financed. The following are the Village's major governmental funds:

General Fund The general fund is used to account for and report all financial resources, except those required to be accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Street Levy Fund The street levy special revenue fund accounts for and reports income tax monies restricted for constructing, maintaining, and repairing Village streets.

Street Maintenance Fund The street maintenance special revenue fund accounts for and reports monies received from gasoline and motor vehicle taxes restricted for constructing, maintaining, and repairing Village streets.

Police Operations Fund The police operations special revenue fund accounts for and reports property tax monies restricted for the operations of the Village police department.

The other governmental funds of the Village account for and report grants and other resources, whose use is restricted, committed or assigned to a particular purpose.

Village of Newcomerstown, Ohio
Tuscarawas County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Proprietary Funds The Village classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as either enterprise funds or internal service funds. The Village has no internal service funds.

Enterprise Funds Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the Village's major enterprise funds:

Water Fund The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

Sewer Fund The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Basis of Accounting

The Village's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Village's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Village are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Village Council may appropriate.

The appropriations ordinance is the Village Council's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Village Council. The legal level of control has been established by Village Council at the department and object level for all funds. Any budgetary modification at this level may only be made by Village Council.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Village Council.

Village of Newcomerstown, Ohio
Tuscarawas County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Village Council during the year.

Cash and Investments

To improve cash management, cash received by the Village is pooled and invested. Individual fund integrity is maintained through Village records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents.”

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2023, the Village invested in a money market mutual fund, nonnegotiable certificates of deposit, and federal agency securities (federal home loan bank bonds, federal farm credit bank bonds, and United States treasury bills). Investments are reported at cost, except for the money market mutual fund. The Village’s money market mutual fund is recorded at the amount reported by Park National Bank on December 31, 2023.

Interest earnings are allocated to Village funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the general fund during 2023 was \$53,708, which includes \$46,357 assigned from other Village funds.

Inventory and Prepaid Items

The Village reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village’s cash basis of accounting.

Village of Newcomerstown, Ohio
Tuscarawas County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Employer Contributions to Cost-Sharing Pension Plans

The Village recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 15 and 16, the employer contributions include portions for pension benefits and for postretirement health care benefits.

Long-Term Obligations

The Village's cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village 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 category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually 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 placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

Enabling legislation authorizes the Village to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the Village can be compelled by an external party – such as citizens, public interest groups, or the judiciary – to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution, as both are equally legally binding) of Village Council. Those committed amounts cannot be used for any other purpose unless Village Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Village Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. 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.

Village of Newcomerstown, Ohio
Tuscarawas County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Assigned Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Village Council or a Village official delegated that authority by ordinance, or by State Statute. State statute authorizes the fiscal officer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. Council has assigned fund balance for 2024 operations.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are 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.

Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for street and state highway improvements and federal and state grants restricted to cash disbursements for specified purposes. The Village's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted resources are available.

Internal Activity

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts. Transfers between governmental funds are eliminated on the government-wide financial statements. Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Interfund payments for services provided and used are not eliminated.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies 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 receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Settlement Monies

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. For 2023, distributions of \$1,400 are reflected as miscellaneous revenue, in the OneOhio Special Revenue Fund, in the accompanying financial statements.

Village of Newcomerstown, Ohio
Tuscarawas County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statements of Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the general fund, street levy fund, street maintenance fund, and police operations special revenue funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed, or assigned fund balance (cash basis) and budgetary receipts and disbursements of the park fund are reclassified to the general fund for cash basis reporting. The following table summarizes the adjustments necessary to reconcile the cash basis statement to the budgetary basis statements for the general fund and major special revenue funds:

	Net Change in Fund Balances			
	General	Street Levy	Street Maintenance	Police Operations
Cash Basis	(\$18,682)	(\$235,835)	\$26,813	(\$44,664)
Perspective Difference:				
Park Fund	7,964	0	0	0
Encumbrances	(117,472)	(449)	(1,389)	(72,260)
Budgetary Basis	(\$128,190)	(\$236,284)	\$25,424	(\$116,924)

Note 4 – Deposits and Investments

Monies held by the Village are classified by State statute into three categories.

Active deposits are public monies determined to be necessary to meet current demands upon the Village treasury. Active monies must be maintained either as cash in the Village 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 Council 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.

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.

Protection of the Village’s 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 institution’s 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.

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For the Year Ended December 31, 2023

Interim monies held by the Village can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, 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 obligation or security 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. 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;
4. Time certificates of deposit, or savings, or deposit accounts including, but not limited to, passbook accounts;
5. 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;
6. The State Treasurer's investment pool (STAR Ohio);
7. 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; and
8. Written repurchase agreements in the securities described in (1) or (2) provided 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 the term of the agreement must not exceed thirty days.

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 Village, 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.

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For the Year Ended December 31, 2023

Investments

As of December 31, 2023, the Village had the following investments:

Investment Type	Measurement Value	Investment Maturities (in Years)			Percentage of Investments
		Less than 1	1-2	2-5	
Money Market Mutual Fund	\$31,679	\$31,679	\$0	\$0	N/A
Nonnegotiable Certificates of Deposit	2,175,000	1,200,000	725,000	250,000	56.91 %
Federal Home Loan Bank Bonds	1,001,085	500,000	501,085	0	26.19 %
Federal Farm Credit Bank Bonds	249,000	249,000	0	0	6.52 %
United States Treasury Bills	364,955	364,955	0	0	9.55 %
Total Investments	<u>\$3,821,719</u>	<u>\$2,345,634</u>	<u>\$1,226,085</u>	<u>\$250,000</u>	

Interest Rate Risk Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Village’s investment policy addresses interest rate risk by requiring that the Village’s investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

Credit Risk The securities underlying the federal home loan bank and federal farm credit bank bonds carry a rating of AA+ by Standard & Poor’s. The Village has no investment policy dealing with investment credit risk beyond the requirements in State statutes.

Concentration of Credit Risk The Village places no limit on the amount it may invest in any one issuer.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village 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 home loan bank bonds and federal farm credit bank bonds are exposed to custodial credit risk as they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the Village's name.

The Village has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, “Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, governing board, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee.”

Note 5 – Income Taxes

The Village levies a municipal income tax of 2 percent on substantially all earned income arising from employment, residency, or business activities within the Village, as well as certain income of residents earned outside of the Village. Additional increases in the income tax rate require voter approval.

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For the Year Ended December 31, 2023

Employers within the Village withhold income tax on employee compensation and remit the tax quarterly. Corporations and other individual taxpayers remit estimated taxes quarterly and file a declaration annually. The Regional Income Tax Agency administers and collects income taxes for the Village. Payments are remitted monthly net of collection fees of approximately 3.0 percent. Income tax revenue is credited to the general, street levy, and sewer funds.

Note 6 – Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Village. Property tax receipts received during 2023 for real and public utility property taxes represents collections of the 2022 taxes.

2023 real property taxes are levied after October 1, 2023, on the assessed values as of January 1, 2023, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2023 real property taxes are collected in and intended to finance 2024.

Real property taxes are payable annually or semi-annually. 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 later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2023 public utility property taxes which became a lien on December 31, 2022, are levied after October 1, 2023, and are collected in 2024 with real property taxes.

The full tax rate for all Village operations for the year ended December 31, 2023, was \$4.00 per \$1,000 of assessed value. The assessed values of real property and public utility personal property upon which 2023 property tax receipts were based are as follows:

Real Property	\$61,503,250
Public Utility Property	<u>4,660,350</u>
Total	<u><u>\$66,163,600</u></u>

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

Note 7 – Interfund Transfers

During 2023, the Village made transfers totaling \$620,000 from the general fund to the police operations. These transfers from the general fund were used to move unrestricted revenues collected in the general fund to finance programs accounted for in other funds in accordance with budgetary authorizations.

Village of Newcomerstown, Ohio
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For the Year Ended December 31, 2023

Note 8 – Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity's) policy. The Pool covers the following risks:

Type of Coverage	Coverage
General Liability and Casualty:	
Each Occurance	\$5,000,000
Public Officials Liability:	
Each Occurance	5,000,000
Employment Practices:	
Each Occurance	5,000,000
Law Enforcement Liability:	
Each Occurance	5,000,000
Commercial Automobile Liability:	
Each Occurance	5,000,000
Cyber	1,000,000

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31 (latest information available):

	2022
Cash and Investments	\$42,310,794
Actuarial Liabilities	15,724,479
Total	\$58,035,273

During 2023, the Village experienced no casualty claims and there were no significant changes to coverage from the prior year.

Workers' compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident and administrative costs.

Village of Newcomerstown, Ohio
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For the Year Ended December 31, 2023

Note 9 – Long-Term Obligations

The interest rate, original issue amount, date of maturity and change for each of the Village’s long-term obligations are as follows:

Debt Issue	Rate	Issue Amount	Maturity
Governmental Activities			
General Obligation Bonds from Direct Placement:			
Series 2021 Building Acquisition Bonds	2.25%	\$310,000	8/9/2026
Series 2022 Facility Improvement Bonds	4.00	250,000	5/16/2032
OPWC Loan from Direct Borrowing:			
2017 Street Improvements	0.00	71,638	7/1/2038
Business-Type Activities			
OPWC Loans from Direct Borrowings:			
County Road 15 Pump Station	0.00	45,000	7/1/2027
Sewage Collection System Improvements	0.00	195,385	7/1/2045
West Street Area	0.00	150,000	1/1/2041
Park Hill Storage Tank Improvements	0.00	70,765	7/1/2043
OWDA Loans from Direct Borrowings:			
Wastewater Treatment Plant Improvements I	2.00	1,166,795	7/1/2027
Wastewater Treatment Plant Improvements II	1.00	3,066,361	1/1/2025
County Road 15 Pump Station	1.00	900,947	1/1/2028

	Balance 12/31/22	Increase	Decrease	Balance 12/31/23	Amounts Due In One Year
Governmental Activities					
General Obligation Bonds from Direct Placement:					
Series 2021 Building Acquisition Bonds	250,741	0	(60,600)	190,141	61,961
Series 2022 Facility Improvement Bonds	239,749	0	(21,208)	218,541	22,040
Total General Obligation Bonds from Direct Placement	490,490	0	(81,808)	408,682	84,001
OPWC Loan from Direct Borrowing:					
2017 Street Improvements	59,102	0	(3,582)	55,520	3,582
<i>Total Governmental Activities</i>	\$549,592	\$0	(\$85,390)	\$464,202	\$87,583
Business-Type Activities					
OPWC Loans from Direct Borrowings:					
County Road 15 Pump Station	\$12,375	\$0	(\$2,250)	\$10,125	\$2,250
Sewage Collection System Improvements	153,052	0	(6,513)	146,539	6,513
West Street Area	138,750	0	(7,500)	131,250	3,538
Park Hill Storage Tank Improvements	70,765	0	0	70,765	7,500
Total OPWC Loans from Direct Borrowings	374,942	0	(16,263)	358,679	19,801
OWDA Loans from Direct Borrowings:					
Wastewater Treatment Plant Improvements I	254,994	0	(54,708)	200,286	55,808
Wastewater Treatment Plant Improvements II	334,888	0	(166,609)	168,279	168,279
County Road 15 Pump Station	242,357	0	(47,509)	194,848	47,986
Total OWDA Loans from Direct Borrowings	832,239	0	(268,826)	563,413	272,073
<i>Total Business-Type Activities</i>	\$1,207,181	\$0	(\$285,089)	\$922,092	\$291,874

On August 9, 2021, the Village issued \$310,000 in general obligation building acquisition bonds through direct placement for the purpose of purchasing a building. The bonds were issued with an interest rate of 2.25 percent. The bonds were issued for a five-year period with final maturity on August 9, 2026.

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On May 16, 2022, the Village issued \$250,000 in general obligation facility improvements bonds through direct placement for the purpose of financing improvements to an administrative building containing the Mayor and Fiscal Officer's offices. The bonds were issued with an interest rate of 4.00 percent. The bonds were issued for a ten-year period with final maturity on May 16, 2032.

One loan from the Ohio Public Works Commission (OPWC) is for street improvements to be repaid in semi-annual installments over 20 years. Four more loans from the Ohio Public Works Commission are for pump station and sewage collection improvements, as well as the replacement of water and sewer lines and storm drains to be repaid in semi-annual installments over 20 and 30 years, respectively.

The Village's outstanding OPWC loans from direct borrowings related to governmental and business-type activities of \$55,520 and \$358,379, respectively, contain provisions that in the event of default (1) OPWC may apply late fees of 8 percent per year, (2) loans more than 60 days late will be turned over to the Attorney General's office for collection, and as provided by law, OPWC may require that such payment be taken from the Village's share of the county undivided local government fund, and (2) the outstanding amounts shall, at OPWC's option, become immediately due and payable.

The Village has three loans outstanding with the Ohio Water Development Authority (OWDA). Two of the loans relate to improvements made to the Wastewater Treatment Plant and will be paid off over 25 and 20 years, respectively. The third outstanding loan is for projects related to the pump station and will be paid over a period of 20 years.

The Village's outstanding OWDA loans from direct borrowings of \$563,413 related to business-type activities contain provisions that in an event of default (1) the amount of such default shall bear interest at the default rate from the due date until the date of payment, (2) if any of the charges have not been paid within 30 days, in addition to the interest calculated at the default rate, a late charge of one percent on the amount of each default shall also be paid to the OWDA, and (3) for each additional 30 days during which the charges remain unpaid, the Village shall continue to pay an additional late charge of one percent on the amount of the default until such charges are paid.

The following is a summary of the Village's future annual principal and interest requirements for its other long-term obligations:

	Governmental Activities		
	From Direct Placement		From Direct
	General Obligation Bonds		Borrowings
	Principal	Interest	OPWC Loans Principal
2024	84,001	12,490	3,582
2025	86,327	10,163	3,582
2026	88,689	7,802	3,582
2027	24,847	5,738	3,582
2028	25,837	4,749	3,582
2029-2033	98,981	8,066	17,910
2034-2038	0	0	19,700
Totals	\$408,682	\$49,008	\$55,520

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For the Year Ended December 31, 2023

	Business-Type Activities		
	From Direct Borrowings		
	OPWC Loans	OWDA Loans	
	Principal	Principal	Interest
2024	19,801	272,073	6,820
2025	19,801	105,396	3,954
2026	19,801	107,027	2,324
2027	19,801	78,917	666
2028	18,676	0	0
2029-2033	87,755	0	0
2034-2038	87,755	0	0
2039-2034	69,006	0	0
2044-2046	16,283	0	0
Totals	\$358,679	\$563,413	\$13,764

The Village has pledged future revenues, net of operating expenses, to repay OPWC loans in the Village water fund. The debt is payable solely from net revenues and is payable through 2041. Annual principal and interest payments on the debt issues are expected to require less than 4 percent of net revenues and less than 1 percent of total revenues. The total principal and interest remaining to be paid on the debt is \$202,015, total net revenues were \$218,010, and total revenues were \$868,086.

The Village has pledged future revenues, net of operating expenses, to repay OPWC and OWDA loans in the Village sewer fund. The debt is payable solely from net revenues and is payable through 2045. Annual principal and interest payments on the debt issues are expected to require less than 256 percent of net revenues and less than 22 percent of total revenues. The total principal and interest remaining to be paid on the debt is \$733,841, total net revenues were \$112,078 and total revenues were \$1,337,558.

The Village's overall legal debt margin was \$6,482,976 with an unvoted margin of \$3,638,998.

Note 10 – Jointly Governed Organizations

Tuscarawas County Regional Planning Commission

The Village is associated with the Tuscarawas County Regional Planning commission as a jointly governed organization. The Commission is a statutorily created political subdivision of the State. The Commission is jointly governed among Tuscarawas County municipalities and townships. Each member's control over the operation of the Commission is limited to its representation on the board. The Commission makes studies, maps, plans, recommendations and reports concerning the physical, environmental, social, economical and governmental characteristics, functions and services of the County.

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Tuscarawas County Tax Incentive Review Control

The Tuscarawas County Tax Incentive Review Control (Council) is a jointly governed organization, created as a regional council of governments pursuant to State statutes. The Council has 20 members, consisting of three members appointed by the Tuscarawas County Commissioners, four members appointed by municipal corporations and six members appointed by boards of education located within the County. The Council reviews and evaluates the performance of each Enterprise Zone Agreement. This body is advisory in nature and cannot directly impact an existing Enterprise Zone Agreement; however the Council can make a written recommendation to the legislative authority which approved the agreement. There is no cost associated with being a member of the Council. The continued existence of the Council is not dependent upon the Village's continued participation and no measurable equity interests exist.

Regional Income Tax Agency

The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collection income taxes on behalf of each member. RITA currently has approximately 350 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. For 2023, the Village paid RITA \$54,257 for income tax collection services.

Note 11 – Contingent Liabilities

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow; however, based on prior experience, management believes any refunds would be immaterial.

Village of Newcomerstown, Ohio
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Notes to the Basic Financial Statements
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Note 12 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

Fund Balances	General	Street Levy	Street Maintenance	Police Operations	Other Governmental Funds	Total
<u>Restricted to:</u>						
Transportation	\$0	\$623,496	\$316,642	\$97,901	\$391,239	\$1,429,278
Public Safety	0	0	0	0	213,084	213,084
Public Health	0	0	0	0	150,800	150,800
Capital Improvements	0	0	0	0	29,888	29,888
<i>Total Restricted</i>	<u>0</u>	<u>623,496</u>	<u>316,642</u>	<u>97,901</u>	<u>785,011</u>	<u>1,823,050</u>
<u>Committed to:</u>						
Capital Improvements	0	0	0	0	25,111	25,111
<u>Assigned to:</u>						
2024 Appropriations	369,980	0	0	0	0	369,980
Purchases on Order:						
General Government	112,339	0	0	0	0	112,339
Liesure Time Activities	245	0	0	0	0	245
Transportation	5,089	0	0	0	0	5,089
<i>Total Assigned</i>	<u>487,653</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>487,653</u>
Unassigned	0	0	0	0	0	0
Total Fund Balances	<u><u>\$487,653</u></u>	<u><u>\$623,496</u></u>	<u><u>\$316,642</u></u>	<u><u>\$97,901</u></u>	<u><u>\$810,122</u></u>	<u><u>\$2,335,814</u></u>

Note 13 – Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year or soon thereafter were as follows:

<i>Governmental Funds:</i>	
General	\$117,472
Street Levy	449
Street Maintenance	1,389
Police Operations	72,260
Other Governmental Funds	15,788
Total Governmental Funds	<u><u>\$207,358</u></u>
 <i>Proprietary Funds:</i>	
Water	\$109,855
Sewer	277,765
Total Proprietary Funds	<u><u>\$387,620</u></u>

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Note 14 – Asset Retirement Obligations

The Governmental Accounting Standard Board's (GASB) Statements No. 83, *Certain Asset Retirement Obligations*, provides guidance related to asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The Ohio Revised Code Section 6111.44 requires the Village to submit any changes to their sewerage system to the Ohio EPA for approval. Through this review process, the Village would be responsible to address any public safety issues associated with their waste water treatment facilities. Due to the Village's application of the cash basis of accounting, this long-term obligation is not reported as a liability in the financial statements.

Note 15 – Defined Benefit Pension Plans

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

Ohio Public Employees Retirement System (OPERS)

Plan Description – Village employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

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

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Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover

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of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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

	State and Local	
	Traditional	Combined
2023 Statutory Maximum Contribution Rates		
Employer	14.0 %	14.0 %
Employee *	10.0 %	10.0 %
 2023 Actual Contribution Rates		
Employer:		
Pension **	14.0 %	12.0 %
Post-employment Health Care Benefits **	0.0	2.0
Total Employer	14.0 %	14.0 %
 Employee	 10.0 %	 10.0 %

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension; however effective July 1, 2022, a portion of the health care rate is funded with reserves.

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll.

For 2023, The Village’s contractually required contribution was \$146,772 for the traditional plan, \$0 for the combined plan and \$4,736 for the member-directed plan.

Ohio Police & Fire Pension Fund (OP&F)

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

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

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

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

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

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0 percent or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

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

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

	Police
2022 Statutory Maximum Contribution Rates	
Employer	19.50 %
Employee	12.25 %
 2022 Actual Contribution Rates	
Employer:	
Pension	19.00 %
Post-employment Health Care Benefits	0.50
Total Employer	19.50 %
 Employee	 12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The Village’s contractually required contribution to OP&F was \$44,093 for 2023.

Social Security

Five of the Village’s employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants’ gross salaries. The Village has paid all contributions required through December 31, 2023.

Note 16 – Defined Benefit OPEB Plans

Ohio Public Employees Retirement System (OPERS)

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. Medicare-enrolled retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor. Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees, and are no longer participating in OPERS provided self-insured group plans.

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With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to traditional pension plan and combined plan benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Medicare Retirees Medicare-eligible with a minimum of 20 years of qualifying service credit

Non-Medicare Retirees Non-Medicare retirees qualify based on the following age-and-service criteria:

Group A 30 years of qualifying service credit at any age;

Group B 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

Group C 32 years of qualifying service credit and minimum age 55; or,

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

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OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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

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

Funding Policy – The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan.

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

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2022 was 4.0 percent; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Village's contractually required contribution was \$1,895 for 2023.

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Ohio Police & Fire Pension Fund (OP&F)

Plan Description – The Village contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient's next benefit payment. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2023, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Village's contractually required contribution to OP&F was \$1,160 for 2023.

Note 17 – 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. The Village will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

Village of Newcomerstown, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022
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This discussion and analysis of the Village of Newcomerstown's (the Village) financial performance provides an overall review of the Village's financial activities for the year ended December 31, 2022, within the limitations of the Village's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Village's financial performance.

Highlights

Key highlights for 2022 are as follows:

The total net position of the Village decreased by \$332,625.

Net position of governmental activities decreased \$682,897, while net position of business-type activities increased by \$350,272.

The Village's largest general receipts in governmental activities are income taxes and property tax receipts. These receipts represent, respectively, 50.12 and 7.55 percent of the total receipts received for governmental activities during the year. Program revenues make up 22.06 percent of total receipts for governmental activities.

On May 16, 2022, the Village issued \$250,000 in general obligation facility improvement bonds through direct placement for the purpose of financing improvements to an administrative building containing the Mayor and Fiscal Officer's offices.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Village's cash basis of accounting.

Report Components

The statement of net position and the statement of activities provide information about the cash activities of the Village as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Village as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Village has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Village's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

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As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Village as a Whole

The statement of net position and the statement of activities reflect how the Village did financially during 2022, within the limitations of cash basis accounting. The statement of net position presents the cash balances of the governmental and business-type activities of the Village at year end. The statement of activities compares cash disbursements with program receipts for each governmental program and business-type activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or business-type activity draws from the Village's general receipts.

These statements report the Village's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Village's financial health. Over time, increases or decreases in the Village's cash position is one indicator of whether the Village's financial health is improving or deteriorating. When evaluating the Village's financial condition, you should also consider other non-financial factors as well, such as the Village's property tax base, the condition of the Village's capital assets and infrastructure, the extent of the Village's debt obligations, the reliance on non-local financial resources for operations, and the need for continued growth in the major local revenue sources such as property and income taxes.

In the statement of net position and the statement of activities, we divide the Village into two types of activities:

Governmental Activities – Most of the Village's basic services are reported here, including police, streets and parks. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Business-Type Activities – The Village has two business-type activities: the provision of water and sewer. Business-type activities are financed by a fee charged to the customers receiving the service.

Reporting the Village's Most Significant Funds

Fund financial statements provide detailed information about the Village's major funds – not the Village as a whole. The Village establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Village are split into two categories: governmental and proprietary.

Governmental Funds – Most of the Village's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Village's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Village's programs. The Village's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant

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separate reporting) are combined and presented in total in a single column. The Village's major governmental funds are the general fund, street levy fund, street maintenance fund, and the police operations fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Proprietary Funds – When the Village charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as an enterprise fund. The Village has two enterprise funds: water and sewer.

The Government as a Whole

Table 1 provides a summary of the Village's net position for 2022 compared to 2021 on a cash basis:

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Cash and Cash Equivalents	\$2,675,108	\$3,358,005	\$2,978,152	\$2,627,880	\$5,653,260	\$5,985,885
Net Position						
Restricted:						
Capital Projects	\$49,694	\$56,968	\$0	\$0	\$49,694	\$56,968
Other Purposes	2,108,769	2,486,790	0	0	2,108,769	2,486,790
Unrestricted	516,645	814,247	2,978,152	2,627,880	3,494,797	3,442,127
<i>Total Net Position</i>	<u>\$2,675,108</u>	<u>\$3,358,005</u>	<u>\$2,978,152</u>	<u>\$2,627,880</u>	<u>\$5,653,260</u>	<u>\$5,985,885</u>

Net position of the governmental activities decreased during 2022. The decrease is mainly due to an increase in capital outlay expenses. The increase in capital outlay expenses are mainly due to projects meant for improving streets and sidewalks within the Village. The increases in expenses were partially offset by an increase income tax receipts and interest revenue.

Net position of the business-type activities increased during 2022 mainly due to the increase in charges for services receipts and decreased debt service expenses.

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Table 2 reflects the changes in net position for 2022 compared to 2021 and corresponds to the statement of activities.

Table 2
Changes in Net Position

	Governmental		Business-Type		Total	
	Activities	Activities	Activities	Activities	Activities	Activities
	2022	2021	2022	2021	2022	2021
Receipts						
Program Receipts:						
Charges for Services and						
Operating Assessments	\$151,314	\$139,027	\$1,637,169	\$1,560,384	\$1,788,483	\$1,699,411
Operating Grants						
and Contributions	457,591	366,074	0	0	457,591	366,074
Capital Grants						
and Contributions	28,577	0	57,333	0	85,910	0
Total Program Receipts	<u>637,482</u>	<u>505,101</u>	<u>1,694,502</u>	<u>1,560,384</u>	<u>2,331,984</u>	<u>2,065,485</u>
General Receipts:						
Property Taxes	218,299	205,629	0	0	218,299	205,629
Income Taxes	1,448,349	1,445,984	482,783	481,995	1,931,132	1,927,979
Hotel Taxes	18,666	22,293	0	0	18,666	22,293
Intergovernmental	196,253	273,774	0	66,882	196,253	340,656
Contributions and Donations	952	2,040	0	0	952	2,040
Interest	32,823	1,204	4,876	511	37,699	1,715
Miscellaneous	14,946	42,512	614	8,607	15,560	51,119
Gain on Sale of Capital Assets	71,780	0	0	0	71,780	0
Bond Proceeds	250,000	310,000	0	0	250,000	310,000
Loan Proceeds	0	0	70,765	0	70,765	0
Total General Receipts	<u>2,252,068</u>	<u>2,303,436</u>	<u>559,038</u>	<u>557,995</u>	<u>2,811,106</u>	<u>2,861,431</u>
Total Receipts	<u>2,889,550</u>	<u>2,808,537</u>	<u>2,253,540</u>	<u>2,118,379</u>	<u>5,143,090</u>	<u>4,926,916</u>
Program Disbursements						
General Government	729,783	706,168	0	0	729,783	706,168
Security of Persons						
and Property	848,461	828,220	0	0	848,461	828,220
Public Health Services	90,890	128,322	0	0	90,890	128,322
Leisure Time Activities	65,131	65,489	0	0	65,131	65,489
Basic Utility Services	4,806	5,882	0	0	4,806	5,882
Transportation	457,608	643,284	0	0	457,608	643,284
Capital Outlay	1,290,366	448,210	0	0	1,290,366	448,210
Principal Retirement	73,702	30,238	0	0	73,702	30,238
Interest and Fiscal Charges	11,700	7,081	0	0	11,700	7,081
Water	0	0	890,824	956,807	890,824	956,807
Sewer	0	0	1,012,444	1,063,988	1,012,444	1,063,988
Total Disbursements	<u>3,572,447</u>	<u>2,862,894</u>	<u>1,903,268</u>	<u>2,020,795</u>	<u>5,475,715</u>	<u>4,883,689</u>
Change in Net Position	(682,897)	(54,357)	350,272	97,584	(332,625)	43,227
Net Position Beginning of Year	<u>3,358,005</u>	<u>3,412,362</u>	<u>2,627,880</u>	<u>2,530,296</u>	<u>5,985,885</u>	<u>5,942,658</u>
Net Position End of Year	<u>\$2,675,108</u>	<u>\$3,358,005</u>	<u>\$2,978,152</u>	<u>\$2,627,880</u>	<u>\$5,653,260</u>	<u>\$5,985,885</u>

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Program receipts for governmental activities represent a small portion of total receipts and are composed of charges for services and operating assessments and operating and capital grants and contributions.

General receipts for governmental activities represent the majority of the Village's total receipts and are primarily composed of income taxes. Property taxes and intergovernmental receipts are also significant contributors to the Village's general governmental receipts.

Disbursements for general government represent the overhead costs of running the Village and the support services provided for the other government activities. These include the costs of council, the fiscal officer and internal services such as purchasing. These costs do not represent direct services to residents and they have been limited to 20.43 percent of the total governmental disbursements of the Village in 2022.

Governmental Activities

If you look at the statement of activities, you will see that the first column lists the major services provided by the Village. The next column identifies the costs of providing these services. The major program disbursements for governmental activities were for security of persons and property and transportation. The next two columns of the statement entitled "Program Cash Receipts" identify amounts paid by people who are directly charged for the service and grants received by the Village that must be used to provide a specific service. The "Net Receipts (Disbursements)" column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2022	2021	2022	2021
General Government	\$729,783	\$706,168	(\$612,720)	(\$638,477)
Security of Persons and Property	848,461	828,220	(830,004)	(814,378)
Public Health Services	90,890	128,322	(33,256)	(5,957)
Leisure Time Activities	65,131	65,489	(55,268)	(57,425)
Basic Utility Services	4,806	5,882	(4,377)	(5,437)
Transportation	457,608	643,284	(132,314)	(350,590)
Capital Outlay	1,290,366	448,210	(1,181,624)	(448,210)
Principal Retirement	73,702	30,238	(73,702)	(30,238)
Interest and Fiscal Charges	11,700	7,081	(11,700)	(7,081)
Total Disbursements	\$3,572,447	\$2,862,894	(\$2,934,965)	(\$2,357,793)

Village of Newcomerstown, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

Business-Type Activities

These activities represent operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village has two significant enterprise activities: water and sewer. There was an increase in net position primarily due to an increased charges for services receipts and reduced contractual services and principal retirement expenses from 2021.

The Village's Funds

Information about the Village's governmental funds begins on page 16. These funds are accounted for by using the cash basis of accounting. Total governmental funds had receipts and other financing sources under disbursements and other financing uses. The general fund had a decrease in fund balance for the year primarily as a result of increased capital outlay and debt service expenses. The street levy fund had receipts and other financing sources significantly under disbursements, for a decrease in fund balance. The decrease was primarily caused by a substantial increase in capital outlay expense. The street maintenance fund had receipts and other financing sources over disbursements and other financing uses. The police operations fund had receipts under disbursements, which lead to a decrease in fund balance. The decrease was mostly offset due to a large transfer in from the general fund.

General Fund Budgeting Highlights

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

During 2022, the Village amended the budgeted receipts a number of times. For the general fund, the actual receipts were less than the budgeted receipts, primarily due to lower than expected intergovernmental revenues.

Original budgeted disbursements were less than the final budgeted disbursements. Actual disbursements were less than final budgeted disbursements mainly due to lower general government expenditures than expected.

Debt Administration

The general obligation 2017 truck acquisition bonds were for the purchase of a dump truck. These bonds were fully repaid in 2022.

The general obligation 2021 building acquisition bonds are for the purchase of a building to be repaid in biannual installments over 5 years.

The general obligation 2022 facility improvement bonds are for the purchase of facility updates to be repaid in biannual installments over 10 years.

One loan is paid from governmental activities to the Ohio Public Works Commission (OPWC) for street improvements and four other loans paid from business-type activities are for a pump station and sewage collection improvements.

The three Ohio Water Development Authority (OWDA) loans are for the construction of the water treatment plant, wastewater treatment plant improvements, and pump station projects.

Village of Newcomerstown, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

See note 9 to the basic financial statements for additional information related to long-term debt activity.

Current Issues

The challenge for all governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases, shrinking funding. We rely heavily on local property taxes and income taxes. We reviewed our sources of revenue and determined that increases were unlikely. We then reviewed the disbursement history of the Village. We will continue to monitor the finances of the Village and reduce costs in areas which would have the least impact on services to Village residents. We are also looking at ways to increase revenue.

For the past several years, the Village has contracted fire protection with a non-profit organization, Newcomerstown Emergency Rescue Squad. With the recent loss of their non-profit status and on going investigation with State agencies, the contract is no longer valid. The Village is moving forward with plans to develop a fire department under the Village government. The Village is expecting to see some financial impact because of this.

Contacting the Village's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Village's finances and to reflect the Village's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Lisa Spillman, Fiscal Officer, Village of Newcomerstown, 308 S. College Street, Newcomerstown, Ohio 43832. The Village phone number is (740) 498-6289.

Basic Financial Statements

Village of Newcomerstown, Ohio
Tuscarawas County
Statement of Net Position - Cash Basis
December 31, 2022

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$2,675,108	\$2,978,152	\$5,653,260
Net Position			
Restricted for:			
Capital Projects	\$49,694	\$0	\$49,694
Other Purposes	2,108,769	0	2,108,769
Unrestricted	516,645	2,978,152	3,494,797
<i>Total Net Position</i>	\$2,675,108	\$2,978,152	\$5,653,260

See accompanying notes to the basic financial statements

Village of Newcomerstown, Ohio
Tuscarawas County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2022

	Program Cash Receipts			
	Cash Disbursements	Charges for Services and Operating Assessments	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
Current:				
General Government	\$729,783	\$67,940	\$49,123	\$0
Security of Persons and Property	848,461	10,083	8,374	0
Public Health Services	90,890	57,634	0	0
Leisure Time Activities	65,131	9,863	0	0
Basic Utility Services	4,806	429	0	0
Transportation	457,608	5,365	319,929	0
Capital Outlay	1,290,366	0	80,165	28,577
Debt Service:				
Principal Retirement	73,702	0	0	0
Interest and Fiscal Charges	11,700	0	0	0
<i>Total Governmental Activities</i>	<u>3,572,447</u>	<u>151,314</u>	<u>457,591</u>	<u>28,577</u>
Business-Type Activities				
Water	890,824	827,130	0	57,333
Sewer	1,012,444	810,039	0	0
<i>Total Business-Type Activities</i>	<u>1,903,268</u>	<u>1,637,169</u>	<u>0</u>	<u>57,333</u>
Total	<u><u>\$5,475,715</u></u>	<u><u>\$1,788,483</u></u>	<u><u>\$457,591</u></u>	<u><u>\$85,910</u></u>

General Receipts

Property Taxes Levied for:
 General Purposes
 Other Purposes
Income Taxes Levied for:
 General Purposes
 Other Purposes
Hotel Taxes
Grants and Entitlements not
 Restricted to Specific Programs
Contributions and Donations not
 Restricted to Specific Programs
Sale of Capital Assets
Interest
Miscellaneous
Bond Proceeds
Loans Issued

Total General Receipts

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

Net Receipts (Disbursements) and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$612,720)	\$0	(\$612,720)
(830,004)	0	(830,004)
(33,256)	0	(33,256)
(55,268)	0	(55,268)
(4,377)	0	(4,377)
(132,314)	0	(132,314)
(1,181,624)	0	(1,181,624)
(73,702)	0	(73,702)
(11,700)	0	(11,700)
<u>(2,934,965)</u>	<u>0</u>	<u>(2,934,965)</u>
0	(6,361)	(6,361)
0	(202,405)	(202,405)
<u>0</u>	<u>(208,766)</u>	<u>(208,766)</u>
<u>(2,934,965)</u>	<u>(208,766)</u>	<u>(3,143,731)</u>
123,776	0	123,776
94,523	0	94,523
965,566	0	965,566
482,783	482,783	965,566
18,666	0	18,666
196,253	0	196,253
952	0	952
71,780	0	71,780
32,823	4,876	37,699
14,946	614	15,560
250,000	0	250,000
0	70,765	70,765
<u>2,252,068</u>	<u>559,038</u>	<u>2,811,106</u>
(682,897)	350,272	(332,625)
<u>3,358,005</u>	<u>2,627,880</u>	<u>5,985,885</u>
<u>\$2,675,108</u>	<u>\$2,978,152</u>	<u>\$5,653,260</u>

Village of Newcomerstown, Ohio
Tuscarawas County
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2022

	General	Street Levy	Street Maintenance	Police Operations	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$506,335	\$859,331	\$289,829	\$142,565	\$877,048	\$2,675,108
Fund Balances						
Restricted	\$0	\$859,331	\$289,829	\$142,565	\$866,738	\$2,158,463
Committed	0	0	0	0	10,310	10,310
Assigned	447,544	0	0	0	0	447,544
Unassigned	58,791	0	0	0	0	58,791
<i>Total Fund Balances</i>	<u>\$506,335</u>	<u>\$859,331</u>	<u>\$289,829</u>	<u>\$142,565</u>	<u>\$877,048</u>	<u>\$2,675,108</u>

See accompanying notes to the basic financial statements

Village of Newcomerstown, Ohio
Tuscarawas County
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2022

	General	Street Levy	Street Maintenance	Police Operations	Other Governmental Funds	Total Governmental Funds
Receipts						
Income Taxes	\$965,566	\$482,783	\$0	\$0	\$0	\$1,448,349
Property Taxes	123,776	0	0	77,636	16,887	218,299
Hotel Taxes	18,666	0	0	0	0	18,666
Charges for Services	40,795	0	0	428	66,634	107,857
Fines, Licenses and Permits	36,453	0	0	0	1,150	37,603
Intergovernmental	128,251	28,187	228,475	8,374	288,744	682,031
Special Assessments	594	0	0	0	0	594
Rent	0	0	0	0	5,260	5,260
Contributions and Donations	952	0	0	0	390	1,342
Interest	27,645	2,554	468	871	1,285	32,823
Miscellaneous	10,925	0	1,391	793	1,837	14,946
<i>Total Receipts</i>	<u>1,353,623</u>	<u>513,524</u>	<u>230,334</u>	<u>88,102</u>	<u>382,187</u>	<u>2,567,770</u>
Disbursements						
Current:						
General Government	691,927	0	0	0	50,023	741,950
Security of Persons and Property	48,768	0	0	779,479	20,214	848,461
Public Health Services	699	0	0	0	90,191	90,890
Leisure Time Activities	64,950	0	0	0	181	65,131
Basic Utility Services	4,806	0	0	0	0	4,806
Transportation	60,043	184,146	178,817	0	34,602	457,608
Capital Outlay	402,315	753,787	0	4,437	129,827	1,290,366
Debt Service:		0				
Principal Retirement	69,510	2,991	0	0	1,201	73,702
Interest and Fiscal Charges	11,688	6	0	0	6	11,700
<i>Total Disbursements</i>	<u>1,354,706</u>	<u>940,930</u>	<u>178,817</u>	<u>783,916</u>	<u>326,245</u>	<u>3,584,614</u>
<i>Excess of Receipts Over (Under)</i>						
Disbursements	<u>(1,083)</u>	<u>(427,406)</u>	<u>51,517</u>	<u>(695,814)</u>	<u>55,942</u>	<u>(1,016,844)</u>
Other Financing Sources (Uses)						
Bond Proceeds	250,000	0	0	0	0	250,000
Insurance Recoveries	12,167	0	0	0	0	12,167
Sale of Capital Assets	66,722	0	0	0	5,058	71,780
Transfers In	0	0	0	600,000	20,000	620,000
Transfers Out	(620,000)	0	0	0	0	(620,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(291,111)</u>	<u>0</u>	<u>0</u>	<u>600,000</u>	<u>25,058</u>	<u>333,947</u>
<i>Net Change in Fund Balances</i>	<u>(292,194)</u>	<u>(427,406)</u>	<u>51,517</u>	<u>(95,814)</u>	<u>81,000</u>	<u>(682,897)</u>
<i>Fund Balance Beginning of Year</i>	<u>798,529</u>	<u>1,286,737</u>	<u>238,312</u>	<u>238,379</u>	<u>796,048</u>	<u>3,358,005</u>
<i>Fund Balance End of Year</i>	<u>\$506,335</u>	<u>\$859,331</u>	<u>\$289,829</u>	<u>\$142,565</u>	<u>\$877,048</u>	<u>\$2,675,108</u>

See accompanying notes to the basic financial statements

Village of Newcomerstown, Ohio
Tuscarawas County
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Income Taxes	\$588,422	\$984,000	\$965,566	(\$18,434)
Property Taxes	69,966	117,002	123,776	6,774
Hotel Taxes	5,980	10,000	9,333	(667)
Charges for Services	2,093	3,500	1,050	(2,450)
Fines, Licenses and Permits	27,448	45,900	36,453	(9,447)
Intergovernmental	450,167	752,800	128,251	(624,549)
Special Assessments	149	250	594	344
Contributions and Donations	0	0	500	500
Interest	6,158	10,298	27,329	17,031
Miscellaneous	14,950	25,000	9,752	(15,248)
<i>Total Receipts</i>	<u>1,165,333</u>	<u>1,948,750</u>	<u>1,302,604</u>	<u>(646,146)</u>
Disbursements				
Current:				
General Government	972,822	1,645,040	1,016,258	628,782
Security of Persons and Property	99,389	89,389	48,768	40,621
Public Health Services	1,500	1,500	699	801
Leisure Time Activities	11,600	12,610	11,158	1,452
Basic Utility Services	8,158	8,158	4,806	3,352
Transportation	44,281	62,811	60,106	2,705
Capital Outlay	202,178	525,129	525,120	9
Debt Service:				
Principal Retirement	65,910	69,510	69,510	0
Interest and Fiscal Charges	0	11,691	11,688	3
<i>Total Disbursements</i>	<u>1,405,838</u>	<u>2,425,838</u>	<u>1,748,113</u>	<u>677,725</u>
<i>Excess of Receipts Under Disbursements</i>	<u>(240,505)</u>	<u>(477,088)</u>	<u>(445,509)</u>	<u>31,579</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	2,840	4,750	66,722	61,972
Insurance Recoveries	0	0	12,167	12,167
Bond Proceeds	200,327	335,000	250,000	(85,000)
Transfers Out	(630,000)	(630,000)	(620,000)	10,000
<i>Total Other Financing Sources (Uses)</i>	<u>(426,833)</u>	<u>(290,250)</u>	<u>(291,111)</u>	<u>(861)</u>
<i>Net Change in Fund Balance</i>	(667,338)	(767,338)	(736,620)	30,718
<i>Fund Balance Beginning of Year</i>	715,755	715,755	715,755	0
Prior Year Encumbrances Appropriated	71,590	71,590	71,590	0
<i>Fund Balance End of Year</i>	<u>\$120,007</u>	<u>\$20,007</u>	<u>\$50,725</u>	<u>\$30,718</u>

See accompanying notes to the basic financial statements

Village of Newcomerstown, Ohio
Tuscarawas County
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
Street Levy Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Income Tax	\$475,500	\$475,500	\$482,783	\$7,283
Intergovernmental	0	0	28,187	28,187
Interest	1,000	1,000	2,554	1,554
<i>Total Receipts</i>	476,500	476,500	513,524	37,024
Disbursements				
Current:				
Transportation	237,633	227,827	189,063	38,764
Capital Outlay	717,019	725,619	753,787	(28,168)
Debt Service:				
Principal Retirement	4,500	5,695	4,782	913
Interest and Fiscal Charges	0	11	6	5
<i>Total Disbursements</i>	959,152	959,152	947,638	11,514
<i>Net Change in Fund Balance</i>	(482,652)	(482,652)	(434,114)	48,538
<i>Fund Balance Beginning of Year</i>	1,031,585	1,031,585	1,031,585	0
Prior Year Encumbrances Appropriated	255,152	255,152	255,152	0
<i>Fund Balance End of Year</i>	\$804,085	\$804,085	\$852,623	\$48,538

See accompanying notes to the basic financial statements

Village of Newcomerstown, Ohio
Tuscarawas County
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
Street Maintenance Fund
For the Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$236,450	\$236,450	\$228,475	(\$7,975)
Interest	800	800	468	(332)
Miscellaneous	1,000	1,000	1,391	391
<i>Total Receipts</i>	238,250	238,250	230,334	(7,916)
Disbursements				
Current:				
Transportation	264,509	264,509	181,305	83,204
<i>Net Change in Fund Balance</i>	(26,259)	(26,259)	49,029	75,288
<i>Fund Balance Beginning of Year</i>	236,415	236,415	236,415	0
Prior Year Encumbrances Appropriated	1,897	1,897	1,897	0
<i>Fund Balance End of Year</i>	<u>\$212,053</u>	<u>\$212,053</u>	<u>\$287,341</u>	<u>\$75,288</u>

See accompanying notes to the basic financial statements

Village of Newcomerstown, Ohio
Tuscarawas County
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
Police Operations Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property Taxes	\$74,000	\$74,000	\$77,636	\$3,636
Charges for Services	0	0	428	428
Intergovernmental	0	0	8,374	8,374
Interest	1,000	1,000	871	(129)
Miscellaneous	3,000	3,000	793	(2,207)
<i>Total Receipts</i>	78,000	78,000	88,102	10,102
Disbursements				
Current:				
Security of Persons and Property	885,613	888,113	783,988	104,125
Capital Outlay	30,637	28,137	22,515	5,622
<i>Total Disbursements</i>	916,250	916,250	806,503	109,747
<i>Excess of Receipts Under Disbursements</i>	(838,250)	(838,250)	(718,401)	119,849
Other Financing Sources				
Transfers In	600,000	600,000	600,000	0
<i>Net Change in Fund Balance</i>	(238,250)	(238,250)	(118,401)	119,849
<i>Fund Balance Beginning of Year</i>	234,378	234,378	234,378	0
Prior Year Encumbrances Appropriated	4,001	4,001	4,001	0
<i>Fund Balance End of Year</i>	\$129	\$129	\$119,978	\$119,849

See accompanying notes to the basic financial statements

Village of Newcomerstown, Ohio
Tuscarawas County
Statement of Fund Net Position - Cash Basis
Enterprise Funds
December 31, 2022

	Business-Type Activities		Total
	Water	Sewer	Enterprise Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$496,642	\$2,481,510	\$2,978,152
Net Position			
Unrestricted	\$496,642	\$2,481,510	\$2,978,152

See accompanying notes to the basic financial statements

Village of Newcomerstown, Ohio
Tuscarawas County
Statement of Receipts,
Disbursements and Changes in Fund Net Position - Cash Basis
Enterprise Funds
For the Year Ended December 31, 2022

	Business-Type Activities		
	Water	Sewer	Total Enterprise Funds
Operating Receipts			
Charges for Services	\$827,130	\$810,039	\$1,637,169
Other Operating Receipts	395	219	614
<i>Total Operating Receipts</i>	<u>827,525</u>	<u>810,258</u>	<u>1,637,783</u>
Operating Disbursements			
Personal Services	230,700	222,188	452,888
Fringe Benefits	102,943	111,413	214,356
Contractual Services	207,177	315,009	522,186
Materials and Supplies	27,764	40,772	68,536
<i>Total Operating Disbursements</i>	<u>568,584</u>	<u>689,382</u>	<u>1,257,966</u>
<i>Operating Income</i>	<u>258,941</u>	<u>120,876</u>	<u>379,817</u>
Non-Operating Receipts (Disbursements)			
Income Taxes	0	482,783	482,783
Interest	1,222	3,654	4,876
Loans Issued	70,765	0	70,765
Capital Outlay	(272,443)	(85,835)	(358,278)
Principal Retirement	(47,037)	(226,718)	(273,755)
Interest and Fiscal Charges	(2,760)	(10,509)	(13,269)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(250,253)</u>	<u>163,375</u>	<u>(86,878)</u>
<i>Income before Capital Contributions</i>	8,688	284,251	292,939
Capital Contributions	57,333	0	57,333
<i>Change in Net Position</i>	66,021	284,251	350,272
<i>Net Position Beginning of Year</i>	<u>430,621</u>	<u>2,197,259</u>	<u>2,627,880</u>
<i>Net Position End of Year</i>	<u>\$496,642</u>	<u>\$2,481,510</u>	<u>\$2,978,152</u>

See accompanying notes to the basic financial statements

Village of Newcomerstown, Ohio
Tuscarawas County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 1 – Description of the Village and Reporting Entity

The Village of Newcomerstown, Tuscarawas County, Ohio (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a six-member Council.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Village. The Village provides general government services, water and sewer utilities, maintenance of Village roads and bridges, park operations, police services and Mayor's Court. The Village contracts with Newcomerstown Emergency Rescue Squad, Incorporated, to receive fire protection services. Council has direct responsibility for these services.

Jointly Governed Organizations

The Village participates in three jointly governed organizations. These organizations are presented in Note 10. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Village's accounting policies.

Basis of Presentation

The Village's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Village that are governmental in nature and those that are considered business-type. Governmental activities generally financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net position presents the cash balance of the governmental and business-type activities of the Village at year end. The statement of activities compares disbursements with program receipts for each program or function of the Village's governmental and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or

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regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program or business-type activity is self-financing on a cash basis or draws from the Village's general receipts.

Fund Financial Statements

During the year, the Village segregates transactions related to certain Village functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as nonoperating.

Fund Accounting

The Village uses fund accounting 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. The funds of the Village are presented in two categories: governmental and proprietary.

Governmental Funds

Governmental funds are those through which most governmental functions of the Village are financed. The following are the Village's major governmental funds:

General Fund The general fund is used to account for and report all financial resources, except those required to be accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Street Levy Fund The street levy special revenue fund accounts for and reports income tax monies restricted for constructing, maintaining, and repairing Village streets.

Street Maintenance Fund The street maintenance special revenue fund accounts for and reports monies received from gasoline and motor vehicle taxes restricted for constructing, maintaining, and repairing Village streets.

Police Operations Fund The police operations special revenue fund accounts for and reports property tax monies restricted for the operations of the Village police department.

The other governmental funds of the Village account for and report grants and other resources, whose use is restricted, committed or assigned to a particular purpose.

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Proprietary Funds

The Village classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as either enterprise funds or internal service funds. The Village has no internal service funds.

Enterprise Funds Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the Village's major enterprise funds:

Water Fund The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

Sewer Fund The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Basis of Accounting

The Village's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Village's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Village are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Village Council may appropriate.

The appropriations ordinance is the Village Council's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Village Council. The legal level of control has been established at the department and object level for all funds. Any budgetary modification at this level may only be made by Village Council.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Village Council.

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The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Village Council during the year.

Cash and Investments

To improve cash management, cash received by the Village is pooled and invested. Individual fund integrity is maintained through Village records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents.”

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2022, the Village invested in a money market mutual fund, nonnegotiable certificates of deposit, and federal agency securities (federal home loan bank bonds and federal farm credit bank bonds). Investments are reported at cost, except for the money market mutual fund. The Village’s money market mutual fund investment is recorded at the amount reported by Park National Bank on December 31, 2022.

Interest earnings are allocated to Village funds according to State statutes, grant requirements, or debt related restrictions. Interest revenue credited to the general fund during 2022 amounted to \$27,645, of which \$24,705 was assigned from other funds.

Inventory and Prepaid Items

The Village reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village’s cash basis of accounting.

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Employer Contributions to Cost-Sharing Pension Plans

The Village recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 14 and 15, the employer contributions include portions for pension benefits and for postretirement health care benefits.

Long-Term Obligations

The Village's cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village 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 category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually 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 placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

Enabling legislation authorizes the Village to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the Village can be compelled by an external party – such as citizens, public interest groups, or the judiciary – to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution, as both are equally legally binding) of Village Council. Those committed amounts cannot be used for any other purpose unless Village Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Village Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. 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.

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Assigned Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Village Council or a Village official delegated that authority by ordinance, or by State Statute. State statute authorizes the fiscal officer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are 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.

Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for street and state highway improvements and federal and state grants restricted to cash disbursements for specified purposes. The Village's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted resources are available.

Internal Activity

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts. Transfers between governmental funds are eliminated on the government-wide financial statements. Internal allocations of overhead disbursements from one function to another or within the same function are eliminated on the statement of activities. Interfund payments for services provided and used are not eliminated.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies 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 receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statements of Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund, street maintenance fund, street levy fund, and police operations fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as cash

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disbursements (budgetary basis) rather than as restricted, committed, or assigned fund balance (cash basis) and budgetary receipts and disbursements of the park fund are reclassified to the general fund for cash basis reporting. The following table summarizes the adjustments necessary to reconcile the cash basis statement to the budgetary basis statements for the general fund and major special revenue funds:

	Net Change in Fund Balances			
	General	Street Levy	Street Maintenance	Police Operations
Cash Basis	(\$292,194)	(\$427,406)	\$51,517	(\$95,814)
Perspective Difference:				
Park Fund	2,922	0	0	0
Encumbrances	(447,348)	(6,708)	(2,488)	(22,587)
Budgetary Basis	<u>(\$736,620)</u>	<u>(\$434,114)</u>	<u>\$49,029</u>	<u>(\$118,401)</u>

Note 4 – Deposits and Investments

Monies held by the Village are classified by State statute into three categories.

Active deposits are public deposits determined to be necessary to meet current demands upon the Village treasury. Active monies must be maintained either as cash in the Village 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 Council 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.

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.

Protection of the Village’s 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 institution’s 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.

Interim monies held by the Village can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, 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 obligation or security 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;

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3. 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;
4. Time certificates of deposit, or savings, or deposit accounts including, but not limited to, passbook accounts;
5. 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;
6. The State Treasurer’s investment pool (STAR Ohio);
7. 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; and
8. Written repurchase agreements in the securities described in (1) or (2) provided 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 the term of the agreement must not exceed thirty days.

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 previously, an investment must mature within five years from the date of settlement, unless matched to a specific obligation or debt of the Village, 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.

Investments

As of December 31, 2022, the Village had the following investments:

Investment Type	Measurement Value	Investment Maturities (in Years)			Percentage of Investments
		Less than 1	1-2	2-5	
Money Market Mutual Fund	\$22,261	\$22,261	\$0	\$0	N/A
Nonnegotiable Certificates of Deposit	2,100,000	0	1,250,000	850,000	60.03 %
Federal Home Loan Bank Bonds	1,126,805	125,000	500,000	501,805	32.21 %
Federal Farm Credit Bank Bonds	249,000	0	249,000	0	7.12 %
Total Investments	\$3,498,066	\$147,261	\$1,999,000	\$1,351,805	

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Interest Rate Risk Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Village's investment policy addresses interest rate risk by requiring that the Village's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

Credit Risk The securities underlying the federal home loan bank and federal farm credit bank bonds carry a rating of AA+ by Standard & Poor's. The Village has no investment policy dealing with investment credit risk beyond the requirements in State statutes.

Concentration of Credit Risk The Village places no limit on the amount it may invest in any one issuer.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village 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 home loan bank bonds and federal farm credit bank bonds are exposed to custodial credit risk as they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the Village's name.

The Village has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, governing board, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

Note 5 – Income Taxes

The Village levies a municipal income tax of 2 percent on substantially all earned income arising from employment, residency, or business activities within the Village, as well as certain income of residents earned outside of the Village. Additional increases in the income tax rate require voter approval.

Employers within the Village withhold income tax on employee compensation and remit the tax quarterly. Corporations and other individual taxpayers remit estimated taxes quarterly and file a declaration annually. The Regional Income Tax Agency administers and collects income taxes for the Village. Payments are remitted monthly net of collection fees of approximately 3.0 percent. Income tax revenue is credited to the general, street levy, and sewer funds.

Note 6 – Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Village. Property tax receipts received during 2022 for real and public utility property taxes represents collections of the 2021 taxes.

2022 real property taxes are levied after October 1, 2022, on the assessed values as of January 1, 2022, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2022 real property taxes are collected in and intended to finance 2023.

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Real property taxes are payable annually or semi-annually. 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 later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2022 public utility property taxes which became a lien on December 31, 2021, are levied after October 1, 2022, and are collected in 2023 with real property taxes.

The full tax rate for all Village operations for the year ended December 31, 2022, was \$4.00 per \$1,000 of assessed value. The assessed values of real property and public utility personal property upon which 2022 property tax receipts were based are as follows:

Real Property	\$51,105,460
Public Utility Property	<u>4,507,950</u>
Total	<u><u>\$55,613,410</u></u>

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

Note 7 – Interfund Transfers

During 2022, the Village made transfers totaling \$620,000 from the general fund to the police operations, cemetery, and capital improvement funds in the amounts of \$600,000, \$10,000, and \$10,000, respectively. These transfers from the general fund were used to move unrestricted revenues collected in the general fund to finance programs accounted for in other funds in accordance with budgetary authorizations.

Note 8 – Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity’s) policy. The Pool covers the following risks:

Type of Coverage	Coverage
General Liability and Casualty:	
Each Occurance	\$5,000,000
Public Officials Liability:	
Each Occurance	5,000,000
Employment Practices:	
Each Occurance	5,000,000
Law Enforcement Liability:	
Each Occurance	5,000,000
Commercial Automobile Liability:	
Each Occurance	5,000,000
Cyber	5,000,000

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The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2022</u>
Cash and Investments	<u>\$42,310,794</u>
Actuarial Liabilities	<u>15,724,479</u>
Total	<u><u>\$58,035,273</u></u>

During 2022, the Village experienced no casualty claims and there were no significant changes to coverage from the prior year.

Workers' compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident and administrative costs.

Note 9 – Long-Term Obligations

The interest rate, original issue amount, date of maturity and change for each of the Village's long-term obligations are as follows:

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
Governmental Activities			
General Obligation Bonds from Direct Placement:			
Series 2017 Truck Acquisition Bonds	3.00 %	\$44,734	2/21/2022
Series 2021 Building Acquisition Bonds	2.25	310,000	8/9/2026
Series 2022 Facility Improvement Bonds	4.00	250,000	5/16/2032
OPWC Loan from Direct Borrowing:			
2017 Street Improvements	0.00	71,638	7/1/2038
Business-Type Activities			
OPWC Loans from Direct Borrowings:			
County Road 15 Pump Station	0.00	45,000	7/1/2027
Sewage Collection System Improvements	0.00	195,385	7/1/2045
West Street Area	0.00	150,000	1/1/2041
Park Hill Storage Tank Improvements	0.00	124,215	Unfinalized
OWDA Loans from Direct Borrowings:			
Water Treatment Plant	2.00	1,506,553	1/1/2022
Wastewater Treatment Plant Improvements I	2.00	1,166,795	7/1/2027
Wastewater Treatment Plant Improvements II	1.00	3,066,361	1/1/2025
County Road 15 Pump Station	1.00	900,947	1/1/2028

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	Balance 12/31/21	Increase	Decrease	Balance 12/31/22	Amounts Due In One Year
Governmental Activities					
General Obligation Bonds from Direct Placement:					
Series 2017 Truck Acquisition Bonds	\$2,401	\$0	(\$2,401)	\$0	\$0
Series 2021 Building Acquisition Bonds	310,000	0	(59,259)	250,741	60,600
Series 2022 Facility Improvement Bonds	0	250,000	(10,251)	239,749	21,208
Total General Obligation Bonds from Direct Placement	<u>312,401</u>	<u>250,000</u>	<u>(71,911)</u>	<u>490,490</u>	<u>81,808</u>
OPWC Loan from Direct Borrowing:					
2017 Street Improvements	60,893	0	(1,791)	59,102	5,373
<i>Total Governmental Activities</i>	<u>\$373,294</u>	<u>\$250,000</u>	<u>(\$73,702)</u>	<u>\$549,592</u>	<u>\$87,181</u>
Business-Type Activities					
OPWC Loans from Direct Borrowings:					
County Road 15 Pump Station	\$13,500	\$0	(\$1,125)	\$12,375	\$3,375
Sewage Collection System Improvements	156,309	0	(3,257)	153,052	9,769
West Street Area	142,500	0	(3,750)	138,750	11,250
Park Hill Storage Tank Improvements	0	70,765	0	70,765	0
Total OPWC Loans from Direct Borrowings	<u>312,309</u>	<u>70,765</u>	<u>(8,132)</u>	<u>374,942</u>	<u>24,394</u>
OWDA Loans from Direct Borrowings:					
Wastewater Treatment Plant Improvements I	308,625	0	(53,631)	254,994	54,708
Wastewater Treatment Plant Improvements II	499,843	0	(164,955)	334,888	166,609
County Road 15 Pump Station	289,394	0	(47,037)	242,357	47,509
Total OWDA Loans from Direct Borrowings	<u>1,097,862</u>	<u>0</u>	<u>(265,623)</u>	<u>832,239</u>	<u>268,826</u>
<i>Total Business-Type Activities</i>	<u>\$1,410,171</u>	<u>\$70,765</u>	<u>(\$273,755)</u>	<u>\$1,207,181</u>	<u>\$293,220</u>

On February 21, 2017, the Village issued \$44,734 in general obligation truck acquisition bonds through direct placement for the purpose of purchasing a dump truck. The bonds were issued with an interest rate of 3 percent. The bonds were issued for a five-year period with final maturity on February 21, 2022.

On August 9, 2021, the Village issued \$310,000 in general obligation building acquisition bonds through direct placement for the purpose of purchasing a building. The bonds were issued with an interest rate of 2.25 percent. The bonds were issued for a five-year period with final maturity on August 9, 2026.

On May 16, 2022, the Village issued \$250,000 in general obligation facility improvements bonds through direct placement for the purpose of financing improvements to an administrative building containing the Mayor and Fiscal Officer's offices. The bonds were issued with an interest rate of 4.00 percent. The bonds were issued for a ten-year period with final maturity on May 16, 2032.

One loan from the Ohio Public Works Commission (OPWC) is for street improvements to be repaid in semi-annual installments over 20 years. Four more loans from the Ohio Public Works Commission are for pump station and sewage collection improvements, as well as the replacement of water and sewer lines and storm drains to be repaid in semi-annual installments over 20 and 30 years, respectively.

The Village's outstanding OPWC loans from direct borrowings related to governmental and business-type activities of \$59,102 and \$374,942, respectively, contain provisions that in the event of default (1) OPWC may apply late fees of 8 percent per year, (2) loans more than 60 days late will be turned over to the Attorney General's office for collection, and as provided by law, OPWC may require that such payment be taken from the Village's share of the county undivided local government fund, and (2) the outstanding amounts shall, at OPWC's option, become immediately due and payable.

The Village has three loans outstanding with the Ohio Water Development Authority (OWDA). Two of the loans relate to improvements made to the Wastewater Treatment Plant and will be paid off over 25 and 20 years, respectively. The third outstanding loan is for projects related to the pump station and will be paid over a period of 20 years.

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The Village's outstanding OWDA loans from direct borrowings of \$832,239 related to business-type activities contain provisions that in an event of default (1) the amount of such default shall bear interest at the default rate from the due date until the date of payment, (2) if any of the charges have not been paid within 30 days, in additions to the interest calculated at the default rate, a late charge of one percent on the amount of each default shall also be paid to the OWDA, and (3) for each additional 30 days during which the charges remain unpaid, the Village shall continue to pay an additional late charge of one percent on the amount of the default until such charges are paid.

The following is a summary of the Village's future annual principal and interest requirements for its other long-term obligations:

	Governmental Activities		
	From Direct Placement		From Direct Borrowings
	General Obligation Bonds		OPWC Loans
	Principal	Interest	Principal
2023	\$81,808	\$14,684	\$5,373
2024	84,001	12,490	3,582
2025	86,327	10,163	3,582
2026	88,689	7,802	3,582
2027	24,847	5,738	3,582
2028-2032	124,818	12,814	17,910
2033-2037	0	0	17,910
2038	0	0	3,581
Totals	\$490,490	\$63,691	\$59,102

	Business-Type Activities		
	From Direct Borrowings		
	OPWC Loans	OWDA Loans	
	Principal	Principal	Interest
2023	\$24,394	\$268,826	\$10,066
2024	16,263	272,073	6,820
2025	16,263	105,396	3,954
2026	16,263	107,027	2,324
2027	16,263	78,917	666
2028-2032	70,064	0	0
2033-2037	70,064	0	0
2038-2042	55,064	0	0
2043-2045	19,539	0	0
Totals	\$304,177	\$832,239	\$23,830

A line of credit has been established with OPWC in the amount of \$124,215 for improvements to the Park Hill storage tanks. Since this loan payment schedule has not been finalized, the repayment schedule is not included in the schedule of debt service requirements. The outstanding balance of the loan at December 31, 2022, was \$70,765.

The Village has pledged future revenues, net of operating expenses, to repay OPWC loans in the Village water fund. The debt is payable solely from net revenues and is payable through 2041. Annual principal and interest payments on the debt issues are expected to require less than 13 percent of net revenues and less than 1 percent of total revenues. The total principal and interest remaining to be paid on the debt is \$209,515, total net revenues were \$58,485, and total revenues were \$899,512.

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The Village has pledged future revenues, net of operating expenses, to repay OPWC and OWDA loans in the Village sewer fund. The debt is payable solely from net revenues and is payable through 2045. Annual principal and interest payments on the debt issues are expected to require less than 56 percent of net revenues and less than 23 percent of total revenues. The total principal and interest remaining to be paid on the debt is \$1,021,496, total net revenues were \$521,478 and total revenues were \$1,296,695.

The Village's overall legal debt margin was \$5,289,816 with an unvoted margin of \$2,509,146.

Note 10 – Jointly Governed Organizations

Tuscarawas County Regional Planning Commission

The Village is associated with the Tuscarawas County Regional Planning commission as a jointly governed organization. The Commission is a statutorily created political subdivision of the State. The Commission is jointly governed among Tuscarawas County municipalities and townships. Each member's control over the operation of the Commission is limited to its representation on the board. The Commission makes studies, maps, plans, recommendations and reports concerning the physical, environmental, social, economical and governmental characteristics, functions and services of the County.

Tuscarawas County Tax Incentive Review Control

The Tuscarawas County Tax Incentive Review Control (Council) is a jointly governed organization, created as a regional council of governments pursuant to State statutes. The Council has 20 members, consisting of three members appointed by the Tuscarawas County Commissioners, four members appointed by municipal corporations and six members appointed by boards of education located within the County. The Council reviews and evaluates the performance of each Enterprise Zone Agreement. This body is advisory in nature and cannot directly impact an existing Enterprise Zone Agreement; however the Council can make a written recommendation to the legislative authority which approved the agreement. There is no cost associated with being a member of the Council. The continued existence of the Council is not dependent upon the Village's continued participation and no measurable equity interests exist.

Regional Income Tax Agency

The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collection income taxes on behalf of each member. RITA currently has approximately 350 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. For 2022, the Village paid RITA \$55,780 for income tax collection services.

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Note 11 – Contingent Liabilities

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow; however, based on prior experience, management believes any refunds would be immaterial.

Note 12 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

Fund Balances	General	Street Levy	Street Maintenance	Police Operations	Other Governmental Funds	Total
<u>Restricted to:</u>						
Transportation	\$0	\$859,331	\$289,829	\$0	\$369,005	\$1,518,165
Public Safety	0	0	0	142,565	66,108	208,673
Public Health	0	0	0	0	381,931	381,931
Capital Improvements	0	0	0	0	49,694	49,694
<i>Total Restricted</i>	<u>0</u>	<u>859,331</u>	<u>289,829</u>	<u>142,565</u>	<u>866,738</u>	<u>2,158,463</u>
<u>Committed to:</u>						
Capital Improvements	0	0	0	0	10,310	10,310
<u>Assigned to:</u>						
Purchases on Order:						
General Government	324,331	0	0	0	0	324,331
Liesure Time Activities	345	0	0	0	0	345
Transportation	62	0	0	0	0	62
Capital Outlay	122,806	0	0	0	0	122,806
<i>Total Assigned</i>	<u>447,544</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>447,544</u>
Unassigned	58,791	0	0	0	0	58,791
Total Fund Balances	<u><u>\$506,335</u></u>	<u><u>\$859,331</u></u>	<u><u>\$289,829</u></u>	<u><u>\$142,565</u></u>	<u><u>\$877,048</u></u>	<u><u>\$2,675,108</u></u>

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Note 13 – Significant Commitments

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year or soon thereafter were as follows:

<i>Governmental Funds:</i>	
General	\$447,348
Street Levy	6,708
Street Maintenance	2,488
Police Operations	22,587
Other Governmental Funds	<u>23,599</u>
Total Governmental Funds	<u><u>\$502,730</u></u>
<i>Proprietary Funds:</i>	
Water	\$69,147
Sewer	<u>414,028</u>
Total Proprietary Funds	<u><u>\$483,175</u></u>

Contractual Commitments

The Village had a contractual commitment outstanding at December 31, 2022, related to the Brownfield cleanup project for the amount of \$605,130. Of this amount, \$255,980 was encumbered at year end. The Governmental Accounting Standard Board's (GASB) Statements No. 83, *Certain Asset Retirement Obligations*, provides guidance related to asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The Ohio Revised Code Section 6111.44 requires the Village to submit any changes to their sewerage system to the Ohio EPA for approval. Through this review process, the Village would be responsible to address any public safety issues associated with their waste water treatment facilities. Due to the Village's application of the cash basis of accounting, this long-term obligation is not reported as a liability in the financial statements.

Note 14 – Defined Benefit Pension Plans

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Village employees, other than full-time police, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan.

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Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

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

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-

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living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

Effective January 1, 2022, the Combined Plan is no longer available for member selection.

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

	State and Local
2022 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
 2022 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Post-employment Health Care Benefits **	0.0
Total Employer	14.0 %
Employee	10.0 %

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

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Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

For 2022, The Village's contractually required contribution was \$130,184 for the traditional plan, \$0 for the combined plan and \$4,370 for the member-directed plan.

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

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

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

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

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

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

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0% or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

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

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

	Police
2022 Statutory Maximum Contribution Rates	
Employer	19.50 %
Employee	12.25 %
 2022 Actual Contribution Rates	
Employer:	
Pension	19.00 %
Post-employment Health Care Benefits	0.50
Total Employer	19.50 %
Employee	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The Village’s contractually required contribution to OP&F was \$60,206 for 2022.

Social Security

Five of the Village’s employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants’ gross salaries. The Village has paid all contributions required through December 31, 2022.

Note 15 – Defined Benefit OPEB Plans

Plan Description – Ohio Public Employees Retirement System (OPERS)

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select

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

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

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

Village of Newcomerstown, Ohio
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Funding Policy – The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS’ Board of Trustees, a portion of each employer’s contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2022, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2022 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Village’s contractually required contribution was \$1,748 for 2022.

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

The Village contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

Regardless of a benefit recipient’s participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient’s next benefit payment. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2022, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Village's contractually required contribution to OP&F was \$1,584 for 2022.

Note 16 – 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 2022, the Village received COVID-19 funding. The Village's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated. At December 31, 2022, the Village was holding \$191,909 in American Rescue Plan monies received in advance of meeting the eligibility requirements. Although these dollars are restricted, specific identification of the program and applicable amounts is not available until the Village has incurred allowable costs under the program. The Village has elected not to modify the cash basis of accounting to report unearned revenue; therefore, \$197,290 of this amount is included as operating grants and contributions and general revenue on the statement of activities.

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

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

Village of Newcomerstown
Tuscarawas County
308 S College Street
PO Box 151
Newcomerstown, Ohio 43832

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Village of Newcomerstown, Tuscarawas County (the Village) as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated June 18, 2024, wherein we noted the Village uses a special purpose framework other than generally accepted accounting principles.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

We also noted certain other matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated June 18, 2024.

Purpose of this Report

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



Charles E. Harris & Associates, Inc.
June 18, 2024

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF NEWCOMERSTOWN

TUSCARAWAS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 8/13/2024

65 East State Street, Columbus, Ohio 43215
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This report is a matter of public record and is available online at
www.ohioauditor.gov