

***VILLAGE OF NEWTON FALLS***

***TRUMBULL COUNTY***

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2019







88 East Broad Street  
Columbus, Ohio 43215  
IPARepor@ohioauditor.gov  
(800) 282-0370

Village Council  
Village of Newton Falls  
419 North Central Street  
Newton Falls, Ohio 44444

We have reviewed the *Independent Auditor's Report* of the Village of Newton Falls, Trumbull County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2019 through December 31, 2019. 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 Newton Falls is responsible for compliance with these laws and regulations.

Keith Faber  
Auditor of State  
Columbus, Ohio

March 12, 2021

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**Village of Newton Falls**  
**Trumbull County**  
For the Year Ended December 31, 2019

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**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Village of Newton Falls  
Trumbull County  
19 North Canal Street  
Newton Falls, Ohio 44444

To the Village Council:

We have audited, in accordance with the 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, the business-type activities, the major fund, and the aggregate remaining fund information of the Village of Newton Falls, Trumbull County (the Village) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Village’s financial statements, and have issued our report thereon dated January 15, 2021. We noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village.

***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) to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 may exist that have not been identified.

*Village of Newton Falls*

*Trumbull County*

Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards*

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***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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated January 15, 2021.

***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 and Associates, Inc.***

January 15, 2021



**Village of Newton Falls**  
**Trumbull County**  
 Schedule of Prior Audit Findings  
 (Prepared by Management)  
 December 31, 2019

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2018-001	Appropriations Exceeding Total Resources	Partially Corrected	The Village passed final appropriations in January 2020 which would have covered the differences noted. The number of funds affected and dollar amounts diminished from the previous year and the auditor decided to include in a management letter recommendation this year.

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# THE VILLAGE OF NEWTON FALLS, OHIO

For The Year  
Ended December 31, 2019

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

LYLE A. WADDELL, MAYOR



Village of Newton Falls  
Trumbull County, Ohio



Comprehensive Annual Financial Report  
Year Ended December 31, 2019

Issued by:  
Finance Director



Village of Newton Falls, Ohio  
 Comprehensive Annual Financial Report  
 Year Ended December 31, 2019

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Village of Newton Falls, Ohio  
 Comprehensive Annual Financial Report  
 Year Ended December 31, 2019

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## INTRODUCTORY SECTION





# Village of Newton Falls

## Finance Department

419 N. Center Street  
Newton Falls, Ohio 44444  
330-872-1010  
[www.ci.newtonfalls.oh.us](http://www.ci.newtonfalls.oh.us)

January 15, 2021

Village of Newton Falls  
Mayor  
Members of Council  
Village of Newton Falls, Ohio

The Comprehensive Annual Financial Report (CAFR) of the Village of Newton Falls, Ohio for the year ended December 31, 2019 is hereby submitted for your review. I am pleased to report that this is the second CAFR the Village has prepared.

Ohio law requires that every general-purpose local government prepare their financial statements in accordance with generally accepted accounting principles (GAAP) and to have an annual audit. The preparation of this CAFR represents the commitment of Newton Falls to adhere to nationally recognized standards of excellence in financial reporting.

Management, specifically the Finance Director's Office, assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. This evaluation involves estimates and judgment by the Village administration and members of the finance office. The administrative and financial management personnel believe that the Village's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

Charles E. Harris & Associates, Inc., have issued an unmodified ("clean") opinion on the Village of Newton Falls' financial statements for the year ended December 31, 2019. The auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

### Profile of the Village

The Village of Newton Falls is located in Newton Township in Trumbull County, Ohio. The Village is a charming, historic, walkable community conveniently located between Cleveland, Akron, Canton, Youngstown and Pittsburgh.

The Village of Newton Falls, founded in 1806, is located in the southwest corner of Trumbull County and currently occupies a land area of 2.4 square miles. The City of Newton Falls adopted its charter on September 20, 1966.

The Village of Newton Falls operated under a “Mayor-Council-Manager” form of government. The legislative and judicial powers, as specified in the Charter, are vested in the governing council, which consists of the Mayor and five Council members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City’s manager, city clerk, legal counsel, finance director and chief of police. The City Manager is responsible for carrying out the day-to-day operations of the government and for appointing the heads of the various departments. The Council is elected on a non-partisan basis and serves staggered terms. Elections are held every two years with the Council members from the second and fourth wards in one cycle and the Council members from the first, third and at-large in the next cycle. The Mayor is elected every four years.

The population of Newton Falls was 4,795 at the 2010 census. Newton Falls is a village within Newton Township in Trumbull, County Ohio and it is part of the Youngstown-Warren, OH-PA Metropolitan Statistical Area. The Village is known for its zip code of 44444. Newton Falls is known for holding the largest Fourth of July Festivities in the county, which has been an annual event since 1946. Newton Falls is known as a quaint home town that has reenergized downtown with top-rated neighborhoods.

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the Village are not misleading.

The primary government consists of all funds and departments which provide various services including police protection, garbage disposal, sewage collection and treatment, water treatment and distribution, street maintenance and repair, parks and recreation, planning, zoning, and maintenance of a staff to provide support services (i.e., payroll processing and accounts payable). Council and the Village Manager have direct responsibility for these activities.

The Village is associated with the Ohio Municipal Electric Generation Agency (JV1), which is defined as a joint venture. A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. This organization is presented in Note 13.

The Council is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation for the Village of Newton Falls’s financial planning and control. The budget is prepared at the object level. The finance director may transfer resources within the function and department levels. The department heads may transfer resources within their department as they see fit. Budgetary control is maintained by the encumbrance of purchase amounts prior to the release of purchase orders to vendors. Each department head is furnished a monthly report showing the month’s transactions and summarizing the balances available to be spent from the appropriations for goods and services.

## Relevant Financial Policies

It is the mission of the Village to develop, maintain and implement financial accounting policies and procedures and protect and optimize the financial resources of the Village. The Village provides a sound accounting system for safeguarding the Village's assets through recording and reporting of financial transactions according to mandated laws and guidelines of the Federal law, Ohio Revised Codes, GAAP, and the Village's Codified Ordinances. The department goals are to develop sound fiscal policies, provide solid financial management for the Village, maintain reserves and fiscal integrity, and protect the assets of the citizens of Newton Falls.

The Village's past financial stability is largely due to implementing and managing a series of policy decisions. These policies which promote growth of the Village and economy through controlled delivery of services remain in place today.

Recognizing the deterioration of the national and state economies and the unprecedented decline in available Village resources, the Village implemented a 1% income tax effective May 1, 1966.

The Village's investment policy is to invest public funds in a manner which will ensure the preservation of capital while providing the highest investment return with the maximum security, meeting the daily cash flow needs of the Village, and conforming to all State and local statutes governing the investment of public funds.

## Local Economy

2019 was another positive year of development in the Village of Newton Falls. The highlights of this development include the city's annexation of property in the Route 5 and Interstate 80, which created significant acreage for new commercial and industrial development. This led to additional annexation in early 2019, which brought an additional 120 jobs into Newton Falls with the entry of Venture Plastics Company into our community. Newer and larger job acquisition projects are anticipated to come to fruition sometime during the summer of 2019 and it is hard to image a more positive economic outlook for our community after many years of previously lethargic growth. As a result, we anticipate the 1% income tax to continue to generate additional revenue for the general fund while new customers for the enterprise fund utilities are added as well. Newton Falls is on a roll economically.

In addition, Luxaire Corporation was asked to be annexed into the Village, creating additional income tax revenue.

The Covid-19 crisis has stalled many projects but we expect resumption of several economic development projects sometime in late July or early August.

For these reasons we are generally optimistic about future growth in our City.

## Awards and Acknowledgements

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for our second certificate.

The preparation of this report was made possible by the efforts of the Finance Department staff. My sincere appreciation is extended to all members of the Village of Newton Falls staff, whose efforts have made this report possible. This report contains an expanded Statistical Section and a significant amount of work from members of all village departments was necessary to complete the tables. I am extremely grateful for those individuals who gathered the data to complete those statistical tables. Finally, credit must also be given to the Village Manager, Mayor and to Village Council for their support in maintaining the highest standards of professionalism in the management of the Village of Newton Falls' finances.



David M. Lynch  
City Manager



Anna M. Musson  
Finance Director



Village of Newton Falls  
Trumbull County, Ohio

List of Principal Officials  
As of December 31, 2019

Elected Officials

***Mayor***

Vacant

***Council Members***

Zachary Svette, Ward 1  
John Baryak, Ward 2  
Lyle A. Waddell, Ward 3  
Phillip Beer, Ward 4  
Tarry Alberini, At Large

Appointed Officials

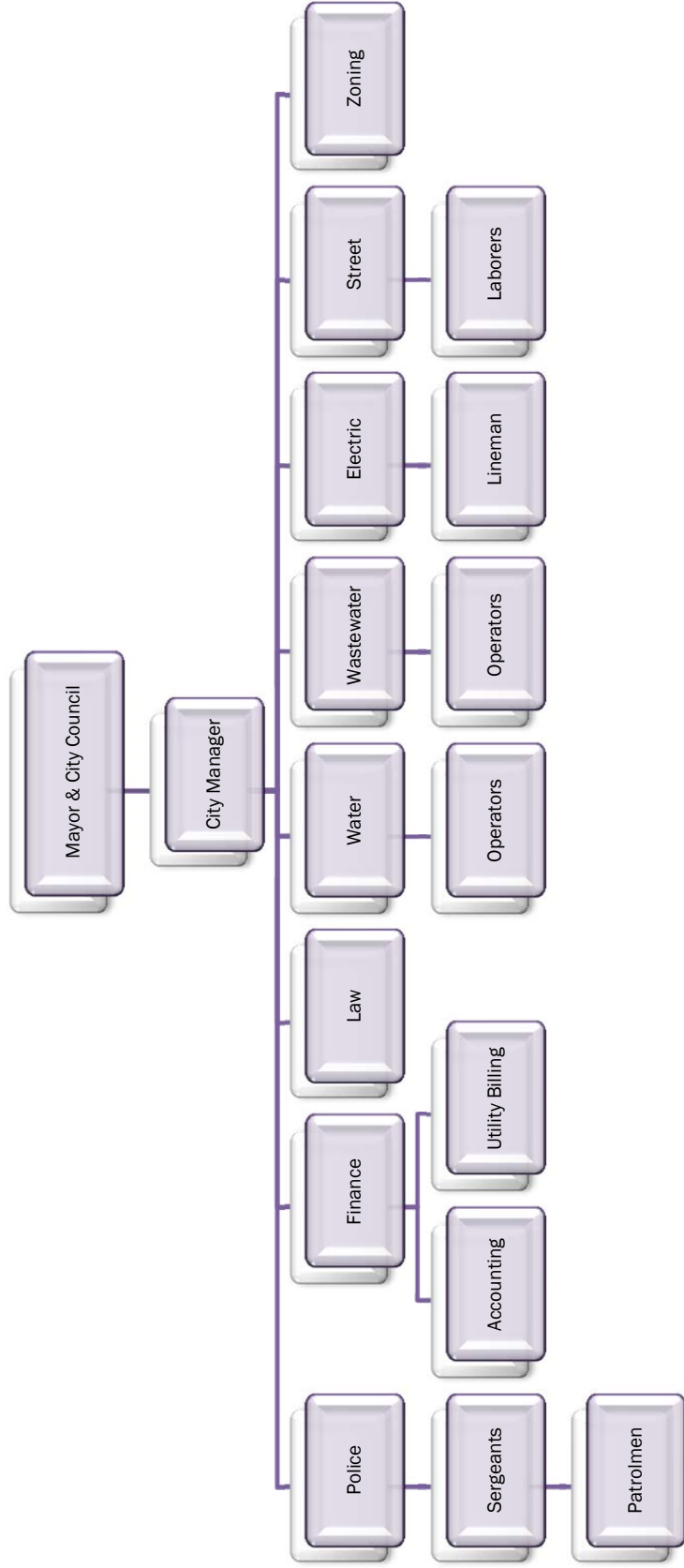
***City Manager***

David M. Lynch

***Director of Finance***

Anna M. Musson, CPFM, CPFIM

# VILLAGE OF NEWTON FALLS ORGANIZATIONAL CHART



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## FINANCIAL SECTION



**INDEPENDENT AUDITOR'S REPORT**

Village of Newton Falls  
Trumbull County  
19 North Canal Street  
Newton Falls, OH 44444

To the Village Council:

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the major fund and the aggregate remaining fund information of the Village of Newton Falls, Trumbull County, Ohio (the Village), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the major fund and the remaining aggregate fund information of the Village of Newton Falls, Trumbull County, Ohio, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note 18 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

***Other Matters***

***Required Supplementary Information***

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

***Other Information***

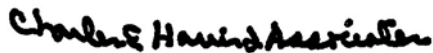
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Village's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2021, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on 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.***  
January 15, 2021





Village of Newton Falls, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019  
(Unaudited)

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The management's discussion and analysis of the Village of Newton Falls' (the "Village") financial performance provides an overall review of the Village's financial activities for the year ended December 31, 2019. The intent of this discussion and analysis is to look at the Village's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Village's financial performance.

### **Financial Highlights**

Key financial highlights for 2019 are as follows:

- The Village's total net position increased \$429,841 during 2019. The net position of the governmental activities increased \$92,116, while the net position of business-type activities also increased by \$337,725.
- General revenues for governmental activities, accounted for \$1,646,491 or 45.3% of total governmental activities revenue. Program specific revenues accounted for \$1,989,007 or 54.7% of total governmental activities revenue.
- The Village had \$3,479,520 in expenses related to governmental activities; only \$1,989,007 of these expenses were offset by program specific charges for services and sales and operating grants. General revenues of \$1,646,491 were adequate to provide for these programs.
- The general fund, the Village's largest and only major governmental fund, had revenues of \$2,708,090 in 2019, or 75.1% of total governmental funds. Expenditures of the general fund were \$2,370,959, or 63% of total governmental funds. The general fund balance increased \$109,548 or 13.8% in 2019.

### **Using this Comprehensive Annual Financial Report (CAFR)**

This annual report consists of a series of financial statements. These statements are presented so that the reader can understand the Village's financial situation as a whole and also give a detailed view of the Village's fiscal condition.

The statement of net position and statement of activities provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as the amount of funds available for future spending. The fund financial statements also look at the Village's most significant funds with all other nonmajor funds presented in total in one column.

Village of Newton Falls, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019  
(Unaudited)

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## **Reporting the Village as a Whole**

### ***Statement of Net Position and Statement of Activities***

The analysis of the Village as a whole begins with the statement of net position and the statement of activities. These reports provide information that will help the reader to determine if the Village is financially better off or worse off as a result of the year's activities. These statements include all assets, deferred inflows of resources, liabilities and deferred outflows of resources using the accrual basis of accounting similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Village's net position and changes in this position. This change informs the reader whether the Village's financial position, as a whole, has improved or diminished. In evaluating the overall financial health, the readers of these financial statements need to take into account non-financial factors that also impact the Village's financial well-being. Some of these factors include the Village's tax base and the condition of capital assets.

In the statement of net position and the statement of activities, the Village is divided into two kinds of activities.

- **Governmental Activities** – Most of the Village's services are reported here including general government, security of persons and property, transportation, leisure time activities and community and economic development.
- **Business-Type Activities** – These services include water, sewer and electric. Service fees for these operations are charged based upon the amount of usage or a usage fee. The intent is that the fees charged recoup operational costs.

## **Reporting the Village's Most Significant Funds**

### ***Fund Financial Statements***

The analysis of the Village's major funds begins on page 20. Fund financial statements provide detailed information about the Village's major funds – not the Village as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the Finance Director, with approval of council, to help control, manage and report money received for a particular purpose or to show that the Village is meeting legal responsibilities for use of grants. The Village's major funds are general, water, sewer and electric.

Village of Newton Falls, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019  
(Unaudited)

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***Governmental Funds***

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

***Proprietary Funds***

When the Village charges citizens for the services it provides, with the intent of recapturing operating costs, these services are generally reported in proprietary funds. Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match. Internal service funds are used to report activities that provide services to the Village's other funds and departments.

***Fiduciary Funds***

All of the Village's fiduciary activities are reported in a separate statement of fiduciary assets and liabilities. We exclude these activities from the Village's other financial statements because the Village cannot use these assets to finance its operations. The Village is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

***Notes to the Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found beginning on page 31 of this report.

***Other Information***

In addition to the basic financial statements and accompanying notes, this report also presents the required supplementary information which can be found beginning on page 82 and the combining and individual fund statements and schedules, which can be found beginning on page 96 of this report.

Village of Newton Falls, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019  
(Unaudited)

**Government-Wide Financial Analysis**

The statement of net position provides the perspective of the Village as a whole.

Table 1 below provides a summary of the Village's net position for 2019:

	<b>Table 1</b>					
	<b>Net Position</b>					
	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Assets</u>						
Current and other assets	\$ 4,599,718	\$ 4,449,405	\$ 7,242,967	\$ 7,245,663	\$ 11,842,685	\$ 11,695,068
Capital assets	1,104,209	984,727	10,896,919	10,966,982	12,001,128	11,951,709
Total assets	<u>5,703,927</u>	<u>5,434,132</u>	<u>18,139,886</u>	<u>18,212,645</u>	<u>23,843,813</u>	<u>23,646,777</u>
<u>Deferred outflows of resources</u>						
Pension	958,414	422,802	502,594	246,248	1,461,008	669,050
OPEB	254,763	201,869	61,513	92,211	316,276	294,080
Total deferred outflows of resources	<u>1,213,177</u>	<u>624,671</u>	<u>564,107</u>	<u>338,459</u>	<u>1,777,284</u>	<u>963,130</u>
<u>Liabilities</u>						
Other liabilities	225,629	156,650	796,565	927,368	1,022,194	1,084,018
Long-term liabilities:						
Due within one year	167,178	123,850	572,741	553,427	739,919	677,277
Due in more than one year:						
Net pension liability	2,904,178	1,740,978	1,687,744	990,462	4,591,922	2,731,440
Net OPEB liability	1,017,726	1,323,105	784,385	670,240	1,802,111	1,993,345
Other amounts	262,936	146,780	9,271,842	9,795,476	9,534,778	9,942,256
Total liabilities	<u>4,577,647</u>	<u>3,491,363</u>	<u>13,113,277</u>	<u>12,936,973</u>	<u>17,690,924</u>	<u>16,428,336</u>
<u>Deferred inflows of resources</u>						
Property taxes	129,485	129,288	-	-	129,485	129,288
Pension	127,957	435,961	58,850	287,494	186,807	723,455
OPEB	52,127	64,419	17,433	49,929	69,560	114,348
Total deferred inflows of resources	<u>309,569</u>	<u>629,668</u>	<u>76,283</u>	<u>337,423</u>	<u>385,852</u>	<u>967,091</u>
<u>Net position</u>						
Net investment in capital assets	914,342	943,943	1,868,180	1,377,497	2,782,522	2,321,440
Restricted	2,510,317	2,651,400	-	-	2,510,317	2,651,400
Unrestricted	(1,394,771)	(1,657,571)	3,746,253	3,899,211	2,351,482	2,241,640
Total net position	<u>\$ 2,029,888</u>	<u>\$ 1,937,772</u>	<u>\$ 5,614,433</u>	<u>\$ 5,276,708</u>	<u>\$ 7,644,321</u>	<u>\$ 7,214,480</u>

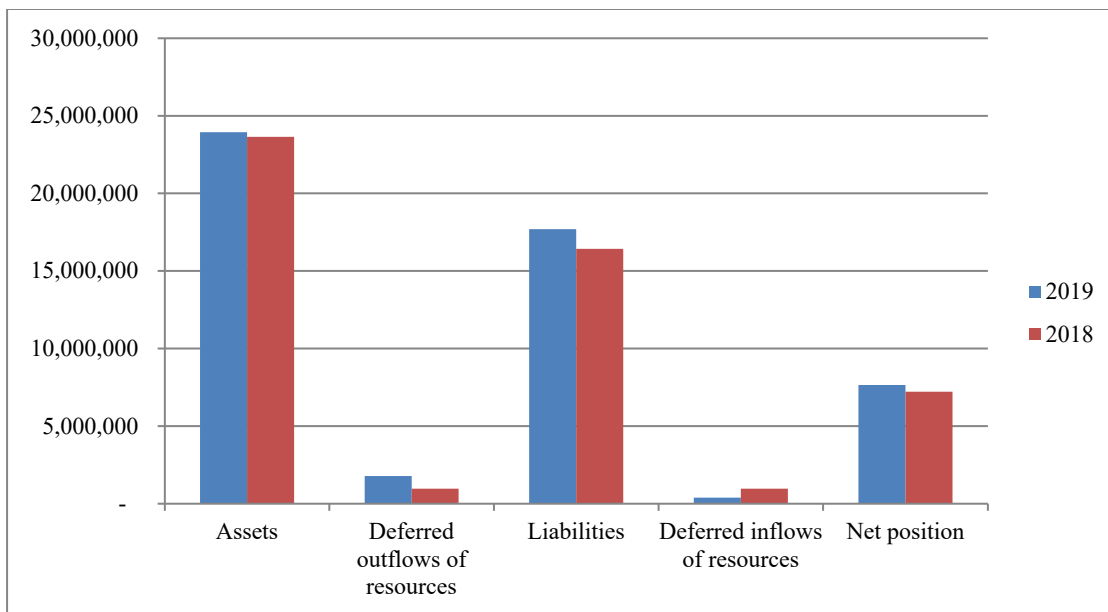
Village of Newton Falls, Ohio  
 Management's Discussion and Analysis  
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 (Unaudited)

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2019, the Village's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$7,644,321, as displayed in Table 1. This amounts to \$2,029,888 in governmental activities and \$5,614,433 in business-type activities.

The largest portion of the Village's net position, 36.4%, reflects its investment in capital assets less any related debt used to acquire those assets. Capital assets include land, buildings and improvements, equipment, vehicles, infrastructure, and construction in progress. Capital assets, net of related debt to acquire the assets at December 31, 2019, were \$2,782,522. These capital assets are used to provide services to citizens and are not available for future spending. Although the Village's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

As of December 31, 2019, the Village is able to report positive balances in all categories of net position, for the government as a whole.

The net position of the Village's business type activities was \$5,614,433. One of the three enterprise funds reported operating income during 2019. Overall, program expenses were \$8,800,194 and had \$8,859,276 in charges for services during 2019. The Village strives to control operation expenses for business-type activities in order to maintain stability in charges for services rates.



The Village's statement of activities prepared on an accrual basis of accounting includes an annual pension expense and annual OPEB expense equal to its proportionate share of each plan's change in net pension liability and net OPEB liability not accounted for as deferred inflows/outflows.

Table 2 shows the changes in net position for the year ended December 31, 2019.

Village of Newton Falls, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019  
(Unaudited)

**Table 2**  
**Changes in Net Position**

	Governmental <u>Activities</u>		Business-Type <u>Activities</u>		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 1,562,777	\$ 1,400,905	\$ 8,859,276	\$ 9,293,403	\$ 10,422,053	\$ 10,694,308
Operating grants, contributions, and interest	426,230	376,183	-	4,090	426,230	380,273
Capital grants and contributions	-	-	145,459	143,724	145,459	143,724
General revenues:						
Property taxes	281,350	290,403	-	-	281,350	290,403
Income taxes	788,526	762,547	-	-	788,526	762,547
Grants and entitlements	150,289	130,399	-	-	150,289	130,399
Investment earnings	357,852	38,012	-	-	357,852	38,012
Other	68,474	71,183	69,322	456,509	137,796	527,692
Total revenues	<u>3,635,498</u>	<u>3,069,632</u>	<u>9,074,057</u>	<u>9,897,726</u>	<u>12,709,555</u>	<u>12,967,358</u>
<b>Program Expenses</b>						
Governmental Activities:						
General government	1,813,012	1,459,887	-	-	1,813,012	1,459,887
Security of persons and property						
Police	536,850	819,398	-	-	536,850	819,398
Fire	70,837	70,837	-	-	70,837	70,837
Other	18,978	13,950	-	-	18,978	13,950
Transportation	805,686	518,546	-	-	805,686	518,546
Leisure time activities	101,868	34,374	-	-	101,868	34,374
Community and economic development	130,773	33,131	-	-	130,773	33,131
Interest and fiscal charges	1,516	1,358	-	-	1,516	1,358
Business-Type Activities:						
Water	-	-	1,870,037	1,774,096	1,870,037	1,774,096
Sewer	-	-	1,796,354	1,785,960	1,796,354	1,785,960
Electric	-	-	5,133,803	5,563,672	5,133,803	5,563,672
Total program expenses	<u>3,479,520</u>	<u>2,951,481</u>	<u>8,800,194</u>	<u>9,123,728</u>	<u>12,279,714</u>	<u>12,075,209</u>
Increase (decrease) in net position						
before transfers	155,978	118,151	273,863	773,998	429,841	892,149
Transfers	<u>(63,862)</u>	<u>-</u>	<u>63,862</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	92,116	118,151	337,725	773,998	429,841	892,149
Net position, beginning of year	<u>1,937,772</u>	<u>1,819,621</u>	<u>5,276,708</u>	<u>4,502,710</u>	<u>7,214,480</u>	<u>6,322,331</u>
Net position, end of year	<u>\$ 2,029,888</u>	<u>\$ 1,937,772</u>	<u>\$ 5,614,433</u>	<u>\$ 5,276,708</u>	<u>\$ 7,644,321</u>	<u>\$ 7,214,480</u>

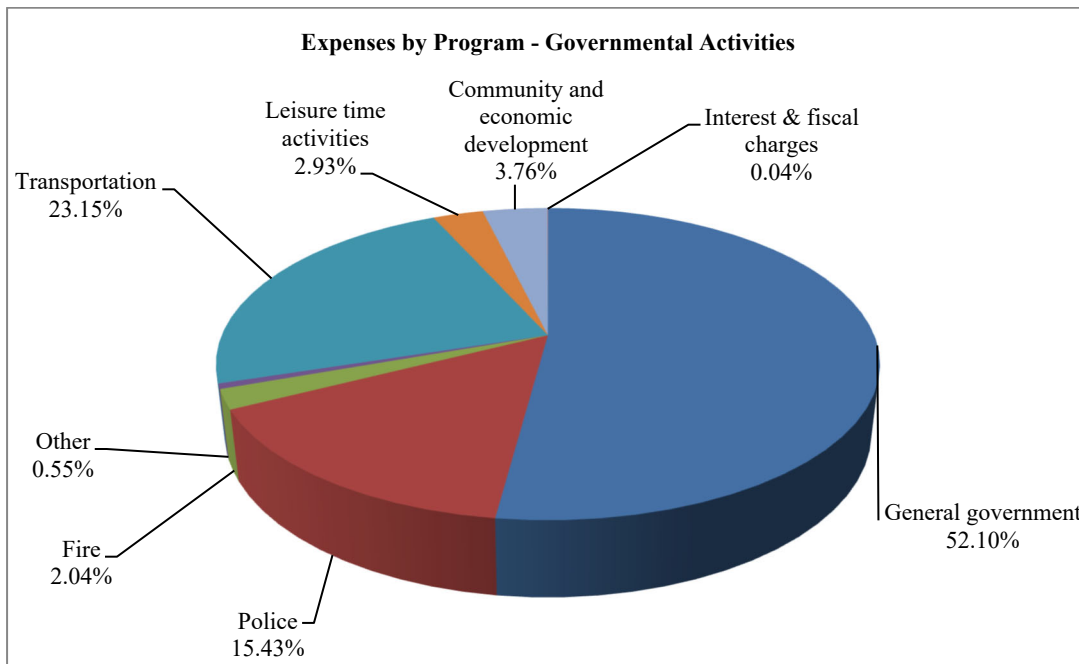
Village of Newton Falls, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019  
(Unaudited)

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**Governmental Activities**

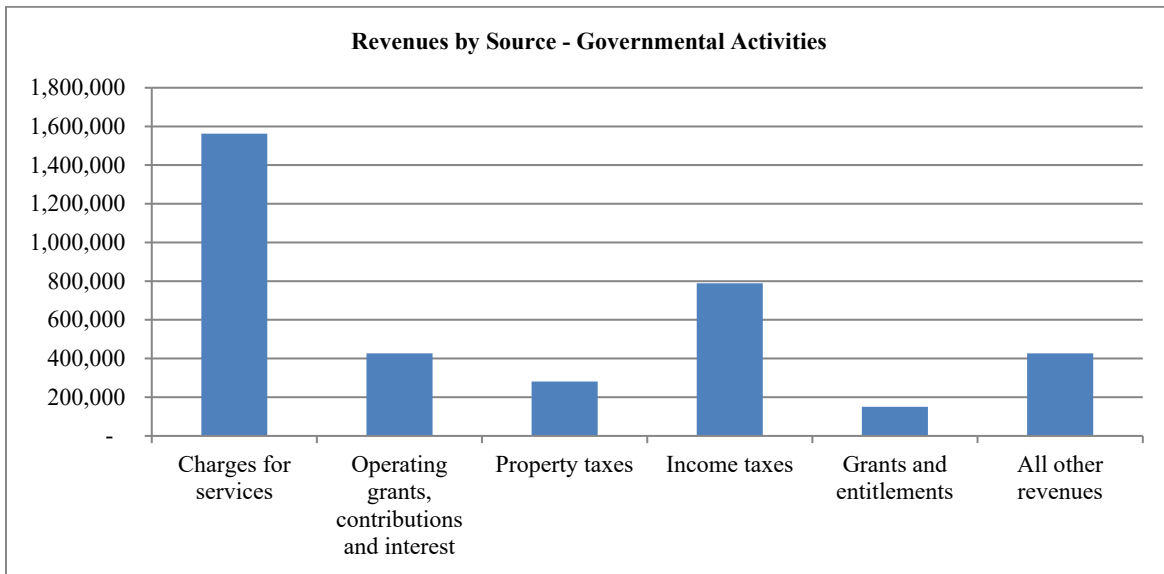
The Village 1% income tax effective January 1, 2014, is a large source of revenue for the Village of Newton Falls.

Charges for services were \$1,562,777 and income tax revenues were \$788,526 during 2019. Governmental activities program expenses were \$3,479,520 during 2019.



As indicated by governmental program expenses, citizen safety and well-being is emphasized as well as maintaining the Village's streets and other infrastructure. Recreation programs and facilities are considered an integral part of the quality of life factor.

Village of Newton Falls, Ohio  
 Management's Discussion and Analysis  
 For the Year Ended December 31, 2019  
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When looking at the sources of income used to support governmental activities, it should be noted that charges for services of \$1,562,777 represent 43% of revenue. Revenues provided by sources other than Village residents in the form of operating grants comprise another \$426,230, or 11.7%, and unrestricted grants and entitlements accounted for \$150,289, which is another 4.1%. The remaining revenues are primarily generated locally through property taxes, \$281,350 or 7.7% and income taxes, \$788,526 at 21.7%. Village Council relies on these taxes to furnish the quality of life to businesses and citizens to which they and previous councils have always been committed.

***Business-Type Activities***

The Village's business-type activities include water, sewer and electric.

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

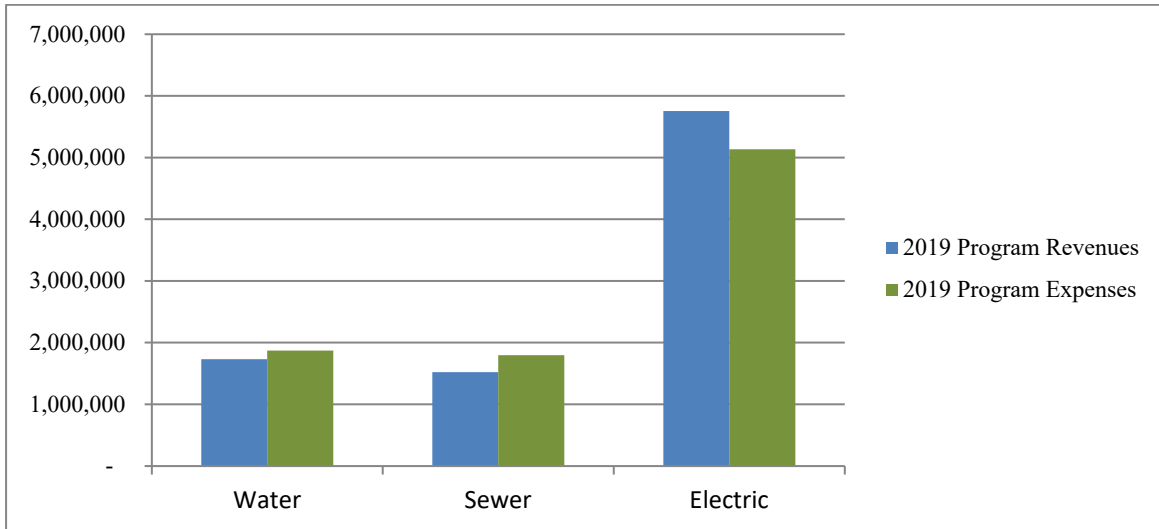
*Sewer Fund* - The sewer fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the Village.

*Electric Fund* - The electric fund accounts for electric services to the residential and commercial users located within the Village and also customers located outside Village limits. The costs of providing these services are financed primarily through user charges.

Overall, the Village's business-type activities generated over \$9 million in program revenues during 2019, program expenses were over \$8.8 million.



Village of Newton Falls, Ohio  
Management's Discussion and Analysis  
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As a result of implementing the accounting standards for pension and OPEB, the Village is reporting a net pension liability, net OPEB liability, related deferred inflows of resources and an increase in expenses for the year which have a negative effect on net position. In addition, the Village is reporting deferred outflows of resources related to pension and OPEB, which have a positive impact on net position. The increase in pension and OPEB expense is the difference between the contractually required contributions and the pension and OPEB expense resulting from the change in the liability that is not reported as deferred inflows or outflows. These amounts can be found in the reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities. To further explain the impact of these accounting standards on the Village's net position, additional information is presented below.

	2019	2019	2018	2018
	Governmental	Business-Type	Governmental	Business-Type
	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>
Deferred outflows - pension	\$ 958,414	\$ 502,594	\$ 422,802	\$ 246,248
Deferred outflows - OPEB	254,763	61,513	201,869	92,211
Deferred inflows - pension	(127,957)	(58,850)	(435,961)	(287,494)
Deferred inflows - OPEB	(52,127)	(17,433)	(64,419)	(49,929)
Net pension liability	(2,904,178)	(1,687,744)	(1,740,978)	(990,462)
Net OPEB liability	<u>(1,017,726)</u>	<u>(784,385)</u>	<u>(1,323,105)</u>	<u>(670,240)</u>
Impact of on net position	<u>\$ (2,888,811)</u>	<u>\$ (1,984,305)</u>	<u>\$ (2,939,792)</u>	<u>\$ (1,659,666)</u>

Village of Newton Falls, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019  
(Unaudited)

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**Financial Analysis of the Government's Funds**

These funds are reported using the modified accrual basis of accounting. Governmental funds reported revenues and other financing sources of \$4,000,281 and expenditures and other financing uses of \$4,056,106. The general fund net change in fund balance from 2018 to 2019 was an increase of \$109,548. Within the general fund, revenues exceeded expenditures by \$337,131. The total revenues of the general fund were \$2,708,098 and expenditures were \$2,598,550. Transfers to other funds such as the street construction, maintenance and repair fund, state highway improvement fund, permissive auto fund, parks and recreation fund, enforcement and education fund, and probation improvement fund equaled \$227,591. The funds transferred were used for capital assets, improvements, repairs, and debt.

The current year increase in fund balance was due to an increase in income taxes, charges for services and interest income over the prior year and the close monitoring of expenditures. The increase in interest income is due to higher interest rates in 2019.

***General fund budgeting highlights***

The Village's budget is adopted on a fund basis. Before the budget is adopted council reviews the detailed work papers of each function within the general fund, and then adopts the budget on a fund basis. During 2019, revisions were made to the general fund budget. These revisions are reflected on the statement of revenues, expenditures and changes in fund balances for the general fund on page 24. Within each departmental function, a department head may make small line item adjustments within their budget, as long as the total operation and maintenance amount does not exceed their original budget allowance.

Original general fund budgeted revenues and other financing sources increased \$162,233, from \$2,525,499 to the final budgeted amount of \$2,687,732 for the fiscal year end December 31, 2019. At the end of the year, actual municipal income revenues were higher than the final budget by \$4,805. Actual general fund budgeted revenues and other financing sources were \$2,959,191, \$271,459 more than the final budget.

Original general fund expenditures and other financing uses increased \$126,341, from \$2,935,271 to the final budgeted amount of \$3,061,612. This increase was due to an increase in general government appropriations. Actual expenditures were \$94,060 below final budget expenditures for 2019 due to the close monitoring of expenditures.

Village of Newton Falls, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019  
(Unaudited)

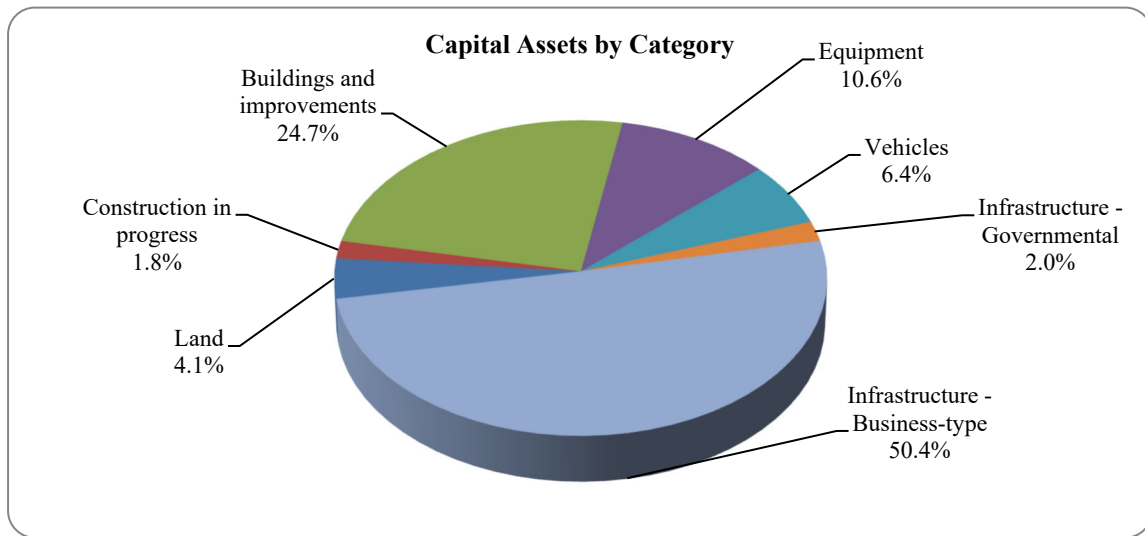
**Capital Assets and Debt Administration**

**Capital Assets**

**Table 3**  
**Capital Assets, at Fiscal Year End**  
**(Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$ 313,179	\$ 271,337	\$ 183,348	\$ 179,348	\$ 496,527	\$ 450,685
Construction in progress	-	-	216,332	6,653	216,332	6,653
Buildings and improvements	103,199	121,925	2,887,530	3,017,200	2,990,729	3,139,125
Equipment	281,685	200,484	995,142	900,160	1,276,827	1,100,644
Vehicles	160,312	132,421	619,333	569,074	779,645	701,495
Infrastructure	<u>245,834</u>	<u>258,560</u>	<u>6,095,234</u>	<u>6,294,547</u>	<u>6,341,068</u>	<u>6,553,107</u>
Total	<u>\$ 1,104,209</u>	<u>\$ 984,727</u>	<u>\$ 10,996,919</u>	<u>\$ 10,966,982</u>	<u>\$ 12,101,128</u>	<u>\$ 11,951,709</u>

Capital assets, net of depreciation, in governmental activities increased from the prior year. This is due to current year additions exceeding current year depreciation expense. Capital assets, net of depreciation, for the business-type activities also increased during 2019 for the same reason. See Note 7 of the notes to the basic financial statements for more detailed information on capital assets.



Village of Newton Falls, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019  
(Unaudited)

**Debt**

At December 31, 2019, the Village of Newton Falls had \$9,860,110 in bonds, notes, loans, capital leases, and stranded costs payable.

**Table 4**  
**Outstanding Debt, at Year End**

	Governmental Activities		Business-Type Activities		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenue bonds	\$ -	\$ -	\$ 6,216,500	\$ 6,322,300	\$ 6,216,500	\$ 6,322,300
OWDA loan	-	-	838,542	925,326	838,542	925,326
OPWC loan	-	-	567,957	621,073	567,957	621,073
Bond anticipation notes	-	-	1,160,000	1,395,000	1,160,000	1,395,000
Capital leases	189,867	40,784	345,740	325,786	535,607	366,570
Stranded costs payable	-	-	541,504	570,537	541,504	570,537
	<u>\$ 189,867</u>	<u>\$ 40,784</u>	<u>\$ 9,670,243</u>	<u>\$ 10,160,022</u>	<u>\$ 9,860,110</u>	<u>\$ 10,200,806</u>

For more detailed information about the Village's long-term liabilities, see Note 9 and 10 of the notes to the basic financial statements.

**Current Issues Affecting Financial Condition**

The Village of Newton Falls is strong financially. In addition, the Village of Newton Falls systems of budgeting and internal controls are well regarded and the Village is well prepared to meet the challenges of the future. In conclusion, management has been committed to provide the residents of the Village of Newton Falls with full disclosure of the financial position of the Village.

**Contacting the Village's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional financial information please contact Anna Musson, Finance Director, Village of Newton Falls, 419 North Center Street, Newton Falls, Ohio 44444.

Village of Newton Falls, Ohio  
Statement of Net Position  
December 31, 2019

	Governmental Activities	Business-Type Activities	Total
<u>Assets:</u>			
Equity in pooled cash and investments	\$ 3,378,153	\$ 5,345,279	\$ 8,723,432
Receivables:			
Income tax	179,043	-	179,043
Property and other taxes	163,065	-	163,065
Accounts	71,551	1,562,322	1,633,873
Accrued interest	23,340	-	23,340
Intergovernmental	249,917	9,285	259,202
Materials and supplies inventory	20,479	137,585	158,064
Loans receivable	659,655	-	659,655
Prepaid items	11,453	13,479	24,932
Restricted: equity in pooled cash and cash equivalents	18,079	-	18,079
Internal balances	(175,017)	175,017	-
Nondepreciable capital assets	313,179	399,680	712,859
Depreciable capital assets, net	791,030	10,597,239	11,388,269
Total assets	<u>5,703,927</u>	<u>18,239,886</u>	<u>23,943,813</u>
<u>Deferred outflows of resources:</u>			
Pension	958,414	502,594	1,461,008
OPEB	254,763	61,513	316,276
Total deferred outflows of resources	<u>1,213,177</u>	<u>564,107</u>	<u>1,777,284</u>
<u>Liabilities:</u>			
Accounts payable	149,706	485,761	635,467
Accrued wages	62,291	45,987	108,278
Intergovernmental payable	10,758	7,106	17,864
Income tax refunds payable	2,874	-	2,874
Accrued interest payable	-	257,711	257,711
Long-term liabilities:			
Due within one year	167,178	572,741	739,919
Due in more than one year:			
Net pension liability	2,904,178	1,687,744	4,591,922
Net OPEB liability	1,017,726	784,385	1,802,111
Other amounts due in more than one year	262,936	9,271,842	9,534,778
Total liabilities	<u>4,577,647</u>	<u>13,113,277</u>	<u>17,690,924</u>
<u>Deferred inflows of resources:</u>			
Property taxes	129,485	-	129,485
Pension	127,957	58,850	186,807
OPEB	52,127	17,433	69,560
Total deferred inflows or resources	<u>309,569</u>	<u>76,283</u>	<u>385,852</u>
<u>Net position:</u>			
Net investment in capital assets	914,342	1,868,180	2,782,522
Restricted for capital projects	85,715	-	85,715
Restricted for transportation	197,323	-	197,323
Restricted for police services	43,433	-	43,433
Restricted for other purposes	1,441,708	-	1,441,708
Restricted for revolving loan	742,138	-	742,138
Unrestricted	(1,394,771)	3,746,253	2,351,482
Total net position	<u>\$ 2,029,888</u>	<u>\$ 5,614,433</u>	<u>\$ 7,644,321</u>

See accompanying notes to the basic financial statements.

Village of Newton Falls, Ohio  
Statement of Activities  
For the Year Ended December 31, 2019

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions
<u>Governmental Activities:</u>				
General government	\$ 1,813,012	\$ 1,416,690	\$ 25,613	\$ -
Security of persons and property				
Police	536,850	30,187	7,833	-
Fire	70,837	-	-	-
Other	18,978	19,122	-	-
Transportation	805,686	92,291	392,784	-
Leisure time activities	101,868	2,246	-	-
Community and economic development	130,773	2,241	-	-
Interest and fiscal charges	1,516	-	-	-
Total governmental activities	<u>3,479,520</u>	<u>1,562,777</u>	<u>426,230</u>	<u>-</u>
<u>Business-Type Activities:</u>				
Water	1,870,037	1,730,784	-	-
Sewer	1,796,354	1,375,243	-	145,459
Electric	5,133,803	5,753,249	-	-
Total business-type activities	<u>8,800,194</u>	<u>8,859,276</u>	<u>-</u>	<u>145,459</u>
Total primary government	<u>\$ 12,279,714</u>	<u>\$ 10,422,053</u>	<u>\$ 426,230</u>	<u>\$ 145,459</u>

General revenues:

Property taxes levied for:

    General purposes

    Police pension

Income tax levied for:

    General purposes

    Capital improvements

    Parks and recreation

    Street construction, maintenance and repair

Grants and entitlements not restricted to specific programs

Investment earnings

Other

Total general revenues and transfers

Transfers

Change in net position

Net position, beginning of year

Net position, end of year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (370,709)	\$ -	\$ (370,709)
(498,830)	-	(498,830)
(70,837)	-	(70,837)
144	-	144
(320,611)	-	(320,611)
(99,622)	-	(99,622)
(128,532)	-	(128,532)
(1,516)	-	(1,516)
<u>(1,490,513)</u>	<u>-</u>	<u>(1,490,513)</u>
-	(139,253)	(139,253)
-	(275,652)	(275,652)
-	619,446	619,446
<u>-</u>	<u>204,541</u>	<u>204,541</u>
\$ (1,490,513)	\$ 204,541	\$ (1,285,972)
263,611	-	263,611
17,739	-	17,739
647,428	-	647,428
47,033	-	47,033
11,758	-	11,758
82,307	-	82,307
150,289	-	150,289
357,852	-	357,852
68,474	69,322	137,796
<u>1,646,491</u>	<u>69,322</u>	<u>1,715,813</u>
<u>(63,862)</u>	<u>63,862</u>	<u>-</u>
92,116	337,725	429,841
<u>1,937,772</u>	<u>5,276,708</u>	<u>7,214,480</u>
<u>\$ 2,029,888</u>	<u>\$ 5,614,433</u>	<u>\$ 7,644,321</u>

Village of Newton Falls, Ohio  
Balance Sheet  
Governmental Funds  
December 31, 2019

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Equity in pooled cash and investments	\$ 880,822	2,031,813	\$ 2,912,635
<b>Receivables:</b>			
Income tax	179,043	-	179,043
Property and other taxes	147,399	15,666	163,065
Accounts	57,049	14,170	71,219
Intergovernmental	85,698	164,219	249,917
Accrued interest	23,340	-	23,340
<b>Restricted assets:</b>			
Equity in pooled cash and cash equivalents	18,079	-	18,079
Materials and supplies inventory	2,479	18,000	20,479
Loans receivable	-	659,655	659,655
Prepaid items	10,099	1,354	11,453
<b>Total assets</b>	<b>\$ 1,404,008</b>	<b>\$ 2,904,877</b>	<b>\$ 4,308,885</b>
<b>Liabilities:</b>			
Accounts payable	\$ 111,036	\$ 27,856	\$ 138,892
Accrued wages	54,059	8,232	62,291
Intergovernmental payable	9,487	1,271	10,758
Income tax refunds payable	2,874	-	2,874
<b>Total liabilities</b>	<b>177,456</b>	<b>37,359</b>	<b>214,815</b>
<b>Deferred inflows of resources:</b>			
Property taxes	113,819	15,666	129,485
Unavailable revenue - delinquent property taxes	30,219	-	30,219
Unavailable revenue - other	181,098	119,285	300,383
<b>Total deferred inflows of resources</b>	<b>325,136</b>	<b>134,951</b>	<b>460,087</b>
<b>Fund balances:</b>			
Nonspendable	30,657	19,354	50,011
Restricted	255	2,443,539	2,443,794
Committed	8,420	269,674	278,094
Assigned	349,248	-	349,248
Unassigned	512,836	-	512,836
<b>Total fund balances</b>	<b>901,416</b>	<b>2,732,567</b>	<b>3,633,983</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,404,008</b>	<b>\$ 2,904,877</b>	<b>\$ 4,308,885</b>

See accompanying notes to the basic financial statements.



Village of Newton Falls, Ohio  
Reconciliation of Total Governmental Fund Balances to  
Net Position of Governmental Activities  
December 31, 2019

Total governmental fund balances		\$ 3,633,983
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in funds.		1,104,209
An internal service fund is used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		455,036
The internal balance represents the portion of the internal service fund's assets and liabilities that are allocated to the proprietary funds.		(175,017)
Other long-term assets are not available to pay for current-period expenditures and therefore are offset by deferred inflows of resources in the funds:		
Property and other taxes	\$ 30,219	
Income taxes	77,581	
Licenses and permits	17,622	
Intergovernmental	133,199	
Charges for services	46,114	
Other	25,867	
Total	330,602	330,602
The net pension and OPEB liabilities are not due and payable in the current period; therefore, the liabilities and related deferred inflows/outflows are not reported in the funds:		
Deferred outflows - pension	\$ 958,414	
Deferred inflows - pension	(127,957)	
Net pension liability	(2,904,178)	
Deferred outflows - OPEB	254,763	
Deferred inflows - OPEB	(52,127)	
Net OPEB liability	(1,017,726)	
Total	(2,888,811)	(2,888,811)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Capital lease payable	\$ (189,867)	
Compensated absences	(240,247)	
Total	(430,114)	(430,114)
Net position of governmental activities		\$ 2,029,888

See accompanying notes to the basic financial statements.

Village of Newton Falls, Ohio  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2019

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Municipal income tax	\$ 673,499	\$ 141,098	\$ 814,597
Property and other taxes	261,929	17,739	279,668
Charges for services	436,759	84,450	521,209
Licenses and permits	70,263	-	70,263
Fines and forfeitures	699,827	245,954	945,781
Intergovernmental	151,360	389,564	540,924
Interest	357,852	74	357,926
Other	56,601	21,198	77,799
Total revenue	<u>2,708,090</u>	<u>900,077</u>	<u>3,608,167</u>
Expenditures:			
Current:			
General government	1,445,781	161,307	1,607,088
Security of persons and property			
Police	757,330	111,167	868,497
Fire	70,837	-	70,837
Other	-	18,978	18,978
Transportation	-	722,880	722,880
Lesiure time activities	-	87,078	87,078
Community and economic development	65,640	59,513	125,153
Capital outlay	31,371	215,815	247,186
Debt service:			
Principal retirement	-	14,965	14,965
Interest and fiscal charges	-	1,516	1,516
Total expenditures	<u>2,370,959</u>	<u>1,393,219</u>	<u>3,764,178</u>
Excess of revenues over (under) expenditures	<u>337,131</u>	<u>(493,142)</u>	<u>(156,011)</u>
Other financing sources (uses):			
Inception of capital lease	-	164,048	164,048
Transfers - in	8	228,058	228,066
Transfers - out	(227,591)	(64,337)	(291,928)
Total other financing sources (uses)	<u>(227,583)</u>	<u>327,769</u>	<u>100,186</u>
Net change in fund balance	109,548	(165,373)	(55,825)
Fund balances at beginning of year	<u>791,868</u>	<u>2,897,940</u>	<u>3,689,808</u>
Fund balances at end of year	<u>\$ 901,416</u>	<u>\$ 2,732,567</u>	<u>\$ 3,633,983</u>

See accompanying notes to the basic financial statements.

Village of Newton Falls, Ohio  
Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2019

Net change in fund balances - Total governmental funds	\$	(55,825)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.		
In the current period, these amounts are:		
Capital outlay	\$	247,186
Depreciation expense		(124,068)
Excess of depreciation expense over capital outlay		123,118
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
		(3,636)
Some capital additions were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statements of net position, the lease obligation is reported as a liability.		
		(164,048)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These activities consist of:		
Property and other taxes	\$	1,682
Income taxes		(26,071)
Intergovernmental		43,673
Charges for services		(5,632)
Licenses and permits		935
Other		12,744
Net change in deferred inflows of resources during the year		27,331
Contractually required contributions are reported as expenditures in the governmental funds however, the statement of activities reports these amounts as deferred outflows.		
Pension		210,280
OPEB		5,185
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension		(529,864)
OPEB		365,380
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:		
Increase in compensated absences		(10,401)
The internal service fund used by management to charge the costs of insurance claims to individual funds are not reported in the statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated.		
		109,631
Payment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
		14,965
Change in net position of governmental activities	\$	92,116
See accompanying notes to the basic financial statements.		

Village of Newton Falls  
Statement of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund  
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Municipal income tax	\$ 843,979	\$ 801,518	\$ 811,108	\$ 9,590
Property and other taxes	216,139	258,600	263,405	4,805
Charges for services	4,850	4,850	81,454	76,604
Licenses and permits	53,300	53,300	70,249	16,949
Fines and forfeitures	593,000	693,000	696,538	3,538
Intergovernmental	84,350	146,583	147,154	571
Interest	87,000	87,000	192,325	105,325
Other	18,000	18,000	54,173	36,173
Total revenues	<u>1,900,618</u>	<u>2,062,851</u>	<u>2,316,406</u>	<u>253,555</u>
<u>Expenditures:</u>				
Current:				
General government	1,071,106	1,326,104	1,068,989	257,115
Security of persons and property				
Police	794,710	810,000	751,672	58,328
Fire	70,850	70,850	70,837	13
Community development	39,525	50,800	64,203	(13,403)
Total expenditures	<u>1,976,191</u>	<u>2,257,754</u>	<u>1,955,701</u>	<u>302,053</u>
Excess of revenues over (under) expenditures	<u>(75,573)</u>	<u>(194,903)</u>	<u>360,705</u>	<u>555,608</u>
Other financing sources (uses):				
Transfers - in	624,881	624,881	642,785	17,904
Transfers - out	(959,080)	(1,033,016)	(1,011,851)	21,165
Total other financing sources (uses)	<u>(334,199)</u>	<u>(408,135)</u>	<u>(369,066)</u>	<u>39,069</u>
Net change in fund balance	(409,772)	(603,038)	(8,361)	594,677
Fund balance at beginning of year	<u>673,060</u>	<u>673,060</u>	<u>673,060</u>	<u>-</u>
Fund balance at end of year	<u>\$ 263,288</u>	<u>\$ 70,022</u>	<u>\$ 664,699</u>	<u>\$ 594,677</u>

See accompanying notes to the basic financial statements.

Village of Newton Falls, Ohio  
Statement of Fund Net Position  
Proprietary Funds  
December 31, 2019

	Business-Type Activities - Enterprise Funds				Internal Service Funds
	Water	Sewer	Electric	Total	
<u>Assets:</u>					
Current assets:					
Equity in pooled cash and investments	\$ 1,557,534	\$ 1,041,647	\$ 2,658,465	\$ 5,257,646	\$ 553,151
Receivables:					
Accounts	276,163	246,551	1,036,427	1,559,141	3,513
Intergovernmental	4,582	2,475	2,228	9,285	-
Materials and supplies inventory	13,823	-	123,762	137,585	-
Prepaid items	4,665	3,217	4,793	12,675	804
Total current assets	<u>1,856,767</u>	<u>1,293,890</u>	<u>3,825,675</u>	<u>6,976,332</u>	<u>557,468</u>
Noncurrent assets:					
Capital assets:					
Land	61,294	78,823	43,231	183,348	-
Construction in progress	-	216,332	-	216,332	-
Depreciable capital assets, net	5,713,333	3,368,971	1,514,935	10,597,239	-
Total noncurrent assets	<u>5,774,627</u>	<u>3,664,126</u>	<u>1,558,166</u>	<u>10,996,919</u>	<u>-</u>
Total assets	<u>7,631,394</u>	<u>4,958,016</u>	<u>5,383,841</u>	<u>17,973,251</u>	<u>557,468</u>
<u>Deferred outflows of resources:</u>					
Pension	219,048	117,935	119,896	456,879	45,715
OPEB	26,810	14,434	14,674	55,918	5,595
Total deferred outflows of resources	<u>245,858</u>	<u>132,369</u>	<u>134,570</u>	<u>512,797</u>	<u>51,310</u>
<u>Liabilities:</u>					
Current liabilities:					
Accounts payable	50,011	67,867	361,991	479,869	16,706
Accrued wages	22,162	10,612	8,615	41,389	4,598
Intergovernmental payable	3,425	1,640	1,331	6,396	710
Capital leases payable	34,156	58,335	44,685	137,176	-
Compensated absences payable	40,982	19,060	12,967	73,009	3,078
Accrued interest payable	8,093	236,847	12,771	257,711	-
Stranded costs payable	-	-	46,258	46,258	-
OPWC loans payable	21,897	4,662	-	26,559	-
OWDA loans payable	173,633	2,528	-	176,161	-
Revenue bonds payable	-	110,500	-	110,500	-
Total current liabilities	<u>354,359</u>	<u>512,051</u>	<u>488,618</u>	<u>1,355,028</u>	<u>25,092</u>
Long-term liabilities:					
Capital leases payable, net of current portion	85,586	122,978	-	208,564	-
Compensated absences payable	65,803	19,470	12,980	98,253	-
Notes payable, net of current portion	-	-	1,160,000	1,160,000	-
Stranded costs payable, net of current portion	-	-	495,246	495,246	-
OPWC loans payable, net of current portion	499,439	41,959	-	541,398	-
OWDA loans payable, net of current portion	635,663	26,718	-	662,381	-
Revenue bonds payable, net of current portion	-	6,106,000	-	6,106,000	-
Net pension liability	735,581	396,032	402,619	1,534,232	153,512
Net OPEB liability	341,864	184,057	187,119	713,040	71,345
Total long-term liabilities	<u>2,363,936</u>	<u>6,897,214</u>	<u>2,257,964</u>	<u>11,519,114</u>	<u>224,857</u>
Total liabilities	<u>2,718,295</u>	<u>7,409,265</u>	<u>2,746,582</u>	<u>12,874,142</u>	<u>249,949</u>

(Continued)

Village of Newton Falls, Ohio  
Statement of Fund Net Position  
Proprietary Funds  
December 31, 2019  
(Continued)

	Business-Type Activities - Enterprise Funds				Internal Service Funds
	Water	Sewer	Electric	Total	
<u>Deferred inflows of resources:</u>					
Pension	25,649	13,809	14,039	53,497	5,353
OPEB	7,598	4,090	4,159	15,847	1,586
Total deferred inflows of resources	33,247	17,899	18,198	69,344	6,939
<u>Net position:</u>					
Net investment in capital assets	4,324,253	(2,809,554)	353,481	1,868,180	-
Unrestricted	801,457	472,775	2,400,150	3,674,382	351,890
Total net position	\$ 5,125,710	\$ (2,336,779)	\$ 2,753,631	5,542,562	\$ 351,890

Net position reported for business-type activities in the statement of net position is different because they include a proportionate share of the balance of the internal service fund.

175,017

Net position reported for business-type activities in the statement of net position is different because they include all of the business-type internal service fund.

(103,146)

Net position of business-type activities

\$ 5,614,433

See accompanying notes to the basic financial statements.

Village of Newton Falls, Ohio  
Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended December 31, 2019

	Business-Type Activities - Enterprise Funds				Internal Service Funds
	Water	Sewer	Electric	Total	
<u>Operating revenues:</u>					
Charges for services	\$ 1,730,784	\$ 1,375,243	\$ 5,753,249	\$ 8,859,276	\$ 912,586
Other	15,204	5,023	39,306	59,533	322,285
Total operating revenue	<u>1,745,988</u>	<u>1,380,266</u>	<u>5,792,555</u>	<u>8,918,809</u>	<u>1,234,871</u>
<u>Operating expenses:</u>					
Personal services	943,182	545,237	579,840	2,068,259	205,451
Travel	3,918	1,741	4,742	10,401	-
Contractual services	417,406	504,097	4,194,315	5,115,818	712,675
Supplies and materials	206,493	99,553	63,169	369,215	8,865
Claims	-	-	-	-	88,585
Depreciation	234,831	305,182	54,504	594,517	-
Other	91,509	91,319	242,162	424,990	-
Total operating expenses	<u>1,897,339</u>	<u>1,547,129</u>	<u>5,138,732</u>	<u>8,583,200</u>	<u>1,015,576</u>
Operating income (loss)	<u>(151,351)</u>	<u>(166,863)</u>	<u>653,823</u>	<u>335,609</u>	<u>219,295</u>
<u>Nonoperating revenue (expenses):</u>					
Other nonoperating revenues	-	9,789	-	9,789	-
Interest and fiscal charges	(19,635)	(279,492)	(27,531)	(326,658)	-
Total nonoperating revenue (expense)	<u>(19,635)</u>	<u>(269,703)</u>	<u>(27,531)</u>	<u>(316,869)</u>	<u>-</u>
Income (loss) before transfers and capital contributions	<u>(170,986)</u>	<u>(436,566)</u>	<u>626,292</u>	<u>18,740</u>	<u>219,295</u>
Capital contributions	-	145,459	-	145,459	-
Transfers in	-	63,862	-	63,862	-
Total transfers and capital contributions	<u>-</u>	<u>209,321</u>	<u>-</u>	<u>209,321</u>	<u>-</u>
Change in net position	<u>(170,986)</u>	<u>(227,245)</u>	<u>626,292</u>	<u>228,061</u>	<u>219,295</u>
Net position at beginning of year	<u>5,296,696</u>	<u>(2,109,534)</u>	<u>2,127,339</u>		<u>132,595</u>
Net position at end of year	<u>\$ 5,125,710</u>	<u>\$ (2,336,779)</u>	<u>\$ 2,753,631</u>		<u>\$ 351,890</u>
Some amounts reported for the business-type activities in the statement of activities are different because a proportionate share of the net expense of the internal service fund is reported with the business-type activities.				92,676	
Some amounts reported for the business-type activities in the statement of activities are different because the net expense of the business-type internal service fund is reported with the business-type activities.				16,988	
Change in net position of business-type activities				<u>\$ 337,725</u>	

See accompanying notes to the basic financial statements.

Village of Newton Falls, Ohio  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2019

	Business-Type Activities - Enterprise Funds				Internal Service Funds
	Water	Sewer	Electric	Total	
Cash flows from operating activities:					
Cash received from customers	\$ 1,769,634	\$ 1,484,608	\$ 6,141,205	\$ 9,395,447	\$ -
Cash received from interfund services provided	-	-	-	-	1,231,941
Cash payments for employee services and benefits	(790,802)	(467,705)	(503,598)	(1,762,105)	(195,835)
Cash payments to suppliers for goods and services	(730,730)	(738,389)	(4,599,604)	(6,068,723)	(621,763)
Cash payments for claims	-	-	-	-	(187,683)
Net cash provided by for operating activities	248,102	278,514	1,038,003	1,564,619	226,660
Cash flows from noncapital financing activities:					
Transfers from other funds	-	63,862	-	63,862	-
Other nonoperating	-	586	-	586	-
Net cash provided by noncapital financing activities	-	64,448	-	64,448	-
Cash flows from capital and related financing activities:					
Grants	-	145,459	-	145,459	-
Notes issued	-	-	1,160,000	-	-
Interest paid on capital lease	(2,593)	(8,466)	(2,486)	(13,545)	-
Principal payment on capital lease	(10,983)	(56,329)	(43,459)	(110,771)	-
Issuance costs	-	-	(7,981)	(7,981)	-
Interest paid on bonds and loans	(8,949)	(276,752)	(27,096)	(312,797)	-
Principal payment on bonds and loans	(129,320)	(116,380)	(1,395,000)	(1,640,700)	-
Acquisition of capital assets	(197,323)	(227,408)	(78,446)	(503,177)	-
Net cash used for capital and related financing activities	(349,168)	(539,876)	(394,468)	(2,443,512)	-
Net increase (decrease) in cash and cash equivalents	(101,066)	(196,914)	643,535	345,555	226,660
Cash and cash equivalents at beginning of year	1,658,600	1,238,561	2,014,930	4,912,091	326,491
Cash and cash equivalents at end of year	\$ 1,557,534	\$ 1,041,647	\$ 2,658,465	\$ 5,257,646	\$ 553,151
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ (151,351)	\$ (166,863)	\$ 653,823	\$ 335,609	\$ 219,295
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	234,831	305,182	54,504	594,517	-
Change in assets and liabilities:					
(Increase) decrease in assets:					
Accounts receivable	23,646	104,342	348,650	476,638	(2,930)
Materials and supplies inventory	(3,594)	-	8,176	4,582	-
Prepaid items	(298)	(205)	(306)	(809)	(51)
(Increase) decrease in deferred outflows of resources - pension	(111,723)	(60,153)	(61,153)	(233,029)	(23,317)
(Increase) decrease in deferred outflows of resources - OPEB	13,378	7,203	7,324	27,905	2,793

(Continued)



Village of Newton Falls, Ohio  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2019

	Business-Type Activities - Enterprise Funds				Internal Service Funds
	Water	Sewer	Electric	Total	
(Continued)					
Increase (decrease) in liabilities:					
Accounts payable	(11,126)	(43,051)	(78,487)	(132,664)	792
Accrued wages	5,483	673	1,447	7,603	1,558
Compensated absences	6,061	892	649	7,602	(22,143)
Due to other governments	2,960	1,370	1,135	5,465	609
Stranded costs payable	-	-	(29,033)	(29,033)	-
Net pension liability	303,901	163,618	166,340	633,859	63,423
Net OPEB liability	49,749	26,784	27,230	103,763	10,382
Increase (decrease) in deferred inflows of resources - pension	(99,652)	(53,652)	(54,544)	(207,848)	(20,796)
Increase (decrease) in deferred inflows of resources - OPEB	(14,163)	(7,626)	(7,752)	(29,541)	(2,955)
Net cash provided by operating activities	\$ 248,102	\$ 278,514	\$ 1,038,003	\$ 1,564,619	\$ 226,660

See accompanying notes to the basic financial statements.

Village of Newton Falls, Ohio  
Statement of Fiduciary Assets and Liabilities  
December 31, 2019

	Agency
<u>Assets:</u>	
Equity in pooled cash and cash equivalents	\$ 261,631
Cash and cash equivalents in segregated accounts	9,850
Receivables:	
Accounts	3,068
Total assets	\$ 274,549
 <u>Liabilities:</u>	
Accounts payable	\$ 5,355
Deposits held and due to others	208,114
Undistributed monies	61,080
Total liabilities	\$ 274,549

See accompanying notes to the basic financial statements.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The Village of Newton Falls, Trumbull County, (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 five-member council elected at large for four year terms. The Mayor is elected to a four-year term, serves as the President of Council and votes only to break a tie.

Due to a population drop in the 2010 census the Village issued a proclamation according to section 703.06 of the Ohio Revised Code and is now to be known as a Village. However, the Village website, emblems, and organizational chart still say City.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that financial statements are not misleading. The primary government of the Village of Newton Falls provides the following services to its citizens: general government services, street maintenance services, park and recreation services, water, sewer, electric, and storm water utilities and police protection. The Village contracts with the Newton Falls Joint Fire District to provide fire protection services. Council has direct responsibility for these services.

Component units are legally separate organizations for which the Village is financially accountable. The Village is financially accountable for an organization if the Village appoints a voting majority of the organization’s governing board; and (1) the Village is able to significantly influence the programs or services performed or provided by the organization; or (2) the Village is legally entitled to or can otherwise access the organization’s resources; the Village is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Village is obligated for the debt of the organization. Component units may also include organizations for which the Village authorizes the issuance of debt or the levying of taxes, or determines the budget. There are no component units included as part of this report.

The Village is associated with the Ohio Municipal Electric Generation Agency (JV1) which is defined as a joint venture. A joint venture is a legal entity or other organization that is a result of a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. This organization is presented in Note 13.

The Village’s management believes these financial statements present all activities for which the Village is financially accountable.

## **B. Basis of Presentation**

The Village's basic financial statements consist of government-wide 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, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid doubling up revenues and expenses. The statements distinguish between those activities of the Village that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the Village at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Village's governmental activities and for the business-type activities of the Village. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues not classified as program revenues are presented as general revenues of the Village, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business activity is self-financing or draws from the general revenues of the Village.

### 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. The internal service funds are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

## **C. Fund Accounting**

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

Village of Newton Falls, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019

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Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following is the Village's major governmental fund:

General Fund - The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the charter of the Village of Newton Falls and/or the general laws of Ohio.

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

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

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 its residential and commercial users located within the Village.

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

Electric Fund - The electric fund accounts for electric services to the residential and commercial users located within the Village and also customers located outside Village limits. The costs of providing these services are financed primarily through user charges.

Internal Service Funds - An internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the Village on a cost-reimbursement basis. The Village's has two internal service funds. The governmental activities internal service fund accounts for the self-insurance program for employee medical benefits and the business-type activities internal service fund accounts for utility office activity.

Village of Newton Falls, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019

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Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The Village's agency funds include a fund used to account for the amounts collected by the Newton Falls Municipal Court that are paid to other governments, funds used to account for refundable deposits, and a fund used to account for fire repair and removal,

**D. Measurement Focus**

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, all liabilities, deferred outflows of resources and deferred inflows of resources associated with the operation of the Village are included on the Statement of Net Position. The Statement of Activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Fund Financial Statements

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

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets, deferred outflows of resources, all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the Village finances and meets the cash flow needs of its proprietary activities.

**E. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources and in the presentation of expenses versus expenditures.

Village of Newton Falls, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019

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Revenues - Exchange and Nonexchange Transactions

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

Nonexchange transactions, in which the Village receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 5). Revenue from grants, entitlements, shared revenues and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Village must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Village on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax), fines and forfeitures, licenses and permits, interest, grants and rentals.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Village, deferred outflows of resources are reported on the government-wide statement of net position for pension and other postemployment benefits (OPEB). The deferred outflows of resources related to pension and OPEB are explained in Notes 11 and 12.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Village, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenues. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2019, but which were levied to finance year 2020 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported on the governmental funds balance sheet, and represents receivables/revenues which will not be collected within the available period. For the Village, unavailable revenue includes delinquent property taxes, income taxes, franchise taxes, intergovernmental grants, special assessments, and charges for services. These amounts are deferred and recognized as inflows of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position. (See Notes 11 and 12)

Village of Newton Falls, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019

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Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

**F. Equity in Pooled Cash and Investments**

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through Village records. Interest in the pool is presented as “equity in pooled cash and cash equivalents” on the financial statements.

The Village has segregated bank accounts for monies held separately from the Village’s central bank account. These various depository accounts are presented as “cash and cash equivalents in segregated accounts” on the basic financial statements.

During 2019, the Village’s investments were limited to mutual funds, taxable bonds, certificates of deposit and asset backed securities. Investments are reported at fair value, which is based on quoted market prices. For investments in open-end mutual funds, fair value is determined by the fund’s share price.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2019 amounted to \$357,852, which includes \$330,136 assigned from other Village funds.

Investments with an original maturity of three months or less at the time of purchase, and investments of the cash management pool are reported as cash equivalents on the financial statements.

**G. Inventory**

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

Inventories of governmental funds are stated at cost, whereas inventories held for resale are reported at lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types and an expense in proprietary funds when used. Inventory consists of expendable supplies held for consumption.

Inventories of the general fund, the street special revenue fund, the water fund and the sewer fund primarily consist of expendable supplies held for consumption.

**H. Restricted Assets**

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

Restricted assets in the general fund represent cash and cash equivalents set aside for unclaimed monies.



Village of Newton Falls, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019

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**I. Interfund Balances**

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as “Interfund Loan Receivables/Payables.” Interfund loans which do not represent available expendable resources are offset by a fund balance reserve account. Interfund balance amounts, not services provided and used, are eliminated in the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as “Internal Balances”.

**J. Prepaids**

Payments made to vendors for services that will benefit periods beyond December 31, 2019 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure or expense is reported in the year in which services are consumed.

**K. Capital Assets**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The Village maintains a capitalization threshold of ten thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are expended. For proprietary funds and business-type activities, any material amount of interest incurred during the construction of capital assets is also capitalized.

All capital assets are depreciated except for land, easements, and construction and progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the Village’s historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Asset Class	Governmental Activities Estimated Useful Life	Business-Type Activities Estimated Useful Life
Buildings and improvements	5 to 40 years	15 to 40 years
Equipment	5 to 20 years	5 to 20 years
Vehicles	2 to 8 years	8 years
Infrastructure	5 to 50 years	5 to 56 years

The Village's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, water and sewer lines and electric lines.

#### **L. Pension and other postemployment benefits (OPEB) liabilities**

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

The current accounting standard requires Cities to report their proportionate share of the net pension/OPEB liability using the earning approach to pension and OPEB accounting instead of the funding approach as previously used. The funding approach limited pension and postemployment costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension/OPEB liability. Under the new standards, the net pension/OPEB liability equals the Village's proportionate share of each plan's collective present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service minus plan assets available to pay these benefits.

Pension and OPEB obligations, whether funded or unfunded, are part of the employment exchange. The employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. The unfunded portion of this benefit of exchange is a liability of the Village. However, the Village is not responsible for key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension/OPEB benefits with the employer. Benefit provisions and both employer and employee contribution rates are determined by State statute. The employee and employer enter the employment exchange with the knowledge that the exchange is limited by law. The pension system is responsible for the administration of the pension and OPEB plans.

There is no repayment schedule for the net pension/OPEB liability. The Village has no control over the changes in the benefits, contributions rates, and return on investments affecting the balance of the liabilities. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not identify the responsible party for the unfunded portion. Due to the unique nature of how the pension/OPEB liability is satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

#### **M. Compensated Absences**

Vacation benefits and compensatory time are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The Village records a liability for all accumulated unused vacation and compensatory time when earned for all employees.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the Village has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at year-end taking into consideration any limits specified in the Village's termination policy. The Village records a liability for accumulated unused sick leave for all employees after ten years of accumulated service. The entire compensated absence liability is reported on the government-wide financial statements.

Village of Newton Falls, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019

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On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “matured compensated absences payable” in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

#### **N. Accrued Liabilities and Long-Term Obligations**

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

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

#### **O. 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. It also includes the long-term amount of interfund loans, as well as property acquired for resale, unless the proceeds from the collection of these loans or from the sale of these properties is restricted, committed, or assigned.

**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 or enabling legislation (Village ordinances). 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.

Village of Newton Falls, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019

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**Committed** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) 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) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, 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 are 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.

**Assigned** Amounts in the assigned fund balance classification is 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. The finance director is authorized to assign fund balance using encumbrances for planned purchases, provided such amounts have been lawfully appropriated. Village Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

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

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.

#### **P. Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment of capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Net position restricted for other purposes include court activities, recreation, community development and educational programs as restricted by the Village. The Village applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

## **Q. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Village, these revenues are charges for services for electric, waste water treatment, water services and self-insurance programs. Operating expenses are necessary costs incurred to provide the goods or service that is the primary activity of the fund. Revenues and expenses that do not meet these definitions are reported as nonoperating.

## **S. Interfund Activity**

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

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

## **T. Estimates**

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

## **U. Budgetary Process**

All funds, except agency 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 Village Council may appropriate. The appropriations ordinance is Village Council's authorization to spend resources and sets annual limits on disbursements at the level of control selected by Village Council. The legal level of control has been established by Village Council at the object level for all funds.

The certificate of estimated resources may be amended during the year if the Village Finance Director projected increases or decreases in receipts. The amounts reported as the original and final budget in the budgetary statements reflect the amounts in the amended certificate of estimated resources in effect at the time the original and final appropriation ordinances were passed by Village Council.

**NOTE 2 - BUDGETARY BASIS OF ACCOUNTING**

While the Village is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Advances in and advances out (“repayment of advances”) are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. The change in fair value of investments is not included on the budget operating statement. This amount is included as revenue on the GAAP basis operating statement.
6. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statements.
7. The Village’s portion of the activity of the Municipal Court is not included on the budgetary statement. This activity is included on the GAAP basis operating statement.
8. The revenues, expenditures and other financing sources and uses of the general fund include activity that is budgeted within special revenue funds (GAAP basis). However, on the budgetary basis, the activity of the special revenue funds is excluded resulting in perspective differences.

Village of Newton Falls, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019

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The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

Net Change in Fund Balance	
	<u>General</u>
GAAP Basis	\$ 109,548
Revenue accruals	600,124
Expenditure accruals	(722,553)
Change in fair value of investments - 2018	(78,970)
Change in fair value of investments - 2019	89,255
Perspective differences from funds budgeted as special revenue funds:	
Revenues	(359,316)
Expenditures	<u>353,551</u>
Budget Basis	<u>\$ (8,361)</u>

**NOTE 3 – FUND BALANCE**

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 below:

Village of Newton Falls, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019

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Fund Balances	<u>General</u>	Other Governmental Funds	Total Governmental Funds
<u>Nonspendable</u>			
Materials and supplies inventory	\$ 2,479	\$ 18,000	\$ 20,479
Prepays	10,099	1,354	11,453
Unclaimed monies	<u>18,079</u>	<u>-</u>	<u>18,079</u>
Total nonspendable	<u>30,657</u>	<u>19,354</u>	<u>50,011</u>
<u>Restricted for</u>			
Street maintenance	-	139,720	139,720
Community development	255	1,108	1,363
Recreation	-	7,788	7,788
Enforcement and education	-	29,066	29,066
Court activities	-	1,403,546	1,403,546
Public safety	-	34,458	34,458
Capital improvements	-	85,715	85,715
Revolving loan	<u>-</u>	<u>742,138</u>	<u>742,138</u>
Total restricted	<u>255</u>	<u>2,443,539</u>	<u>2,443,794</u>
<u>Committed</u>			
Refuse	8,420	-	8,420
Stormwater system	<u>-</u>	<u>269,674</u>	<u>269,674</u>
Total committed	<u>8,420</u>	<u>269,674</u>	<u>278,094</u>
<u>Assigned</u>			
Next year's budget	<u>349,248</u>	<u>-</u>	<u>349,248</u>
Unassigned	<u>512,836</u>	<u>-</u>	<u>512,836</u>
Total fund balances	<u>\$ 901,416</u>	<u>\$ 2,732,567</u>	<u>\$ 3,633,983</u>



**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Bonds and other obligations of the State of Ohio and political subdivisions;
4. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
5. The State Treasurer's investment pool (STAR Ohio)
6. Certain banker's acceptances and commercial paper notes in an amount not to exceed 25% of the interim monies available for investment at any one time; and,
7. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

Village of Newton Falls, Ohio  
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*Custodial Credit Risk* is the risk that in the event of bank failure, the government's deposits may not be returned to it. The Village has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Village or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured. If the institution participates in the Ohio Pooled Collateral System (OPCS), the total market value of the securities pledged can be one hundred two percent or lower if permitted by the Treasurer of State.

Deposits: At year-end, the carrying amount of the Village's deposits was \$1,210,262, and \$110,688 of the Village's total bank balance of \$1,317,727 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized.

Investments: At year-end, the Village had the following investments.

Investment Type	Fair Value	Percentage of Investments	Investment Maturities (in years)		
			< 1 year	3-5 years	> 5 years
Money market mutual funds	\$ 4,580,785	58.71%	\$ 4,580,785	\$ -	\$ -
Corporate bonds and notes	2,269,547	29.09%	-	431,491	1,838,056
Asset backed securities	69,442	0.89%	-	-	69,442
Negotiable certificates of deposit	882,956	11.33%	882,956	-	-
Total investments	<u>\$ 7,802,730</u>	<u>100.00%</u>	<u>\$ 5,463,741</u>	<u>\$ 431,491</u>	<u>\$ 1,907,498</u>

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The preceding table identifies the Village's recurring fair value measurement as of December 31, 2019. As previously discussed Star Ohio is reported at its net asset value. All other investments of the Village are valued using Level 2 inputs using valuations techniques that incorporate market data for similar investments, broker quotes and inactive transactions prices.

*Custodial Credit Risk* for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Village will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. All financial institutions and broker/dealers who desire to become qualified for investment transactions with the Village must meet a set of prescribed standards and be periodically reviewed. The investments in the mutual funds, corporate bonds and notes and the asset backed securities are held by the counterparty's trust department or agent and not in the Village's name. All of the Village's negotiable certificates of deposit are registered securities and covered in full by FDIC insurance.

Village of Newton Falls, Ohio  
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*Interest Rate Risk* – As a means for limiting its exposure to fair value losses caused by rising interest rates, the Village’s investment policy requires the operating funds be invested primarily in short-term investments maturing within five years from the date of purchase, unless they are matched to a specific obligation or debt of the Village, and 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. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

*Credit Risk* – The Village has no investment policy that addresses credit risk. \$632,604 of the Village’s investments in corporate bonds and notes have an A credit rating, \$837,607 have an A- credit rating, \$388,235 have an A+ credit rating, \$105,941 have an AA credit rating, \$52,863 have an AA- credit rating, \$152,294 have an AA+ credit rating and \$100,003 have an BBB+ credit rating.

*Concentration of Credit Risk* is the possibility of loss attributed to the magnitude of the Village’s investment in a single issuer. More than 5% of the Village’s investments are in mutual funds and corporate bonds and notes. The Village places no limit on the amount the Village may invest in any one issuer. The table above is the Village’s allocation as of December 31, 2019.

**NOTE 5 – RECEIVABLES**

Receivables at December 31, 2019, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements, shared revenues, loans receivables, accrued interest on investments and accounts (billings for ambulance service and utility service). No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

**Property Taxes**

Property taxes include amounts levied against all real and public utility property located in the Village. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, 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 real property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2019 public utility property taxes became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 2020 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

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

Village of Newton Falls, Ohio  
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The full tax rate for all Village operations for the year ended December 31, 2019 was \$2.50 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2019 property tax receipts were based are as follows:

<u>Property Category</u>	<u>Assessed Value</u>
<u>Real Property</u>	
Residential and agricultural	\$ 42,450,580
Commercial and industrial	16,317,490
<u>Personal Property</u>	
Public utilities	1,006,090
Total	\$ 59,774,160

Income Taxes

The Village levies and collects an income tax of 1.00% on all income tax earned within the Village as well as on income of residents earned outside the Village. In 2014, Council approved an ordinance which repealed the credit for tax paid to another municipality in the Tax Code. This was in effect for the 2014 tax year and thereafter. Employers within the Village are required to withhold income tax on employee earnings and remit the tax to the Village either monthly or quarterly as required. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a return annually. In 2019, the net proceeds were allocated 80% to the general fund, 2% to the general reserve, 10.5% to the street, construction, repair and maintenance special revenue fund, 1.50% to the park and recreation special revenue fund, 5% to the capital improvement capital projects fund, and 1% to the future building capital projects fund.

Due from Other Governments

A summary of due from other governments follows:

<u>Governmental Activities</u>	<u>Amounts</u>
Local Government and Local Government	
Revenue Assistance	\$ 31,496
Homestead and Rollback	17,139
Gasoline and Excise Tax	129,870
Motor Vehicle License Fees	14,789
Permissive Motor Vehicle License Tax	8,340
Other	48,283
Total	\$ 249,917

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**NOTE 6 - RISK MANAGEMENT**

Comprehensive

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. During 2019, the Village contracted with the Ohio Municipal Joint Self-Insurance Pool for various types of insurance coverage as follows:

<u>Coverage</u>	<u>Limit</u>	<u>Deductible</u>
Bodily injury and property damage	\$ 6,000,000	\$ 1,000
Law enforcement	6,000,000	10,000
Fire damage legal	100,000	1,000
Personal and advertising injury	6,000,000	1,000
Public officials	6,000,000	25,000
Annual aggregate limit \$6,000,000		
Employee benefit	1,000,000	1,000
Annual aggregate limit \$1,000,000		
Municipal attorney & law directors	1,000,000	25,000
Annual aggregate limit \$1,000,000		
Stop gap	1,000,000	1,000
Medical payments	10,000	-
Automobile liability	6,000,000	-
Uninsured/underinsured motorist	40,000	-
Hired/borrowed physical damage	35,000	1,000
Medical payments	5,000	-
Inland marine	1,050,921	1,000
Property	40,004,195	1,000
Electronic data processing	101,500	500
Cyber liability	5,000,000	-

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

Employee Health Benefits

The Village was a member of the Public Employee Benefit Association of Ohio (PEBA) program in 2019. PEBA is a non-profit entity that operates with the purpose of delivering the highest quality health insurance benefit programs and coverage stability at the lowest possible cost to Public Employees. Burnham and Flower is the health insurance broker and administer to the health care plan through Medical Mutual of Ohio. This is a self-insurance plan that is in coordination with Medical Mutual of Ohio. In addition, the pharmacy benefits were provided through Medical Mutual of Ohio Express scripts program. The dental and vision plan was provided through a Health Reimbursement Arrangement Plan. The members had a \$10 co-pay for office visits and \$20 co-pay for specialist visits. The employee maximum deductible was \$100 for the single plan and \$200 for the family plan.

Village of Newton Falls, Ohio  
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Workers Compensation

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

**NOTE 7 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2019, was as follows:

	Balance <u>12/31/2018</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>12/31/2019</u>
<b>Governmental activities</b>				
Capital assets, not being depreciated				
Land	\$ 271,337	\$ 41,842	\$ -	\$ 313,179
Capital assets, being depreciated				
Buildings and improvements	1,132,769	-	-	1,132,769
Equipment	713,014	116,564	-	829,578
Vehicles	627,836	88,780	(72,741)	643,875
Infrastructure	1,011,930	-	-	1,011,930
Total capital assets, being depreciated	<u>3,485,549</u>	<u>205,344</u>	<u>(72,741)</u>	<u>3,618,152</u>
Less: accumulated depreciation				
Buildings and improvements	(1,010,844)	(18,726)	-	(1,029,570)
Equipment	(512,530)	(35,363)	-	(547,893)
Vehicles	(495,415)	(57,253)	69,105	(483,563)
Infrastructure	(753,370)	(12,726)	-	(766,096)
Total accumulated depreciation	<u>(2,772,159)</u>	<u>(124,068)</u>	<u>69,105</u>	<u>(2,827,122)</u>
Total capital assets, being depreciated, net	<u>713,390</u>	<u>81,276</u>	<u>(3,636)</u>	<u>791,030</u>
Governmental activities capital assets, net	<u>\$ 984,727</u>	<u>\$ 123,118</u>	<u>\$ (3,636)</u>	<u>\$ 1,104,209</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 24,351
Security of persons and property	
Police	47,680
Transportation	39,479
Lesiure time activities	12,558
Total depreciation expense	<u>\$ 124,068</u>

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	<u>Balance</u> <u>12/31/2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2019</u>
<b>Business-type activities</b>				
Capital assets, not being depreciated				
Land	\$ 179,348	\$ 4,000	\$ -	\$ 183,348
Construction in progress	<u>6,653</u>	<u>216,332</u>	<u>(6,653)</u>	<u>216,332</u>
Total assets not being depreciated	<u>186,001</u>	<u>220,332</u>	<u>(6,653)</u>	<u>399,680</u>
Capital assets, being depreciated				
Buildings and improvements	5,921,781	-	-	5,921,781
Equipment	5,078,485	265,701	-	5,344,186
Vehicles	1,095,624	145,074	-	1,240,698
Infrastructure				
Water	11,582,496	-	-	11,582,496
Sewer	4,449,297	-	-	4,449,297
Electric	<u>5,550,859</u>	<u>-</u>	<u>-</u>	<u>5,550,859</u>
Total capital assets, being depreciated	<u>33,678,542</u>	<u>410,775</u>	<u>-</u>	<u>34,089,317</u>
Less: accumulated depreciation				
Buildings and improvements	(2,904,581)	(129,670)	-	(3,034,251)
Equipment	(4,178,325)	(170,719)	-	(4,349,044)
Vehicles	(526,550)	(94,815)	-	(621,365)
Infrastructure				
Water	(6,726,722)	(167,749)	-	(6,894,471)
Sewer	(4,364,510)	(429)	-	(4,364,939)
Electric	<u>(4,196,873)</u>	<u>(31,135)</u>	<u>-</u>	<u>(4,228,008)</u>
Total accumulated depreciation	<u>(22,897,561)</u>	<u>(594,517)</u>	<u>-</u>	<u>(23,492,078)</u>
Total capital assets, being depreciated, net	<u>10,780,981</u>	<u>(183,742)</u>	<u>-</u>	<u>10,597,239</u>
Business-type activities capital assets, net	<u>\$ 10,966,982</u>	<u>\$ 36,590</u>	<u>\$ (6,653)</u>	<u>\$ 10,996,919</u>

Depreciation expense was charged to business-type activities as follows:

Water	\$ 234,831
Sewer	305,182
Electric	<u>54,504</u>
Total depreciation expense	<u>\$ 594,517</u>

Village of Newton Falls, Ohio  
Notes to the Basic Financial Statements  
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**NOTE 8 - COMPENSATED ABSENCES**

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Vacation leave is earned at rates that vary depending upon length of service and standard workweek. Vacation accumulation is limited to a maximum of one hundred sixty days. All accumulated unused vacation time is paid upon termination of employment.

Employees earn sick leave at the rate of 4.6 hours per each 80 hours of service in paid status, up to a maximum of 120 hours per year with unlimited accumulation.

The current portion of unpaid compensated absences is recorded as a current liability on the fund financial statements in the fund from which the employees who have accumulated unpaid leave are paid. On the government-wide statements, the entire amount of compensated absences is reported as a liability.

As of December 31, 2019 the liability for long-term unpaid compensated absences was \$240,247 for the governmental activities, which would be paid from the general fund, and the street construction, maintenance and repair special revenue fund and liability for long-term unpaid compensated absences for business-type activities was \$171,262, which would be paid from the water, sewer, electric and utility office funds.

**NOTE 9 - LONG-TERM DEBT**

	<u>Rate</u>	<u>Issue</u>	<u>Date</u>
<b>Business-type activities debt:</b>			
<u>Mortgage revenue bonds</u>			
Series A	4.38%	\$4,960,000	2048
Series B	4.38%	2,205,000	2048
<u>OWDA loans</u>			
Warren Ave. combined sewer separation	1.00%	92,085	2030
Water treatment plant improvements	2.00%	3,102,133	2024
<u>OPWC loans</u>			
Broad street water distribution	0.00%	253,463	2024
Broad street storm water	0.00%	186,493	2024
Water main valve replacement	0.00%	43,187	2025
Elevated water storage tank rehabilitation	0.00%	448,307	2034
South Canal waterline Phase V	0.00%	130,883	2038
<u>Bond anticipation note</u>			
Electric system bond anticipation note	2.03%	1,160,000	2020



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A schedule of changes in bonds and other long-term obligations of the Village during 2019 follows:

	Amount Outstanding <u>12/31/2018</u>	<u>Increases</u>	<u>Decreases</u>	Amount Outstanding <u>12/31/2019</u>	Amount Due in <u>One Year</u>
<b>Governmental activities</b>					
Other long-term obligations:					
Capital lease	\$ 40,784	\$ 164,048	\$ (14,965)	\$ 189,867	\$ 53,887
Compensated absences	<u>229,846</u>	<u>121,184</u>	<u>(110,783)</u>	<u>240,247</u>	<u>113,291</u>
Total other long-term obligations	<u>270,630</u>	<u>285,232</u>	<u>(125,748)</u>	<u>430,114</u>	<u>167,178</u>
Net pension liability:					
OPERS	1,152,684	811,484	-	1,964,168	-
OP&F	<u>588,294</u>	<u>351,716</u>	<u>-</u>	<u>940,010</u>	<u>-</u>
Total net pension liability	<u>1,740,978</u>	<u>1,163,200</u>	<u>-</u>	<u>2,904,178</u>	<u>-</u>
Net OPEB liability:					
OPERS	780,015	132,840	-	912,855	-
OP&F	<u>543,090</u>	<u>-</u>	<u>(438,219)</u>	<u>104,871</u>	<u>-</u>
Total net OPEB liability	<u>1,323,105</u>	<u>132,840</u>	<u>(438,219)</u>	<u>1,017,726</u>	<u>-</u>
Total governmental activities long-term liabilities	<u>\$ 3,334,713</u>	<u>\$ 1,581,272</u>	<u>\$ (563,967)</u>	<u>\$ 4,352,018</u>	<u>\$ 167,178</u>

Village of Newton Falls, Ohio  
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	Amount Outstanding 12/31/2018	Increases	Decreases	Amount Outstanding 12/31/2019	Amount Due in One Year
<b>Business-type activities</b>					
Revenue bonds:					
Series A	\$ 4,376,600	\$ -	\$ (73,200)	\$ 4,303,400	\$ 76,500
Series B	1,945,700	-	(32,600)	1,913,100	34,000
Total revenue bonds	<u>6,322,300</u>	<u>-</u>	<u>(105,800)</u>	<u>6,216,500</u>	<u>110,500</u>
OPWC loans:					
Broad street water distribution	76,039	-	(12,673)	63,366	6,337
Broad street storm water	55,946	-	(9,325)	46,621	4,662
Water main valve replacement	14,038	-	(2,159)	11,879	1,080
Elevated water storage tank rehabilitation	347,439	-	(22,415)	325,024	11,208
South Canal waterline Phase V	127,611	-	(6,544)	121,067	3,272
Total OPWC loans	<u>621,073</u>	<u>-</u>	<u>(53,116)</u>	<u>567,957</u>	<u>26,559</u>
OWDA loans:					
Warren Ave. combined sewer separation	30,501	-	(1,255)	29,246	2,528
Water treatment plant improvements	894,825	-	(85,529)	809,296	173,633
Total OWDA loans	<u>925,326</u>	<u>-</u>	<u>(86,784)</u>	<u>838,542</u>	<u>176,161</u>
Bond anticipation notes:					
Electric system notes	1,395,000	1,160,000	(1,395,000)	1,160,000	-
Other long-term obligations:					
Capital lease	325,786	130,725	(110,771)	345,740	137,176
Stranded costs payable	570,537	-	(29,033)	541,504	46,258
Compensated absences					
Water	100,724	42,045	(35,984)	106,785	40,982
Sewer	37,638	18,805	(17,913)	38,530	19,060
Electric	25,298	12,877	(12,228)	25,947	12,967
Utility office internal service fund	25,221	3,078	(25,221)	3,078	3,078
Total other long-term obligations	<u>1,085,204</u>	<u>207,530</u>	<u>(231,150)</u>	<u>1,061,584</u>	<u>259,521</u>
Net pension liability					
Water	431,680	303,901	-	735,581	-
Sewer	232,414	163,618	-	396,032	-
Electric	236,279	166,340	-	402,619	-
Utility office internal service fund	90,089	63,423	-	153,512	-
Total net pension liability	<u>990,462</u>	<u>697,282</u>	<u>-</u>	<u>1,687,744</u>	<u>-</u>
Net OPEB liability - OPERS					
Water	292,115	49,749	-	341,864	-
Sewer	157,273	26,784	-	184,057	-
Electric	159,889	27,230	-	187,119	-
Utility office internal service fund	60,963	10,382	-	71,345	-
Total net OPEB liability	<u>670,240</u>	<u>114,145</u>	<u>-</u>	<u>784,385</u>	<u>-</u>
Total business-type activities long-term liabilities	<u>\$ 12,009,605</u>	<u>\$ 2,178,957</u>	<u>\$ (1,871,850)</u>	<u>\$ 12,316,712</u>	<u>\$ 572,741</u>

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The mortgage revenue bonds will be paid with user charges from the sewer enterprise fund. The OWDA and OPWC loans will be paid with user charges from the water and sewer enterprise funds. The Village has pledged investment securities as collateral for the promissory note.

During 2018, the Village of Newton Falls issued a bond anticipation note for \$1,395,000 payable at a rate of 3.00 percent, for various improvements to the Broad Street Lighting, festival power, South Circuit voltage conversion and upgrade, Warren Road substation addition, Church Street substation addition, and Peak Shaving Generator back-up. In June 2019, the Village renewed this bond anticipation note for \$1,160,000 payable at a rate of 2.03 percent. This issuance matures on June 18, 2020.

The Village has entered into contractual agreements totaling \$1,062,333 for the Broad Street water distribution, Broad Street storm water, water main valve replacement, and elevated water storage tank rehabilitation, South Canal waterline Phase V loans from the Ohio Public Works Commission (OPWC) and totaling \$3,194,218 for the Warren Avenue combined sewer separation and water treatment plan improvement loans from the Ohio Water Development Authority (OWDA). Under the terms of these agreements, OPWC and OWDA will reimburse, advance or directly pay the construction costs of the approved projects. OPWC and OWDA will capitalize administrative costs and construction interest and then add them to the total amounts of the final loans.

Mortgage Revenue bonds of the Village of Newton Falls are obligations of the Village secured by a mortgage upon all assets of the sewer system. These bonds are payable solely from gross revenues of the sewer system after provisions for operating and maintenance expenses. These bond indentures have certain restrictive covenants and principally require that bond reserve funds be maintained and charges for services to customers in sufficient amounts to satisfy the annual obligation under the indenture agreement. In addition, special provisions exist regarding covenant violations, redemptions of principal, payment of interest, establishing renewal and replacement accounts and maintenance of properties.

The Village has pledged future revenues, net of operating expenses, to repay OPWC and OWDA loans in the sewer enterprise fund. The debt is payable solely from net revenues and are payable through 2030. Annual principal payments on the debt issues are expected to require 2.89 percent of net revenues. The total principal remaining to be paid on the debt is \$75,867. Principal paid for the current year and total net revenues were \$10,580 and \$138,319, respectively.

The Village has pledged future revenues, net of operating expenses, to repay OPWC and OWDA loans in the water enterprise fund. The debt is payable solely from net revenues and are payable through 2034. Annual principal payments on the debt issues are expected to require 84.02 percent of net revenues. The total principal remaining to be paid on the debt is \$1,330,632. Principal paid for the current year and total net revenues were \$129,320 and \$83,480, respectively.

The Village's overall legal debt margin was \$5,740,680 with an unvoted debt margin of \$2,751,972 at December 31, 2019.

Compensated absences will be paid from the general fund, and the street construction, maintenance and repair special revenue fund and the water, sewer and electric enterprise funds and the utility office internal service fund.

The Village pays net pension/OPEB liability obligations from the fund benefitting from employee services.

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Capital lease obligations will be paid from the capital improvement fund, the sewer fund and the electric fund. Principal and interest requirements to retire the Village's long-term obligations outstanding at December 31, 2019, are as follows:

Year ending <u>December 31,</u>	Business-type activities		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 110,500	\$ 271,972	\$ 382,472
2021	115,300	267,138	382,438
2022	120,400	262,094	382,494
2023	125,600	256,826	382,426
2024	131,100	251,331	382,431
2025-2029	746,900	1,165,424	1,912,324
2030-2034	925,100	987,120	1,912,220
2035-2039	1,146,000	766,237	1,912,237
2040-2044	1,419,500	492,647	1,912,147
2045-2048	1,376,100	153,733	1,529,833
Total	<u>\$ 6,216,500</u>	<u>\$ 4,874,522</u>	<u>\$ 11,091,022</u>

Year ending <u>December 31,</u>	Business-type activities			OPWC Loan <u>Principal</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2020	\$ 176,161	\$ 15,608	\$ 191,769	\$ 26,559
2021	179,677	12,093	191,770	53,116
2022	183,262	8,507	191,769	53,116
2023	186,920	4,849	191,769	53,116
2024	96,173	1,118	97,291	53,116
2025-2029	13,556	515	14,071	157,957
2030-2034	2,793	21	2,814	144,801
2035-2038	-	-	-	26,176
Total	<u>\$ 838,542</u>	<u>\$ 42,711</u>	<u>\$ 881,253</u>	<u>\$ 567,957</u>

**NOTE 10 – CAPITALIZED LEASE**

The Village has entered into capital lease agreements for police vehicles, a vac truck, a bucket truck, a utility truck, several dump trucks and radio equipment. The police vehicle lease will be paid from the capital improvements capital projects fund, the vac truck lease will be paid from the sewer enterprise fund, and the bucket truck lease will be paid from the electric enterprise fund. The new lease agreements for 2019 will be paid from the general fund, the state highway improvement special revenue fund, and the water fund.

From the lease proceeds, governmental activities and business-type activities acquired six vehicles, a vac truck and a bucket truck. These assets were capitalized and reported as additions to capital assets in the amount of \$129,564 in the governmental activities and \$754,153 in the business-type activities. These capital assets are being depreciated over their estimated useful lives.

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Capital lease payments are reflected as debt service payments in the basic financial statements for the governmental funds. These expenditures are reflected as function expenditures on a budgetary basis. The capitalized amount equals a portion of the present value of the future minimum lease payments and the down payment respectively, at the time of acquisition.

Following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2019:

<u>Year</u>	Lease Payments Governmental <u>Activities</u>	Lease Payments Business-type <u>Activities</u>
2020	\$ 61,227	\$ 149,839
2021	61,228	103,893
2022	47,540	103,893
2023	18,739	13,575
2024	<u>18,739</u>	<u>-</u>
Total minimum lease payments	207,473	371,200
Less: amount representing interest	<u>(17,606)</u>	<u>(25,460)</u>
Total	<u>\$ 189,867</u>	<u>\$ 345,740</u>

**NOTE 11 - DEFINED BENEFIT PENSION PLANS**

Net pension liability

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

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

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

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GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

#### Ohio Public Employees Retirement System

Plan Description – Village employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. 1.) The Traditional Pension Plan (TP) - a cost-sharing, multiple-employer defined benefit pension plan. 2.) The Member-Directed Plan (MD) - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Members accumulate retirement assets equal to the value of the member and (vested) employer contributions, plus any investment earnings thereon. 3.) The Combined Plan (CP) - a cost-sharing, multiple-employer defined benefit pension plan. Employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the MD. While members (e.g. Village employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; the following disclosure focuses on the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. 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#CAFR>, 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 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 plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

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

Once a benefit recipient retiring under the Traditional Plan has received benefits for 12 months, an annual cost-of-living adjustment (COLA) is provided on the member's base benefit. Members retiring under the Combined Plan receive a cost-of-living adjustment on the defined benefit portion of their retirement benefit. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent. Additionally, a death benefit of \$500-\$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Traditional and Combined Plan.

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

	<u>State and Local</u>
<b>2019 Statutory maximum contribution rates</b>	
Employer	14.00%
Employee	10.00%
<b>2019 Actual contribution rates</b>	
Employer:	
Pension	14.00%
Post-employment health care benefits	<u>0.00%</u>
Total employer	<u>14.00%</u>
Employee	<u>10.00%</u>

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Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Village's contractually required contribution was \$273,757 for 2019. Of this amount, \$12,353 is reported as an intergovernmental payable.

Ohio Police and Fire Pension Fund

Plan Description - Village full-time police and firefighters 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](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 Street East Town, 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 CAFR referenced above for additional information, including requirements for Deferred Retirement Option Plan (DROP) 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 and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3% or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to 3% of their base pension or disability benefit.

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



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	<u>Police</u>	<u>Firefighters</u>
<b>2019 Statutory maximum contribution rates</b>		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
 <b>2019 Actual contribution rates</b>		
Employer:		
Pension	19.00%	23.50%
Post-employment health care benefits	<u>0.50%</u>	<u>0.50%</u>
Total employer	<u>19.50%</u>	<u>24.00%</u>
 Employee	 12.25%	 12.25%

Employer contribution rates are expressed as a percentage of covered payroll. The Village's contractually required contribution to OP&F was \$63,041 for 2019. Of this amount \$3,838 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2018, and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. The Village's proportion of the net pension liability was based on the Village's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the net pension liability - prior measurement date	0.013661%	0.009585%	
Proportion of the net pension liability - current measurement date	<u>0.013334%</u>	<u>0.011516%</u>	
Change in proportionate share	<u>-0.000327%</u>	<u>0.001931%</u>	
 Proportionate share of the net pension liability	 \$ 3,651,912	 \$ 940,010	 \$ 4,591,922
Pension expense	\$ 733,109	\$ 135,565	\$ 868,674

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At December 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 168	\$ 38,621	\$ 38,789
Changes of assumptions	317,908	24,921	342,829
Net difference between projected and actual earnings on pension plan investments	495,667	115,808	611,475
Changes in proportion and differences between City contributions and proportionate share of contributions	-	131,117	131,117
City contributions subsequent to the measurement date	<u>273,757</u>	<u>63,041</u>	<u>336,798</u>
Total deferred outflows of resources	<u>\$ 1,087,500</u>	<u>\$ 373,508</u>	<u>\$ 1,461,008</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 47,952	\$ 878	\$ 48,830
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>79,383</u>	<u>58,594</u>	<u>137,977</u>
Total deferred inflows of resources	<u>\$ 127,335</u>	<u>\$ 59,472</u>	<u>\$ 186,807</u>

\$336,798 reported as deferred outflows of resources related to pension resulting from Village contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Year ending December 31:			
2020	\$ 267,679	\$ 66,162	\$ 333,841
2021	142,224	40,838	183,062
2022	45,983	52,448	98,431
2023	230,522	82,775	313,297
2024	-	8,772	8,772
Total	<u>\$ 686,408</u>	<u>\$ 250,995</u>	<u>\$ 937,403</u>

***Actuarial Assumptions - OPERS***

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

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Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage inflation	3.25 percent
Future salary increases, including inflation	3.25 percent to 10.75 percent
COLA or Ad Hoc COLA	Pre January 7, 2013 retirees, 3 percent, simple Post January 7, 2013 retirees, 3 percent, simple through 2018, then 2.15 percent, simple
Investment rate of return	7.2 percent
Actuarial cost method	Individual entry age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 2.94% for 2018.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

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<u>Asset class</u>	<u>Target allocation</u>	Weighted average long-term expected real rate of return <u>(arithmetic)</u>
Fixed income	23.00%	2.79%
Domestic equities	19.00%	6.21%
Real estate	10.00%	4.90%
Private equity	10.00%	10.81%
International equities	20.00%	7.83%
Other investments	<u>18.00%</u>	<u>5.50%</u>
 Total	 <u>100.00%</u>	 <u>5.95%</u>

**Discount Rate** The discount rate used to measure the total pension liability was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Village’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the Village’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2 percent, as well as what the Village’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease <u>(6.20%)</u>	Current discount rate <u>(7.20%)</u>	1% Increase <u>(8.20%)</u>
Village's proportionate share of the net pension liability	\$ 5,394,936	\$ 3,651,912	\$ 2,203,444

**Actuarial Assumptions – OP&F**

OP&F’s total pension liability as of December 31, 2018 is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2018, are presented below:

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Valuation date	January 1, 2018
Actuarial cost method	Entry age normal
Investment rate of return	8.00 percent
Projected salary increases	3.75 percent to 10.5 percent
Payroll increases	3.25 percent
Inflation assumptions	2.75 percent
Cost of living adjustments	2.20 percent and 3.00 percent

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77%	68%
68 - 77	105%	87%
78 and up	115%	120%

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35%	35%
60 - 69	60%	45%
70 - 79	75%	70%
80 and up	100%	90%

The most recent experience study was completed December 31, 2016.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018 are summarized below:

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Asset class	Target Allocation	Long-term expected real rate of return
Cash and cash equivalents	0.00%	0.80%
Domestic equity	16.00%	5.50%
Non-US equity	16.00%	5.90%
Core fixed income *	23.00%	2.60%
U.S. inflation linked bonds*	17.00%	2.30%
High yield	7.00%	4.80%
Private credit	5.00%	7.50%
Real estate	12.00%	6.10%
Private markets	8.00%	8.40%
Real Assets	8.00%	7.00%
Master limited partnerships	<u>8.00%</u>	6.40%
 Total	 <u>120.00%</u>	

Note: Assumptions are geometric

\* Levered 2x

OP&F's Board of Trustees has incorporated the "risk parity" concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate** The total pension liability was calculated using the discount rate of 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the Village's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

	1% Decrease ( <u>7.00%</u> )	Current discount rate ( <u>8.00%</u> )	1% Increase ( <u>9.00%</u> )
Village's proportionate share of the net pension liability	\$ 1,235,578	\$ 940,010	\$ 693,020

## **NOTE 12 - POSTEMPLOYMENT BENEFITS**

### Net OPEB liability

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

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

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

### Ohio Public Employees Retirement System

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, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This 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 refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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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. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. 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' CAFR 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.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring 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.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, 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. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. 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 2019 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 \$0 for 2019.

#### Ohio Police and Fire Pension Fund

Plan Description – The Village contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare 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. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.



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OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

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](http://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 2019, 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 \$5,185 for 2019. Of this amount, \$101 is reported as an intergovernmental payable.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. The Village's proportion of the net OPEB liability was based on the Village's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the net OPEB liability - prior measurement date	0.013355%	0.009585%	
Proportion of the net OPEB liability - current measurement date	<u>0.013018%</u>	<u>0.011516%</u>	
Change in proportionate share	<u>0.000337%</u>	<u>-0.001931%</u>	
Proportionate share of the net OPEB liability	\$ 1,697,240	\$ 104,871	\$ 1,802,111
OPEB expense	\$ 150,288	\$ (496,118)	\$ (345,830)

At December 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 575	\$ -	\$ 575
Changes of assumptions	54,721	54,360	109,081
Net difference between projected and actual earnings on OPEB plan investments	77,808	3,550	81,358
Changes in proportion and differences between City contributions and proportionate share of contributions	-	120,077	120,077
City contributions subsequent to the measurement date	-	5,185	5,185
Total deferred outflows of resources	<u>\$ 133,104</u>	<u>\$ 183,172</u>	<u>\$ 316,276</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 4,605	\$ 2,810	\$ 7,415
Changes of assumptions	-	29,033	29,033
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>33,112</u>	<u>-</u>	<u>33,112</u>
Total deferred inflows of resources	<u>\$ 37,717</u>	<u>\$ 31,843</u>	<u>\$ 69,560</u>

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\$5,185 reported as deferred outflows of resources related to OPEB resulting from Village contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS	OP&F	Total
Year ending December 31:			
2020	\$ 40,896	\$ 24,683	\$ 65,579
2021	2,847	24,683	27,530
2022	12,446	24,683	37,129
2023	39,198	25,757	64,955
2024	-	24,064	24,064
Thereafter	-	22,274	22,274
Total	\$ 95,387	\$ 146,144	\$ 241,531

***Actuarial Assumptions - OPERS***

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage inflation	3.25 percent
Projected salary increases, including inflation	3.25 to 10.75 percent including wage inflation
Single discount rate:	
Current measurement date	3.96 percent
Prior measurement date	3.85 percent
Investment rate of return	6.00 percent
Municipal bond rate:	
Current measurement date	3.71 percent
Prior measurement date	3.31 percent
Health care cost trend rate:	
Current measurement date	10.0 percent, initial 3.25 percent, ultimate in 2029
Prior measurement date	7.50 percent, initial 3.25 percent, ultimate in 2028
Actuarial cost method	Individual Entry Age

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Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 5.6 percent for 2018.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

<u>Asset class</u>	<u>Target allocation</u>	<u>Weighted average long-term expected real rate of return (arithmetic)</u>
Fixed income	34.00%	2.42%
Domestic equities	21.00%	6.21%
Real estate investment trust	6.00%	5.98%
International equities	22.00%	7.83%
Other investments	<u>17.00%</u>	<u>5.57%</u>
Total	<u>100.00%</u>	<u>5.16%</u>

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**Discount Rate** A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.71 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

**Sensitivity of the Village's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate**

The following table presents the Village's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 percent, as well as what the Village's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96 percent) or one-percentage-point higher (4.96 percent) than the current rate:

	<u>1% Decrease</u> <u>(2.96%)</u>	Current discount rate <u>(3.96%)</u>	<u>1% Increase</u> <u>(4.96%)</u>
Village's proportionate share of the net OPEB liability	\$ 2,171,402	\$ 1,697,240	\$ 1,320,155

**Sensitivity of the Village's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate**

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	<u>1% Decrease</u>	Current Health Care Cost Trend Rate <u>Assumption</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB liability	\$ 1,631,416	\$ 1,697,240	\$ 1,773,052

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***Actuarial Assumptions – OP&F***

OP&F's total OPEB liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial cost method	Entry age normal
Investment rate of return	8.0 percent
Projected salary increases	3.75 percent to 10.5 percent
Payroll growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate:	
Current measurement date	4.66 percent
Prior measurement date	3.24 percent
Cost of living adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

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Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77%	68%
68 - 77	105%	87%
78 and up	115%	120%

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35%	35%
60 - 69	60%	45%
70 - 79	75%	70%
80 and up	100%	90%

The most recent experience study was completed for the five year period ended December 31, 2016, the prior experience study was completed December 31, 2011.

The OP&F health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 10.

**Discount Rate** For 2019, the total OPEB liability was calculated using the discount rate of 4.66 percent. For 2018, the total OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members; therefore, a municipal bond rate of 4.13 percent at December 31, 2018 and 3.16 percent at December 31, 2017, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 4.66 percent for 2018 and 3.24 percent for 2017. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2031. The long-term expected rate of return on health care investments was applied to projected costs through 2031, and the municipal bond rate was applied to all health care costs after that date.

**Sensitivity of the Village's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.66 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.66 percent), or one percentage point higher (5.66 percent) than the current rate.

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	1% Decrease <u>(3.66%)</u>	Current discount rate <u>(4.66%)</u>	1% Increase <u>(5.66%)</u>
Village's proportionate share of the net OPEB liability	\$ 127,761	\$ 104,871	\$ 85,656

***Sensitivity of the Village's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate*** The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

Beginning January 1, 2019 OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years.

**NOTE 13 - JOINT VENTURES**

**Ohio Municipal Electric Generation Agency Joint Venture (JV1)**

The Village's Electrical Enterprise Fund participates in a joint venture agreement with 20 other municipal electric systems who have formed the Ohio Municipal Electric Generation Agency Joint Venture 1 (OMEGA JV1) for the purpose of providing electric power and energy to its participants on a cooperative basis. The electric generating facilities of OMEGA JV1, known as the Engle Units, are located in the City of Cuyahoga Falls. Title to these six diesel-powered generating units was transferred to the twenty-one municipal electric systems from American Municipal Power, Incorporated (AMP, Inc.), a non-profit trade association and wholesale power supplier for most of Ohio's eighty-five municipal electrical systems. Omega JV1 is managed by AMP, Inc. who acts as the joint venture's agent. Each member has a contract which provides for AMP, Inc. to purchase the right to each participant's share of power and energy that is made available through the joint venture contract. JV1 does not have any debt outstanding. In the event of a shortfall, the JV participants would be billed for the respective shares of the estimated shortfall. The Village's net investment in JV1 was \$0 at December 31, 2019. Financial information for JV1 may be obtained from AMP, Inc., 2600 Airport Drive, Columbus, Ohio 43219.



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The OMEGA JV1 Participants approved the discontinuation and disposition of the generating units and related facilities of OMEGA JV1 and authorized American Municipal Power, Inc. (“AMP”) to act as agent in the sale of those assets. All physical assets of OMEGA JV1 were sold and transferred to the City of Cuyahoga Falls, effective November 21, 2017. OMEGA JV1 has been dissolved with remaining funds paid out to the Participants in accordance with their ownership interests as established in the OMEGA JV1 Joint Venture Agreement.

**NOTE 14 – AMERICAN MUNICIPAL POWER GENERATING STATION PROJECT**

The Village of Newton Falls is a participant in the American Municipal Power Generating Station Project (the "AMPGS Project"). The Village executed a take-or-pay contract on November 1, 2007 in order to participate in the AMPGS Project.

**History of the AMPGS Project**

The Village is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project was intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village’s project share was 7,130 kilowatts (kW) of a total 771,281 kW, giving the Village a 0.92 percent project share. The AMPGS Project required participants to sign “take or pay” contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. All project costs incurred prior to the cancellation and related to the cancellation were therefore deemed *impaired* and participants were obligated to pay those incurred costs. In prior years, payment of these costs was not required due to AMP’s pursuit of legal action to collect them from Bechtel. As a result of a March 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014 approved the collection of the impaired costs and provided the participants with an estimate of their liability. The Village’s estimated share of the impaired costs at March 31, 2014 was \$1,239,847. The Village received a credit of \$223,521 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$322,453 related to the AMPGS costs deemed to have future benefit for the project participants, classified as Plant Held for Future Use (PHFU, leaving an estimated net impaired cost balance of \$693,873. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact, either positively or negatively, the Village’s net impaired cost balance. These amounts will be recorded as they become estimable.

In late 2016, AMP reached a Settlement in the Bechtel Corporation litigation. On December 8, 2016, at the AMPGS Participants meeting, options for the allocation of the Settlement funds were approved. The AMPGS Participants and the AMP Board of Trustees voted to allocate the Settlement among the participants and the AMP General Fund based on each participant’s original project share in kW including the AMP General Fund’s project share.

Since March 31, 2014 the Village has made payments of \$231,291 to AMP toward its net impaired cost estimate. Also, since March 31, 2014, the Village’s allocation of additional costs incurred by the project is \$14,967 and interest expense incurred on AMP’s line-of-credit of \$63,955, resulting in a net impaired cost estimate at December 31, 2019 of \$541,504. The Village does have a potential PHFU Liability of \$358,071 resulting in a net total potential liability of \$899,576, assuming the assets making up the PHFU (principally the land comprising the Meigs County site) have no value and also assuming the Village’s credit balance would earn zero interest. Stranded costs as well as PHFU costs are subject to change, including future borrowing costs on the AMP line of credit. Activities include items such negative items as property taxes as well as positive items revenue from leases or sale of all or a portion of the Meigs County site property.

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The Village intends to recover these costs and repay AMP over the next 10 years through a power cost adjustment.

**NOTE 15 - CONTINGENT LIABILITIES**

Litigation

The Village management is of the opinion that the ultimate disposition of claims and legal proceedings will not have a material effect, if any, on the financial condition of the Village.

Federal and State Grants

The Village participates in several federally assisted programs. These programs are subject to financial and compliance audits by the grantor or their representative. As of December 31, 2019, the audits of these programs have not been completed. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the Village believes such disallowance, if any, would be immaterial.

**NOTE 16 - INTERFUND TRANSFERS**

Interfund transfers and Due to/from other funds for the year ended December 31, 2019, consisted of the following:

<u>Transfer to</u>	<u>Transfer from</u>	Nonmajor Governmental Funds	<u>Total</u>
	<u>General</u>		
General fund	\$ -	\$ 8	\$ 8
Nonmajor governmental funds	227,591	467	228,058
	<u>227,591</u>	<u>475</u>	<u>228,066</u>
<u>Business-Type activities:</u>			
Sewer fund	-	63,862	63,862
Total	<u>\$ 227,591</u>	<u>\$ 64,337</u>	<u>\$ 291,928</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed.

Village of Newton Falls, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019

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**NOTE 17– COMMITMENTS**

At December 31, 2019, the Village has a commitment for a water plant compliance project in the amount of \$59,000 in the water fund.

**NOTE 18 – SUBSEQUENT EVENTS**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. The Village’s investment portfolio and the investments of the pension and other employee benefit plan in which the Village participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Village’s future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

In June 2020, the Village issued \$925,000 in bond anticipation note for the electric system. The notes have an interest rate of 1.77% and are due on June 17, 2021.

**NOTE 19 – ACCOUNTABILITY**

At December 31, 2019, the following funds had a deficit fund balance:

<u>Fund</u>	<u>Deficit fund balance</u>
Sewer fund	\$ 2,336,779
Utility office internal service fund	103,146

These deficits were caused by the application of generally accepted accounting principles. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.



**Required Supplementary Information**

Village of Newton Falls, Ohio  
 Required Supplementary Information  
 Schedule of the Village's Proportionate Share of the Net Pension Liability  
 Last Six Years (1)

	2019	2018	2017	2016	2015
<b>Ohio Public Employees Retirement System - Traditional Plan</b>					
Village's proportion of the net pension liability	0.013334%	0.013661%	0.014420%	0.015329%	0.015341%
Village's proportionate share of the net pension liability	\$ 3,651,912	\$ 2,143,146	\$ 3,274,537	\$ 2,655,176	\$ 1,850,296
Village's covered payroll	\$ 1,960,850	\$ 1,805,038	\$ 1,850,608	\$ 1,787,450	\$ 1,764,083
Village's proportionate share of the net pension liability as a percentage of its covered payroll	186.24%	118.73%	176.94%	148.55%	104.89%
Plan fiduciary net position as a percentage of total pension liability	74.70%	84.66%	77.25%	81.08%	86.45%
<b>Ohio Police and Fire Pension Fund</b>					
Village's proportion of the net pension liability	0.011516%	0.009585%	0.008617%	0.010008%	0.011103%
Village's proportionate share of the net pension liability	\$ 940,010	\$ 588,294	\$ 545,772	\$ 648,449	\$ 589,368
Village's covered payroll	\$ 289,700	\$ 224,974	\$ 227,211	n/a	n/a
Village's proportionate share of the net pension liability as a percentage of its covered payroll	324.48%	261.49%	240.20%	n/a	n/a
Plan fiduciary net position as a percentage of total pension liability	63.07%	70.91%	68.36%	66.77%	71.71%

See notes to required supplementary information.

(1) Information prior to 2014 is not available and the amounts presented are as of the Village's measurement date which is the prior year end.

(2) Restated during 2015.

2014

0.015341%

\$ 1,808,504

\$ 1,961,277

92.21%

86.36%

2014

0.011103%

\$ 575,192

n/a

n/a

73.00% (2)

Village of Newton Falls, Ohio  
 Required Supplementary Information  
 Schedule of the Village's Contributions - Pension  
 Last Seven Years (1)

	2019	2018	2017	2016	2015	2014
<b>Ohio Public Employees Retirement System - Traditional Plan</b>						
Contractually required contribution	\$ 273,757	\$ 274,519	\$ 234,655	\$ 222,073	\$ 214,494	\$ 211,690
Contributions in relation to contractually required contribution	<u>(273,757)</u>	<u>(274,519)</u>	<u>(234,655)</u>	<u>(222,073)</u>	<u>(214,494)</u>	<u>(211,690)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village covered payroll	\$ 1,955,407	\$ 1,960,850	\$ 1,805,038	\$ 1,850,608	\$ 1,787,450	\$ 1,764,083
Contributions as a percentage of covered payroll	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%

	2019	2018	2017	2016
<b>Ohio Police and Fire Pension Fund</b>				
Contractually required contribution	\$ 63,041	\$ 55,043	\$ 42,745	\$ 43,170
Contributions in relation to contractually required contribution	<u>(63,041)</u>	<u>(55,043)</u>	<u>(42,745)</u>	<u>(43,170)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village covered payroll	\$ 331,795	\$ 289,700	\$ 224,974	\$ 227,211
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%

See notes to required supplementary information.

(1) Information prior to 2013 is not available for Ohio Public Employees Retirement System and prior to 2016 for Ohio Police and Fire Pension Fund.



2013

\$ 254,966

(254,966)

\$ -

\$ 1,961,277

13.00%

Village of Newton Falls, Ohio  
 Required Supplementary Information  
 Schedule of the Village's Proportionate Share of the Net OPEB Liability  
 Last Three Years (1)

	<u>2019</u>	<u>2018</u>	<u>2017 (2)</u>
<b>Ohio Public Employees Retirement System - Traditional Plan</b>			
Village's proportion of the net OPEB liability	0.013018%	0.013355%	0.011997%
Village's proportionate share of the net OPEB liability	\$ 1,697,240	\$ 1,450,255	\$ 1,211,738
Village's covered payroll	\$ 1,960,850	\$ 1,880,200	\$ 1,948,000
Village's proportionate share of the net OPEB liability as a percentage of its covered payroll	86.56%	77.13%	62.20%
Plan fiduciary net position as a percentage of total OPEB liability	46.33%	54.14%	54.05%

	<u>2019</u>	<u>2018</u>	<u>2017 (2)</u>
<b>Ohio Police and Fire Pension Fund</b>			
Village's proportion of the net OPEB liability	0.011516%	0.009585%	0.008617%
Village's proportionate share of the net OPEB liability	\$ 104,871	\$ 543,090	\$ 409,012
Village's covered payroll	\$ 289,800	\$ 225,000	\$ 227,200
Village's proportionate share of the net OPEB liability as a percentage of its covered payroll	36.19%	241.37%	180.02%
Plan fiduciary net position as a percentage of total OPEB liability	46.57%	14.13%	15.96%

See notes to required supplementary information.

(1) Information prior to 2017 is not available and the amounts presented are as of the Village's measurement date which is the prior year end.

(2) Restated during 2018.



Village of Newton Falls, Ohio  
 Required Supplementary Information  
 Schedule of the Village's Contributions - OPEB  
 Last Seven Years (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Ohio Public Employees Retirement System</b>						
Contractually required contribution	\$ -	\$ -	\$ 18,802	\$ 38,960	\$ 39,721	\$ 39,202
Contributions in relation to contractually required contribution	<u>-</u>	<u>-</u>	<u>(18,802)</u>	<u>(38,960)</u>	<u>(39,721)</u>	<u>(39,202)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village covered payroll	\$ 1,955,407	\$ 1,960,850	\$ 1,880,200	\$ 1,948,000	\$ 1,986,050	\$ 1,960,100
Contributions as a percentage of covered payroll	0.00%	0.00%	1.00%	2.00%	2.00%	2.00%

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Ohio Police and Fire Pension Fund</b>				
Contractually required contribution	\$ 5,185	\$ 1,449	\$ 1,125	\$ 1,136
Contributions in relation to contractually required contribution	<u>(5,185)</u>	<u>(1,449)</u>	<u>(1,125)</u>	<u>(1,136)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village covered payroll	\$ 1,037,000	\$ 289,800	\$ 225,000	\$ 227,200
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

See notes to required supplementary information.

(1) Information prior to 2013 is not available for Ohio Public Employees Retirement System and prior to 2016 for Ohio Police and Fire Pension Fund.

2013

\$ 21,792

(21,792)

\$ -

\$ 2,179,200

1.00%

Village of Newton Falls, Ohio  
Notes to Required Supplementary Information  
For the Year Ended December 31, 2019

**Pension**

**Ohio Public Employees Retirement System (OPERS) - Traditional Plan**

Changes in benefit terms: There were no changes in benefit terms from the amounts reported.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for 2019. See the notes to the basic financials for the methods and assumptions in this calculation.

**Ohio Police and Fire Pension Fund**

Changes in benefit terms: There were no significant changes in benefit terms during 2019.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for 2019. See the notes to the basic financials for the methods and assumptions in this calculation.

**OPEB**

**Ohio Public Employees Retirement System (OPERS)**

Changes in benefit terms: There were no changes in benefit terms from the amounts reported.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for 2019. See the notes to the basic financials for the methods and assumptions in this calculation.

**Ohio Police and Fire Pension Fund**

Changes in benefit terms: There were no significant changes in benefit terms during 2019.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for 2019. See the notes to the basic financials for the methods and assumptions in this calculation.

**Combining Statements for Nonmajor Governmental Funds**

## Combining Statements and Individual Fund Schedules

### NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes. A description of the Village's special revenue funds follows:

#### Street Construction, Maintenance and Repair

To account for gasoline tax, motor vehicle license fees and various other miscellaneous charges remitted to the Village restricted for routine maintenance of Village streets.

#### State Highway Improvement

To account for gasoline tax and motor vehicle license fees restricted for routine maintenance of state highways within the Village.

#### Permissive Auto

To account for motor vehicle license tax levied by County and/or taxing districts. These monies are restricted for planning, constructing, improving, maintaining and repairing public roads, highways, streets, bridges and viaducts.

#### Parks and Recreation

To account for maintenance of 9 Village parks totaling 32.4 acres. Maintenance includes mowing performed by Village employees.

#### Drug Law Enforcement

To account for fines collected by the Village that are restricted to subsidize law enforcement efforts which pertain to drug offenses. This fund was established to record revenues received from the courts for this classification.

#### Senior Citizen Van

To account for a grant for senior transportation services.

#### Indigent Drivers

To account for fines collected and restricted for expenditures of the municipal courts.

#### Home Improvement Loan

To account for monies received from the federal government via the Ohio Department of Development. The funding received is to directly benefit low and moderate income persons in the community. Projects include housing rehabilitation, maintenance, planning and administrative costs that meet the programs national objectives.

#### Law Library

To account for fines collected and restricted for expenditures of the municipal courts.

#### Enforcement and Education

To account for funding which comes from fines imposed on those convicted of a violation and is used to enhance the effectiveness of the local law enforcement department in apprehending drunk drivers.



Combining Statements – Nonmajor Governmental Funds (Continued)

NONMAJOR SPECIAL REVENUE FUNDS (Continued)

Special Levy Police Pension

To account for property taxes levied and restricted for police pensions.

Court Computerization

To account for a portion of court costs received by the Village for the computerization and use of computerized legal research for the operations of the Newton Falls Municipal Courts.

Court General Special Projects

To account for fines collected for the rehabilitation and expansion of court facilities.

Court Security/Diversion Program

To account for fines collected to acquire appropriate facilities for the secure transport, monitoring, and holding of prisoners, for the acquisition of provisions for security equipment, case specified diversion educational classes, staff and other related programs.

Indigent Drivers Alcohol Treatment

To account for fines collected and restricted for expenditures of the municipal courts.

Probation Improvement

To account for grant monies received to be used for probation services.

Probation Incentive Award

To account for grant monies received to be used for probation services.

Justice Reinvestment and Incentive

To account for grant monies received to be used for probation services.

Stormwater

To account for the storm water user's fee committed for storm water maintenance and repairs.

Summer Concert Series

To account for receipts used for concerts in the Village parks.

## NONMAJOR CAPITAL PROJECTS FUNDS

Capital projects funds are established to account for financial resources that are restricted, committed or assigned to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds or trust funds.

### Capital Improvement

To account for income tax revenues restricted for capital improvements for the police department, street construction, maintenance and repair, and for general purposes.

### Road Building and Equipment

To account for the receipt and dispersal of all resources restricted for the purposes of improving roads, construction and improvement of Village buildings, and the purchase of necessary equipment for the implementation of Village services.

### Future Building

To account for the receipt and dispersal of income taxes restricted for future building expenses.



Village of Newton Falls, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2019

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:			
Equity in pooled cash and investments	\$ 1,943,849	\$ 87,964	\$ 2,031,813
Receivables:			
Property and other taxes	15,666	-	15,666
Accounts	14,170	-	14,170
Intergovernmental	164,219	-	164,219
Materials and supplies inventory	18,000	-	18,000
Loans receivable	659,655	-	659,655
Prepaid items	1,354	-	1,354
Total assets	<u>\$ 2,816,913</u>	<u>\$ 87,964</u>	<u>\$ 2,904,877</u>
Liabilities:			
Accounts payable	\$ 25,607	\$ 2,249	\$ 27,856
Accrued wages	8,232	-	8,232
Intergovernmental payable	1,271	-	1,271
Total liabilities	<u>35,110</u>	<u>2,249</u>	<u>37,359</u>
Deferred inflows of resources:			
Property taxes	15,666	-	15,666
Unavailable revenue - other	119,285	-	119,285
Total deferred inflows of resources	<u>134,951</u>	<u>-</u>	<u>134,951</u>
Fund balances:			
Nonspendable	19,354	-	19,354
Restricted	2,357,824	85,715	2,443,539
Committed	269,674	-	269,674
Total fund balances	<u>2,646,852</u>	<u>85,715</u>	<u>2,732,567</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,816,913</u>	<u>\$ 87,964</u>	<u>\$ 2,904,877</u>

Village of Newton Falls, Ohio  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2019

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Municipal income tax	\$ 94,065	\$ 47,033	\$ 141,098
Property and other taxes	17,739	-	17,739
Charges for services	84,450	-	84,450
Fines and forfeitures	245,954	-	245,954
Intergovernmental	389,564	-	389,564
Interest	74	-	74
Other	21,198	-	21,198
Total revenue	<u>853,044</u>	<u>47,033</u>	<u>900,077</u>
Expenditures:			
Current:			
General government	159,058	2,249	161,307
Security of persons and property			
Police	103,302	7,865	111,167
Other	18,978	-	18,978
Transportation	722,880	-	722,880
Lesiure time activities	87,078	-	87,078
Community and economic development	59,513	-	59,513
Capital outlay	23,114	192,701	215,815
Debt service:			
Principal retirement	-	14,965	14,965
Interest and fiscal charges	-	1,516	1,516
Total expenditures	<u>1,173,923</u>	<u>219,296</u>	<u>1,393,219</u>
Excess of revenues under expenditures	<u>(320,879)</u>	<u>(172,263)</u>	<u>(493,142)</u>
Other financing sources (uses):			
Inception of capital lease	-	164,048	164,048
Transfers - in	228,058	-	228,058
Transfers - out	(64,337)	-	(64,337)
Total other financing sources (uses)	<u>163,721</u>	<u>164,048</u>	<u>327,769</u>
Net change in fund balance	(157,158)	(8,215)	(165,373)
Fund balances at beginning of year	<u>2,804,010</u>	<u>93,930</u>	<u>2,897,940</u>
Fund balances at end of year	<u>\$ 2,646,852</u>	<u>\$ 85,715</u>	<u>\$ 2,732,567</u>

Village of Newton Falls, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2019

	Street Construction, Maintenance and Repair Fund	State Highway Improvement Fund	Permissive Auto Fund	Parks and Recreation Fund	Drug Law Enforcement Fund
<b>Assets:</b>					
Equity in pooled cash and investments	\$ 965	\$ 78,171	\$ 18,223	\$ 6,578	\$ 4,610
<b>Receivables:</b>					
Property and other taxes	-	-	-	-	-
Accounts	-	-	479	-	-
Intergovernmental	135,758	10,849	8,340	204	-
Materials and supplies inventory	-	-	18,000	-	-
Loans receivable	-	-	-	-	-
Prepaid items	1,354	-	-	-	-
Total assets	<u>\$ 138,077</u>	<u>\$ 89,020</u>	<u>\$ 45,042</u>	<u>\$ 6,782</u>	<u>\$ 4,610</u>
<b>Liabilities:</b>					
Accounts payable	\$ 3,608	\$ 126	\$ 3,409	\$ 2,044	\$ -
Accrued wages	8,232	-	-	-	-
Intergovernmental payable	1,271	-	-	-	-
Total liabilities	<u>13,111</u>	<u>126</u>	<u>3,409</u>	<u>2,044</u>	<u>-</u>
<b>Deferred inflows of resources:</b>					
Property taxes	-	-	-	-	-
Unavailable revenue - other	88,888	7,052	479	200	-
Total deferred inflows of resources	<u>88,888</u>	<u>7,052</u>	<u>479</u>	<u>200</u>	<u>-</u>
<b>Fund balances:</b>					
Nonspendable	1,354	-	18,000	-	-
Restricted	34,724	81,842	23,154	4,538	4,610
Committed	-	-	-	-	-
Total fund balances	<u>36,078</u>	<u>81,842</u>	<u>41,154</u>	<u>4,538</u>	<u>4,610</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 138,077</u>	<u>\$ 89,020</u>	<u>\$ 45,042</u>	<u>\$ 6,782</u>	<u>\$ 4,610</u>

Senior Citizen Van Fund	Indigent Drivers Fund	Home Improvement Loan Fund	Law Library Fund	Enforcement and Education Fund	Special Levy Police Pension Fund	Court Computerization Fund
\$ 1,108	\$ 33,725	\$ 82,817	\$ 3,891	\$ 23,360	\$ 181	\$ 444,305
-	-	-	-	-	15,666	-
-	-	-	-	-	-	-
-	-	-	-	-	8,975	-
-	-	659,655	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,108</u>	<u>\$ 33,725</u>	<u>\$ 742,472</u>	<u>\$ 3,891</u>	<u>\$ 23,360</u>	<u>\$ 24,822</u>	<u>\$ 444,305</u>
\$ -	\$ 341	\$ 334	\$ 2,795	\$ -	\$ -	\$ 4,995
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>341</u>	<u>334</u>	<u>2,795</u>	<u>-</u>	<u>-</u>	<u>4,995</u>
-	-	-	-	-	15,666	-
-	-	-	-	-	8,975	-
-	-	-	-	-	24,641	-
-	-	-	-	-	-	-
1,108	33,384	742,138	1,096	23,360	181	439,310
-	-	-	-	-	-	-
<u>1,108</u>	<u>33,384</u>	<u>742,138</u>	<u>1,096</u>	<u>23,360</u>	<u>181</u>	<u>439,310</u>
<u>\$ 1,108</u>	<u>\$ 33,725</u>	<u>\$ 742,472</u>	<u>\$ 3,891</u>	<u>\$ 23,360</u>	<u>\$ 24,822</u>	<u>\$ 444,305</u>

Village of Newton Falls, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2019

	Court General Special Projects Fund	Court Secutiry/ Diversion Program Fund	Indigent Drivers Alcohol Treatment Fund	Probation Improvement Fund	Probation Incentive Award Fund
Assets:					
and investments	\$ 786,158	\$ 18,589	\$ 145,902	\$ -	\$ 6,202
Receivables:					
Property and other taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Intergovernmental	-	-	93	-	-
Materials and supplies inventory	-	-	-	-	-
Loans receivable	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	<u>\$ 786,158</u>	<u>\$ 18,589</u>	<u>\$ 145,995</u>	<u>\$ -</u>	<u>\$ 6,202</u>
Liabilities:					
Accounts payable	\$ 803	\$ -	\$ 498	\$ -	\$ -
Accrued wages	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-
Total liabilities	<u>803</u>	<u>-</u>	<u>498</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:					
Property taxes	-	-	-	-	-
Unavailable revenue - other	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	785,355	18,589	145,497	-	6,202
Committed	-	-	-	-	-
Total fund balances	<u>785,355</u>	<u>18,589</u>	<u>145,497</u>	<u>-</u>	<u>6,202</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 786,158</u>	<u>\$ 18,589</u>	<u>\$ 145,995</u>	<u>\$ -</u>	<u>\$ 6,202</u>



Justice Reinvestment and Incentive Fund	Stormwater Fund	Summer Concert Series Fund	Total Nonmajor Special Revenue Funds
\$ 11,099	\$ 274,715	\$ 3,250	\$ 1,943,849
-	-	-	15,666
-	13,691	-	14,170
-	-	-	164,219
-	-	-	18,000
-	-	-	659,655
-	-	-	1,354
<u>\$ 11,099</u>	<u>\$ 288,406</u>	<u>\$ 3,250</u>	<u>\$ 2,816,913</u>
\$ 1,613	\$ 5,041	\$ -	\$ 25,607
-	-	-	8,232
-	-	-	1,271
<u>1,613</u>	<u>5,041</u>	<u>-</u>	<u>35,110</u>
-	-	-	15,666
-	13,691	-	119,285
<u>-</u>	<u>13,691</u>	<u>-</u>	<u>134,951</u>
-	-	-	19,354
9,486	-	3,250	2,357,824
-	269,674	-	269,674
<u>9,486</u>	<u>269,674</u>	<u>3,250</u>	<u>2,646,852</u>
<u>\$ 11,099</u>	<u>\$ 288,406</u>	<u>\$ 3,250</u>	<u>\$ 2,816,913</u>

Village of Newton Falls, Ohio  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2019

	Street Construction, Maintenance and Repair Fund	State Highway Improvement Fund	Permissive Auto Fund	Parks and Recreation Fund	Drug Law Enforcement Fund
Revenues:					
Municipal income tax	\$ 82,307	\$ -	\$ -	\$ 11,758	\$ -
Property and other taxes	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	900
Intergovernmental	237,967	19,295	106,763	-	-
Interest	-	-	-	-	-
Other	8,273	-	-	2,046	-
Total revenue	<u>328,547</u>	<u>19,295</u>	<u>106,763</u>	<u>13,804</u>	<u>900</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Security of persons and property					
Police	-	-	-	-	5,026
Other	-	-	-	-	-
Transportation	405,621	59,259	251,362	-	-
Leisure time activities	-	-	-	87,078	-
Community and economic development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>405,621</u>	<u>59,259</u>	<u>251,362</u>	<u>87,078</u>	<u>5,026</u>
Excess of revenues over (under) expenditures	<u>(77,074)</u>	<u>(39,964)</u>	<u>(144,599)</u>	<u>(73,274)</u>	<u>(4,126)</u>
Other financing sources (uses):					
Transfers - in	73,140	29,039	57,112	68,290	-
Transfers - out	-	-	-	-	-
Total other financing sources (uses)	<u>73,140</u>	<u>29,039</u>	<u>57,112</u>	<u>68,290</u>	<u>-</u>
Net change in fund balance	(3,934)	(10,925)	(87,487)	(4,984)	(4,126)
Fund balances at beginning of year	<u>40,012</u>	<u>92,767</u>	<u>128,641</u>	<u>9,522</u>	<u>8,736</u>
Fund balances at end of year	<u>\$ 36,078</u>	<u>\$ 81,842</u>	<u>\$ 41,154</u>	<u>\$ 4,538</u>	<u>\$ 4,610</u>

Senior Citizen Van Fund	Indigent Drivers Fund	Home Improvement Loan Fund	Law Library Fund	Enforcement and Education Fund	Special Levy Police Pension Fund	Court Computerization Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	17,739	-
-	912	-	19,122	23,187	-	74,165
-	-	-	-	-	-	-
-	-	74	-	-	-	-
-	-	-	-	5,188	-	83
-	912	74	19,122	28,375	17,739	74,248
-	-	-	-	-	-	26,188
-	2,552	-	-	30,724	65,000	-
-	-	-	18,978	-	-	-
-	-	-	-	-	-	-
-	-	59,513	-	-	-	-
-	-	-	-	-	-	10,910
-	2,552	59,513	18,978	30,724	65,000	37,098
-	(1,640)	(59,439)	144	(2,349)	(47,261)	37,150
-	-	-	-	7	-	223
-	-	-	-	-	-	-
-	-	-	-	7	-	223
-	(1,640)	(59,439)	144	(2,342)	(47,261)	37,373
1,108	35,024	801,577	952	25,702	47,442	401,937
\$ 1,108	\$ 33,384	\$ 742,138	\$ 1,096	\$ 23,360	\$ 181	\$ 439,310

Village of Newton Falls, Ohio  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2019

	Court General Special Projects Fund	Court Secutiry/ Diversion Program Fund	Indigent Drivers Alcohol Treatment Fund	Probation Improvement Fund	Probation Incentive Award Fund
Revenues:					
Municipal income tax	\$ -	\$ -	\$ -	\$ -	\$ -
Property and other taxes	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	113,545	2,720	11,403	-	-
Intergovernmental	-	-	4,584	35	-
Interest	-	-	-	-	-
Other	-	-	5,608	-	-
Total revenue	<u>113,545</u>	<u>2,720</u>	<u>21,595</u>	<u>35</u>	<u>-</u>
Expenditures:					
Current:					
General government	49,641	2,012	4,866	4,648	6,288
Security of persons and property					
Police	-	-	-	-	-
Other	-	-	-	-	-
Transportation	-	-	-	-	-
Leisure time activities	-	-	-	-	-
Community and economic development	-	-	-	-	-
Capital outlay	-	-	-	-	12,204
Total expenditures	<u>49,641</u>	<u>2,012</u>	<u>4,866</u>	<u>4,648</u>	<u>18,492</u>
Excess of revenues over (under) expenditures	<u>63,904</u>	<u>708</u>	<u>16,729</u>	<u>(4,613)</u>	<u>(18,492)</u>
Other financing sources (uses):					
Transfers - in	-	-	244	3	-
Transfers - out	-	-	-	(8)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>244</u>	<u>(5)</u>	<u>-</u>
Net change in fund balance	63,904	708	16,973	(4,618)	(18,492)
Fund balances at beginning of year	<u>721,451</u>	<u>17,881</u>	<u>128,524</u>	<u>4,618</u>	<u>24,694</u>
Fund balances at end of year	<u>\$ 785,355</u>	<u>\$ 18,589</u>	<u>\$ 145,497</u>	<u>\$ -</u>	<u>\$ 6,202</u>

Justice Reinvestment and Incentive Fund	Stormwater Fund	Summer Concert Series Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ 94,065
-	-	-	17,739
-	84,450	-	84,450
-	-	-	245,954
20,920	-	-	389,564
-	-	-	74
-	-	-	21,198
<u>20,920</u>	<u>84,450</u>	<u>-</u>	<u>853,044</u>
65,415	-	-	159,058
-	-	-	103,302
-	-	-	18,978
-	6,638	-	722,880
-	-	-	87,078
-	-	-	59,513
-	-	-	23,114
<u>65,415</u>	<u>6,638</u>	<u>-</u>	<u>1,173,923</u>
<u>(44,495)</u>	<u>77,812</u>	<u>-</u>	<u>(320,879)</u>
-	-	-	228,058
<u>(467)</u>	<u>(63,862)</u>	<u>-</u>	<u>(64,337)</u>
<u>(467)</u>	<u>(63,862)</u>	<u>-</u>	<u>163,721</u>
(44,962)	13,950	-	(157,158)
<u>54,448</u>	<u>255,724</u>	<u>3,250</u>	<u>2,804,010</u>
<u>\$ 9,486</u>	<u>\$ 269,674</u>	<u>\$ 3,250</u>	<u>\$ 2,646,852</u>

Village of Newton Falls, Ohio  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2019

	<u>Capital Improvement Fund</u>	<u>Road Building and Equipment Fund</u>	<u>Future Building Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>Assets:</b>				
Equity in pooled cash and investments	<u>\$ 59,674</u>	<u>\$ 692</u>	<u>\$ 27,598</u>	<u>\$ 87,964</u>
<b>Liabilities:</b>				
Accounts payable	<u>\$ 2,249</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,249</u>
<b>Fund balances:</b>				
Restricted	<u>57,425</u>	<u>692</u>	<u>27,598</u>	<u>85,715</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 59,674</u>	<u>\$ 692</u>	<u>\$ 27,598</u>	<u>\$ 87,964</u>

Village of Newton Falls, Ohio  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2019

	Capital Improvement Fund	Road Building and Equipment Fund	Future Building Fund	Total Nonmajor Capital Projects Funds
Revenues:				
Municipal income tax	\$ 39,194	\$ -	\$ 7,839	\$ 47,033
Expenditures:				
Current:				
General government	2,249	-	-	2,249
Security of persons and property				
Police	7,865	-	-	7,865
Capital outlay	192,701	-	-	192,701
Debt service:				
Principal retirement	14,965	-	-	14,965
Interest and fiscal charges	1,516	-	-	1,516
Total expenditures	219,296	-	-	219,296
Excess of revenues over (under) expenditures	(180,102)	-	7,839	(172,263)
Other financing sources:				
Inception of capital lease	164,048	-	-	164,048
Net change in fund balance	(16,054)	-	7,839	(8,215)
Fund balance at beginning of year	73,479	692	19,759	93,930
Fund balances at end of year	\$ 57,425	\$ 692	\$ 27,598	\$ 85,715

**Individual Fund Schedules of Revenue, Expenditures/Expenses and Changes in  
Fund Balance/Fund Equity – Budget (Non-GAAP Basis) and Actual  
Major and Nonmajor**



## MAJOR GENERAL FUND

The general fund is the operating fund of the Village and is used to account for all financial resources except those required to be accounted for in another fund.

### Funds being reported as part of the general fund

The following fund is legally budgeted as a separate special revenue fund but is being reported as part of the general fund for GAAP reporting purposes.

#### Economic Development

To account for the receipt and dispersal of all resources for projects and programs that create or retain jobs, improve the local and regional tax base, or otherwise enhance the quality of life in the community.

#### Refuse

To account for receipt and dispersal of resources committed for solid waste disposal services.

#### Unclaimed Monies

To account for unclaimed monies that are collected and sent to the State of Ohio for the rightful owner until the monies can be returned.

#### Fuel/Township Fuel

To account for the receipt and dispersal of funds from the fire and Township for fuel services.

Village of Newton Falls  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund  
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Municipal income tax	\$ 843,979	\$ 801,518	\$ 811,108	\$ 9,590
Property and other taxes	216,139	258,600	263,405	4,805
Charges for services	4,850	4,850	81,454	76,604
Licenses and permits	53,300	53,300	70,249	16,949
Fines and forfeitures	593,000	693,000	696,538	3,538
Intergovernmental	84,350	146,583	147,154	571
Interest	87,000	87,000	192,325	105,325
Other	18,000	18,000	54,173	36,173
<b>Total revenues</b>	<b>1,900,618</b>	<b>2,062,851</b>	<b>2,316,406</b>	<b>253,555</b>
<u>Expenditures:</u>				
Current:				
General government				
Village administration				
Personal services	81,090	88,590	68,097	20,493
Travel	1,200	1,200	801	399
Contractual services	6,850	18,100	12,093	6,007
Materials and supplies	2,900	11,950	9,849	2,101
Other	500	500	-	500
<b>Total village administration</b>	<b>92,540</b>	<b>120,340</b>	<b>90,840</b>	<b>29,500</b>
Council				
Personal services	8,935	10,500	7,666	2,834
Travel	1,356	3,356	3,275	81
Contractual services	44,200	105,700	50,355	55,345
Materials and supplies	1,400	55,944	2,430	53,514
<b>Total council</b>	<b>55,891</b>	<b>175,500</b>	<b>63,726</b>	<b>111,774</b>
Municipal court				
Personal services	693,830	693,830	650,657	43,173
Travel	1,500	2,700	2,681	19
Contractual services	11,550	15,650	13,319	2,331
Materials and supplies	5,250	7,450	6,326	1,124
<b>Total municipal court</b>	<b>712,130</b>	<b>719,630</b>	<b>672,983</b>	<b>46,647</b>
Finance				
Personal services	68,410	72,500	51,949	20,551
Travel	100	100	98	2
Contractual services	8,900	31,200	15,913	15,287
Materials and supplies	900	7,400	2,153	5,247
Capital outlay	4,000	5,000	-	5,000
Other	15,300	21,300	11,428	9,872
<b>Total finance</b>	<b>97,610</b>	<b>137,500</b>	<b>81,541</b>	<b>55,959</b>

(Continued)

Village of Newton Falls  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund  
For the Year Ended December 31, 2019  
(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Boards and commissions				
Personal services	1,500	1,500	460	1,040
Travel	750	750	-	750
Contractual services	400	400	-	400
Total boards and commissions	<u>2,650</u>	<u>2,650</u>	<u>460</u>	<u>2,190</u>
Law				
Personal services	26,215	27,500	25,704	1,796
Travel	300	-	-	-
Contractual services	6,700	842	2,686	(1,844)
Materials and supplies	750	158	158	-
Total law	<u>33,965</u>	<u>28,500</u>	<u>28,548</u>	<u>(48)</u>
Income tax				
Personal services	-	-	54	(54)
Contractual services	-	26,984	30,154	(3,170)
Total income tax	<u>-</u>	<u>26,984</u>	<u>30,208</u>	<u>(3,224)</u>
Building Maintenance				
Personal services	7,020	10,000	12,190	(2,190)
Contractual services	52,500	61,500	55,090	6,410
Materials and supplies	2,800	8,500	3,403	5,097
Capital outlay	14,000	35,000	30,000	5,000
Total building maintenance	<u>76,320</u>	<u>115,000</u>	<u>100,683</u>	<u>14,317</u>
Total general government	<u>1,071,106</u>	<u>1,326,104</u>	<u>1,068,989</u>	<u>257,115</u>
Security of persons and property				
Police				
Personal services	621,100	630,000	623,177	6,823
Travel	500	500	10	490
Contractual services	70,600	79,900	59,446	20,454
Materials and supplies	33,500	29,600	24,762	4,838
Total police	<u>725,700</u>	<u>740,000</u>	<u>707,395</u>	<u>32,605</u>
Police support				
Personal services	14,010	15,000	12,325	2,675
Contractual services	55,000	55,000	31,952	23,048
Total police support	<u>69,010</u>	<u>70,000</u>	<u>44,277</u>	<u>25,723</u>
Fire				
Contractual services	70,850	70,850	70,837	13
Total security of persons and property	<u>865,560</u>	<u>880,850</u>	<u>822,509</u>	<u>58,341</u>

(Continued)

Village of Newton Falls  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund  
For the Year Ended December 31, 2019  
(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Community and economic development				
Zoning				
Personal services	23,300	23,300	21,368	1,932
Travel	250	-	-	-
Contractual services	14,175	15,700	31,041	(15,341)
Materials and supplies	1,800	11,800	11,794	6
Total community and economic development	39,525	50,800	64,203	(13,403)
Total expenditures	1,976,191	2,257,754	1,955,701	302,053
Excess of revenues over (under) expenditures	(75,573)	(194,903)	360,705	555,608
Other financing sources (uses):				
Transfers - in	624,881	624,881	642,785	17,904
Transfers - out	(959,080)	(1,033,016)	(1,011,851)	21,165
Total other financing sources (uses)	(334,199)	(408,135)	(369,066)	39,069
Net change in fund balance	(409,772)	(603,038)	(8,361)	594,677
Fund balance at beginning of year	673,060	673,060	673,060	-
Fund balance at end of year	\$ 263,288	\$ 70,022	\$ 664,699	\$ 594,677

Village of Newton Falls  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Economic Development Fund  
 For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>Expenditures:</u>				
Total expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	255	255	255	-
Fund balance at end of year	\$ 255	\$ 255	\$ 255	\$ -

Village of Newton Falls  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Refuse Fund  
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Charges for services	\$ 300,000	\$ 302,357	\$ 331,957	\$ 29,600
<u>Expenditures:</u>				
Current:				
General government				
Refuse				
Materials and supplies	221,000	366,165	333,350	32,815
Other	100	-	-	-
Total expenditures	<u>221,100</u>	<u>366,165</u>	<u>333,350</u>	<u>32,815</u>
Net change in fund balance	78,900	(63,808)	(1,393)	62,415
Fund balance at beginning of year	<u>63,808</u>	<u>63,808</u>	<u>63,808</u>	<u>-</u>
Fund balance at end of year	<u>\$ 142,708</u>	<u>\$ -</u>	<u>\$ 62,415</u>	<u>\$ 62,415</u>

Village of Newton Falls  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Unclaimed Monies Fund  
 For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Other	\$ -	\$ 2,232	\$ 2,267	\$ 35
<u>Expenditures:</u>				
Total expenditures	-	-	-	-
Net change in fund balance	-	2,232	2,267	35
Fund balance at beginning of year	15,812	15,812	15,812	-
Fund balance at end of year	<u>\$ 15,812</u>	<u>\$ 18,044</u>	<u>\$ 18,079</u>	<u>\$ 35</u>

Village of Newton Falls  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Fire/Township Fuel Fund  
 For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Charges for services	\$ 12,000	\$ 22,105	\$ 25,092	\$ 2,987
<u>Expenditures:</u>				
Current:				
General government				
Materials and supplies	12,000	27,446	20,201	7,245
Net change in fund balance	-	(5,341)	4,891	10,232
Fund balance at beginning of year	5,341	5,341	5,341	-
Fund balance at end of year	<u>\$ 5,341</u>	<u>\$ -</u>	<u>\$ 10,232</u>	<u>\$ 10,232</u>



Village of Newton Falls  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Street Construction, Maintenance and Repair Fund  
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Intergovernmental	\$ 192,015	\$ 185,000	\$ 222,277	\$ 37,277
Other	2,000	2,000	8,235	6,235
Total revenues	<u>194,015</u>	<u>187,000</u>	<u>230,512</u>	<u>43,512</u>
<u>Expenditures:</u>				
Current:				
Transportation				
Street maintenance				
Personal services	354,850	325,000	342,273	(17,273)
Contractual services	19,500	17,452	17,452	-
Materials and supplies	18,266	27,339	25,060	2,279
Capital outlay	-	17,472	17,472	-
Total expenditures	<u>392,616</u>	<u>387,263</u>	<u>402,257</u>	<u>(14,994)</u>
Excess of revenues under expenditures	<u>(198,601)</u>	<u>(200,263)</u>	<u>(171,745)</u>	<u>28,518</u>
Other financing sources:				
Transfers - in	<u>198,000</u>	<u>183,000</u>	<u>155,447</u>	<u>(27,553)</u>
Net change in fund balance	(601)	(17,263)	(16,298)	965
Fund balance at beginning of year	16,647	16,647	16,647	-
Prior year encumbrances appropriated	<u>616</u>	<u>616</u>	<u>616</u>	<u>-</u>
Fund balance at end of year	<u>\$ 16,662</u>	<u>\$ -</u>	<u>\$ 965</u>	<u>\$ 965</u>

Village of Newton Falls  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
State Highway Improvement Fund  
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$ 15,500	\$ 15,500	\$ 18,023	\$ 2,523
<u>Expenditures:</u>				
Current:				
Transportation				
State highway improvement				
Capital outlay	22,000	105,700	59,133	46,567
Excess of revenues under expenditures	(6,500)	(90,200)	(41,110)	49,090
Other financing sources:				
Transfers - in	-	-	29,039	29,039
Net change in fund balance	(6,500)	(90,200)	(12,071)	78,129
Fund balance at beginning of year	90,242	90,242	90,242	-
Fund balance at end of year	<u>\$ 83,742</u>	<u>\$ 42</u>	<u>\$ 78,171</u>	<u>\$ 78,129</u>

Village of Newton Falls  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Permissive Auto Fund  
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Intergovernmental	\$ 95,000	\$ 141,029	\$ 95,992	\$ (45,037)
<u>Expenditures:</u>				
Current:				
Transportation				
Street maintenance				
Contractual services	13,773	11,329	10,557	772
Materials and supplies	17,184	16,450	15,665	785
Capital outlay	96,925	215,567	211,141	4,426
Total expenditures	127,882	243,346	237,363	5,983
Excess of revenues under expenditures	(32,882)	(102,317)	(141,371)	(39,054)
Other financing sources:				
Transfers - in	-	-	57,112	57,112
Net change in fund balance	(32,882)	(102,317)	(84,259)	18,058
Fund balance at beginning of year	92,000	92,000	92,000	-
Prior year encumbrances appropriated	10,482	10,482	10,482	-
Fund balance at end of year	\$ 69,600	\$ 165	\$ 18,223	\$ 18,058

Village of Newton Falls  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Parks and Recreation Fund  
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Other	\$ -	\$ 126,540	\$ 2,042	\$ (124,498)
<u>Expenditures:</u>				
Current:				
Leisure time activities				
Parks and recreation				
Personal services	12,870	30,000	8,729	21,271
Contractual services	4,890	44,820	11,657	33,163
Materials and supplies	7,700	35,180	10,180	25,000
Capital outlay	53,000	90,000	52,044	37,956
Total parks and recreation	78,460	200,000	82,610	117,390
Community center				
Contractual services	5,000	10,000	2,783	7,217
Total expenditures	83,460	210,000	85,393	124,607
Excess of revenues under expenditures	(83,460)	(83,460)	(83,351)	109
Other financing sources:				
Transfers - in	83,460	83,460	80,048	(3,412)
Net change in fund balance	-	-	(3,303)	(3,303)
Fund balance at beginning of year	9,881	9,881	9,881	-
Fund balance at end of year	\$ 9,881	\$ 9,881	\$ 6,578	\$ (3,303)

Village of Newton Falls  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Drug Law Enforcement Fund  
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Fines and forfeitures	\$ 1,000	\$ 750	\$ 750	\$ -
<u>Expenditures:</u>				
Current:				
Security of persons and property				
Police				
Material and supplies	1,000	7,000	5,026	1,974
Net change in fund balance	-	(6,250)	(4,276)	1,974
Fund balance at beginning of year	8,736	8,736	8,736	-
Fund balance at end of year	<u>\$ 8,736</u>	<u>\$ 2,486</u>	<u>\$ 4,460</u>	<u>\$ 1,974</u>

Village of Newton Falls  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Senior Citizen Van Fund  
 For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>Expenditures:</u>				
Total expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	1,108	1,108	1,108	-
Fund balance at end of year	\$ 1,108	\$ 1,108	\$ 1,108	\$ -

Village of Newton Falls  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Indigent Drivers Fund  
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Fines and forfeitures	\$ 1,000	\$ 876	\$ 1,008	\$ 132
<u>Expenditures:</u>				
Current:				
Security of persons and property				
Police				
Materials and supplies	7,000	7,000	2,211	4,789
Net change in fund balance	(6,000)	(6,124)	(1,203)	4,921
Fund balance at beginning of year	34,889	34,889	34,889	-
Fund balance at end of year	<u>\$ 28,889</u>	<u>\$ 28,765</u>	<u>\$ 33,686</u>	<u>\$ 4,921</u>

Village of Newton Falls  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Home Improvement Loan Fund  
 For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Charges for services	\$ -	\$ 3,000	\$ 3,344	\$ 344
<u>Expenditures:</u>				
Current:				
Community and Economic Development				
Contractual Services	-	-	334	(334)
Net change in fund balance	-	3,000	3,010	10
Fund balance at beginning of year	<u>79,807</u>	<u>79,807</u>	<u>79,807</u>	<u>-</u>
Fund balance at end of year	<u>\$ 79,807</u>	<u>\$ 82,807</u>	<u>\$ 82,817</u>	<u>\$ 10</u>



Village of Newton Falls  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Law Library Fund  
 For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Fines and forfeitures	\$ 12,000	\$ 16,183	\$ 18,978	\$ 2,795
<u>Expenditures:</u>				
Current:				
Security of persons and property				
Other				
Materials and supplies	12,000	16,183	16,183	-
Net change in fund balance	-	-	2,795	2,795
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ 2,795	\$ 2,795

Village of Newton Falls  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Enforcement and Education Fund  
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Fines and forfeitures	\$ 1,000	\$ 16,943	\$ 23,327	\$ 6,384
Other	2,500	2,500	5,188	2,688
Total revenues	<u>3,500</u>	<u>19,443</u>	<u>28,515</u>	<u>9,072</u>
<u>Expenditures:</u>				
Current:				
Security of persons and property				
Police				
Contractual services	1,000	-	-	-
Material and supplies	16,940	41,940	32,907	9,033
Total expenditures	<u>17,940</u>	<u>41,940</u>	<u>32,907</u>	<u>9,033</u>
Excess of revenues under expenditures	<u>(14,440)</u>	<u>(22,497)</u>	<u>(4,392)</u>	<u>18,105</u>
<u>Other financing sources:</u>				
Transfers - in	-	-	7	7
Net change in fund balance	(14,440)	(22,497)	(4,385)	18,112
Fund balance at beginning of year	25,705	25,705	25,705	-
Prior year encumbrances appropriated	<u>1,940</u>	<u>1,940</u>	<u>1,940</u>	<u>-</u>
Fund balance at end of year	<u>\$ 13,205</u>	<u>\$ 5,148</u>	<u>\$ 23,260</u>	<u>\$ 18,112</u>

Village of Newton Falls  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Special Levy Police Pension Fund  
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Property and other taxes	\$ 17,932	\$ 17,739	\$ 17,739	\$ -
<u>Expenditures:</u>				
Current:				
Security of persons and property				
Police				
Personal services	14,800	64,700	64,700	-
Contractual services	3,000	300	300	-
Total expenditures	<u>17,800</u>	<u>65,000</u>	<u>65,000</u>	<u>-</u>
Net change in fund balance	132	(47,261)	(47,261)	-
Fund balance at beginning of year	<u>47,442</u>	<u>47,442</u>	<u>47,442</u>	<u>-</u>
Fund balance at end of year	<u>\$ 47,574</u>	<u>\$ 181</u>	<u>\$ 181</u>	<u>\$ -</u>

Village of Newton Falls  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Court Computerization Fund  
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Fines and forfeitures	\$ 50,000	\$ 63,063	\$ 74,559	\$ 11,496
Other	-	83	83	-
Total revenues	<u>50,000</u>	<u>63,146</u>	<u>74,642</u>	<u>11,496</u>
<u>Expenditures:</u>				
Capital outlay	125,000	50,000	30,382	19,618
Other	25,000	10,000	1,992	8,008
Total expenditures	<u>150,000</u>	<u>60,000</u>	<u>32,374</u>	<u>27,626</u>
Excess of revenues over (under) expenditures	<u>(100,000)</u>	<u>3,146</u>	<u>42,268</u>	<u>39,122</u>
Other financing sources:				
Transfers - in	-	-	223	223
Net change in fund balance	(100,000)	3,146	42,491	39,345
Fund balance at beginning of year	<u>396,565</u>	<u>396,565</u>	<u>396,565</u>	<u>-</u>
Fund balance at end of year	<u>\$ 296,565</u>	<u>\$ 399,711</u>	<u>\$ 439,056</u>	<u>\$ 39,345</u>

Village of Newton Falls  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Court General Special Projects Fund  
 For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Fines and forfeitures	\$ 75,000	\$ 95,197	\$ 114,003	\$ 18,806
<u>Expenditures:</u>				
Capital outlay	300,000	60,000	49,121	10,879
Net change in fund balance	(225,000)	35,197	64,882	29,685
Fund balance at beginning of year	713,177	713,177	713,177	-
Fund balance at end of year	<u>\$ 488,177</u>	<u>\$ 748,374</u>	<u>\$ 778,059</u>	<u>\$ 29,685</u>

Village of Newton Falls  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Court Security/Diversion Program Fund  
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Fines and forfeitures	\$ 2,000	\$ 2,250	\$ 2,869	\$ 619
<u>Expenditures:</u>				
Current:				
General government				
Court Security				
Contractual services	5,000	5,000	2,012	2,988
Net change in fund balance	(3,000)	(2,750)	857	3,607
Fund balance at beginning of year	17,131	17,131	17,131	-
Fund balance at end of year	<u>\$ 14,131</u>	<u>\$ 14,381</u>	<u>\$ 17,988</u>	<u>\$ 3,607</u>

Village of Newton Falls  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Indigent Drivers Alcohol Treatment Fund  
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Fines and forfeitures	\$ 10,000	\$ 19,912	\$ 11,348	\$ (8,564)
Intergovernmental	-	-	4,654	4,654
Other	-	-	5,608	5,608
Total revenues	<u>10,000</u>	<u>19,912</u>	<u>21,610</u>	<u>1,698</u>
<u>Expenditures:</u>				
Current:				
General government				
Indigent drivers alcohol				
Materials and supplies	<u>10,000</u>	<u>10,000</u>	<u>4,908</u>	<u>5,092</u>
Excess of revenues over expenditures	<u>-</u>	<u>9,912</u>	<u>16,702</u>	<u>6,790</u>
Other financing sources:				
Transfers - in	<u>-</u>	<u>-</u>	<u>244</u>	<u>244</u>
Net change in fund balance	-	9,912	16,946	7,034
Fund balance at beginning of year	<u>128,144</u>	<u>128,144</u>	<u>128,144</u>	<u>-</u>
Fund balance at end of year	<u>\$ 128,144</u>	<u>\$ 138,056</u>	<u>\$ 145,090</u>	<u>\$ 7,034</u>

Village of Newton Falls  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Probation Improvement Fund  
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$ 24,000	\$ 39	\$ 35	\$ (4)
<u>Expenditures:</u>				
Current:				
General government				
Municipal Court				
Contractual services	24,000	4,649	4,648	1
Excess of revenues under expenditures	-	(4,610)	(4,613)	(3)
Other financing sources (uses):				
Transfers - in	-	-	3	3
Transfers - out	-	(8)	(8)	-
Total other financing sources (uses)	-	(8)	(5)	3
Net change in fund balance	-	(4,618)	(4,618)	-
Fund balance at beginning of year	4,618	4,618	4,618	-
Fund balance at end of year	<u>\$ 4,618</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



Village of Newton Falls  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Probation Incentive Award Fund  
 For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>Expenditures:</u>				
Current:				
General government				
Finance				
Materials and supplies	-	25,657	19,455	6,202
Net change in fund balance	-	(25,657)	(19,455)	6,202
Fund balance at beginning of year	25,657	25,657	25,657	-
Fund balance at end of year	<u>\$ 25,657</u>	<u>\$ -</u>	<u>\$ 6,202</u>	<u>\$ 6,202</u>

Village of Newton Falls  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Justice Reinvestment and Incentive Fund  
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$ -	\$ 20,920	\$ 20,920	\$ -
<u>Expenditures:</u>				
Current:				
General government				
Municipal Court				
Contractual services	-	70,723	69,818	905
Excess of revenues under expenditures	-	(49,803)	(48,898)	905
Other financing uses:				
Transfers - out	-	(467)	(467)	-
Net change in fund balance	-	(50,270)	(49,365)	905
Fund balance at beginning of year	60,464	60,464	60,464	-
Fund balance at end of year	<u>\$ 60,464</u>	<u>\$ 10,194</u>	<u>\$ 11,099</u>	<u>\$ 905</u>

Village of Newton Falls  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Stormwater Fund  
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Charges for services	\$ 80,000	\$ 82,537	\$ 84,450	\$ 1,913
<u>Expenditures:</u>				
Current:				
Basic Utility Services				
Stormwater Utility				
Other	250	2	2	-
Transportation				
Stormwater Utility				
Contractual services	2,000	2,248	1,368	880
Capital outlay	148,000	148,000	227	147,773
Total Transportation	150,000	150,248	1,595	148,653
Total expenditures	150,250	150,250	1,597	148,653
Excess of revenues over (under) expenditures	(70,250)	(67,713)	82,853	150,566
Other financing uses:				
Transfers - out	-	-	(63,862)	(63,862)
Net change in fund balance	(70,250)	(67,713)	18,991	86,704
Fund balance at beginning of year	255,724	255,724	255,724	-
Fund balance at end of year	\$ 185,474	\$ 188,011	\$ 274,715	\$ 86,704

Village of Newton Falls  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Summer Concert Series Fund  
 For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>Expenditures:</u>				
Total expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	3,250	3,250	3,250	-
Fund balance at end of year	\$ 3,250	\$ 3,250	\$ 3,250	\$ -

Village of Newton Falls  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Capital Improvement Fund  
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>Expenditures:</u>				
Current:				
Capital Outlay				
Police				
Capital outlay	24,697	30,223	30,223	-
Streets				
Capital outlay	42,153	36,627	8,838	27,789
Capital Improvement				
Capital outlay	21,000	21,000	15,654	5,346
Total expenditures	87,850	87,850	54,715	60,924
Excess of revenues under expenditures	(87,850)	(87,850)	(54,715)	60,924
Other financing sources:				
Transfers - in	38,102	30,880	39,194	8,314
Net change in fund balance	(49,748)	(56,970)	(15,521)	41,449
Fund balance at beginning of year	75,195	75,195	75,195	-
Fund balance at end of year	\$ 25,447	\$ 18,225	\$ 59,674	\$ 41,449

Village of Newton Falls  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Road Building and Equipment Fund  
 For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>Expenditures:</u>				
Total expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	692	692	692	-
Fund balance at end of year	\$ 692	\$ 692	\$ 692	\$ -

Village of Newton Falls  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Future Building Fund  
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>Expenditures:</u>				
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	-	-	-	-
<u>Other financing sources:</u>				
Transfers - in	7,620	10,176	7,839	(2,337)
Net change in fund balance	7,620	10,176	7,839	(2,337)
Fund balance at beginning of year	19,759	19,759	19,759	-
Fund balance at end of year	<u>\$ 27,379</u>	<u>\$ 29,935</u>	<u>\$ 27,598</u>	<u>\$ (2,337)</u>

Village of Newton Falls  
Schedule of Revenues, Expenditures and Changes  
In Net Position - Budget (Non-GAAP Basis) and Actual  
Water Fund  
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Charges for services	\$ 1,976,300	\$ 1,683,199	\$ 1,759,631	\$ 76,432
Other	-	-	10,003	10,003
Total revenues	<u>1,976,300</u>	<u>1,683,199</u>	<u>1,769,634</u>	<u>86,435</u>
<b>Expenses:</b>				
Personal services	800,523	840,524	786,884	53,640
Travel	1,750	3,918	3,918	-
Contractual services	332,050	548,907	498,427	50,480
Materials and supplies	241,172	301,799	237,913	63,886
Capital outlay	465,098	508,300	220,694	287,606
Other	65,340	91,509	91,509	-
Total expenses	<u>1,905,933</u>	<u>2,294,957</u>	<u>1,839,345</u>	<u>455,612</u>
Operating income (loss)	<u>70,367</u>	<u>(611,758)</u>	<u>(69,711)</u>	<u>542,047</u>
<b>Nonoperating expenses:</b>				
Principal retirement	(209,250)	(219,946)	(145,491)	74,455
Interest and fiscal charges	(17,050)	(6,354)	(6,354)	-
Total nonoperating expenses	<u>(226,300)</u>	<u>(226,300)</u>	<u>(151,845)</u>	<u>74,455</u>
Loss before other financing uses	<u>(155,933)</u>	<u>(838,058)</u>	<u>(221,556)</u>	<u>616,502</u>
<b>Other financing uses:</b>				
Transfers - out	<u>(268,250)</u>	<u>(12,771)</u>	<u>-</u>	<u>12,771</u>
Change in net position	(424,183)	(850,829)	(221,556)	629,273
Net position at beginning of year	1,633,080	1,633,080	1,633,080	-
Prior year encumbrances appropriated	<u>25,519</u>	<u>25,519</u>	<u>25,519</u>	<u>-</u>
Net position at end of year	<u>\$ 1,234,416</u>	<u>\$ 807,770</u>	<u>\$ 1,437,043</u>	<u>\$ 629,273</u>



Village of Newton Falls  
Schedule of Revenues, Expenditures and Changes  
In Net Position - Budget (Non-GAAP Basis) and Actual  
Sewer Fund  
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Charges for services	\$ 1,300,000	\$ 1,350,000	\$ 1,379,519	\$ 29,519
Other	-	105,089	105,089	-
Total revenues	<u>1,300,000</u>	<u>1,455,089</u>	<u>1,484,608</u>	<u>29,519</u>
<b>Expenses:</b>				
Personal services	461,475	500,000	465,964	34,036
Travel	1,100	1,741	1,741	-
Contractual services	393,190	508,872	372,902	135,970
Materials and supplies	96,667	166,751	87,755	78,996
Capital outlay	346,811	473,183	413,821	59,362
Other	66,250	91,319	91,319	-
Total expenses	<u>1,365,493</u>	<u>1,741,866</u>	<u>1,433,502</u>	<u>308,364</u>
Operating income (loss)	<u>(65,493)</u>	<u>(286,777)</u>	<u>51,106</u>	<u>337,883</u>
<b>Nonoperating revenues (expenses):</b>				
Intergovernmental	-	-	145,459	145,459
Other	-	-	586	586
Principal retirement	(164,675)	(172,709)	(172,709)	-
Interest and fiscal charges	<u>(294,750)</u>	<u>(327,291)</u>	<u>(285,218)</u>	<u>42,073</u>
Total nonoperating revenues (expenses)	<u>(459,425)</u>	<u>(500,000)</u>	<u>(311,882)</u>	<u>188,118</u>
Loss before other financing sources (uses)	<u>(524,918)</u>	<u>(786,777)</u>	<u>(260,776)</u>	<u>526,001</u>
<b>Other financing sources (uses):</b>				
Transfers - in	484,300	689,658	607,995	(81,663)
Transfers - out	<u>(434,300)</u>	<u>(480,271)</u>	<u>(544,133)</u>	<u>(63,862)</u>
Total other financing sources (uses)	<u>50,000</u>	<u>209,387</u>	<u>63,862</u>	<u>(145,525)</u>
Change in net position	(474,918)	(577,390)	(196,914)	380,476
Net position at beginning of year	1,013,768	1,013,768	1,013,768	-
Prior year encumbrances appropriated	<u>224,793</u>	<u>224,793</u>	<u>224,793</u>	<u>-</u>
Net position at end of year	<u>\$ 763,643</u>	<u>\$ 661,171</u>	<u>\$ 1,041,647</u>	<u>\$ 380,476</u>

Village of Newton Falls  
Schedule of Revenues, Expenditures and Changes  
In Net Position - Budget (Non-GAAP Basis) and Actual  
Electric Fund  
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Charges for services	\$ 5,400,000	\$ 5,485,913	\$ 6,082,186	\$ 596,273
Other	25,000	25,000	59,019	34,019
Total revenues	<u>5,425,000</u>	<u>5,510,913</u>	<u>6,141,205</u>	<u>630,292</u>
<b>Expenses:</b>				
Personal services	558,474	600,000	499,196	100,804
Travel	8,000	4,742	4,742	-
Contractual services	4,882,566	4,882,597	4,306,881	575,716
Materials and supplies	156,168	646,024	93,247	552,777
Capital outlay	70,800	80,000	67,597	12,403
Other	231,325	396,415	243,215	153,200
Total expenses	<u>5,907,333</u>	<u>6,609,778</u>	<u>5,214,878</u>	<u>1,394,900</u>
Operating income (loss)	<u>(482,333)</u>	<u>(1,098,865)</u>	<u>926,327</u>	<u>2,025,192</u>
<b>Nonoperating expenses:</b>				
Principal retirement	(1,438,500)	(1,438,459)	(1,438,459)	-
Interest and fiscal charges	(22,500)	(29,582)	(29,582)	-
Issuance costs	(15,000)	(7,981)	(7,981)	-
Total nonoperating expenses	<u>(1,476,000)</u>	<u>(1,476,022)</u>	<u>(1,476,022)</u>	<u>-</u>
Loss before other financing sources (uses)	<u>(1,958,333)</u>	<u>(2,574,887)</u>	<u>(549,695)</u>	<u>2,025,192</u>
<b>Other financing sources (uses):</b>				
Notes issued	1,195,000	1,195,000	1,160,000	(35,000)
Transfers - in	536,000	536,000	306,000	(230,000)
Transfers - out	(536,000)	(317,890)	(306,000)	11,890
Total other financing sources (uses)	<u>1,195,000</u>	<u>1,413,110</u>	<u>1,160,000</u>	<u>(253,110)</u>
Change in net position	<u>(763,333)</u>	<u>(1,161,777)</u>	<u>610,305</u>	<u>1,772,082</u>
Net position at beginning of year	1,974,546	1,974,546	1,974,546	-
Prior year encumbrances appropriated	40,384	40,384	40,384	-
Net position at end of year	<u>\$ 1,251,597</u>	<u>\$ 853,153</u>	<u>\$ 2,625,235</u>	<u>\$ 1,772,082</u>

## Combining Statements and Individual Fund Schedules

### INTERNAL SERVICE FUNDS

Proprietary funds are used to account for the Village's ongoing organizations and activities which are similar to those found in the private sector. The measurement is upon determination of net income, financial position, and cash flow.

#### Employee Benefits

To account for payments of Village employee health insurance benefits.

#### Utility office

To account for services provided to the water, sewer and electric funds.

Village of Newton Falls, Ohio  
Combining Statement of Fund Net Position  
Internal Service Funds  
December 31, 2019

	Governmental Activities Employee Benefits	Business-Type Activities Utility Office	Total
<u>Assets:</u>			
Current assets:			
Equity in pooled cash and investments	\$ 465,518	\$ 87,633	\$ 553,151
Receivables:			
Accounts	332	3,181	3,513
Prepaid items	-	804	804
Total assets	<u>465,850</u>	<u>91,618</u>	<u>557,468</u>
<u>Deferred outflows of resources:</u>			
Pension	-	45,715	45,715
OPEB	-	5,595	5,595
Total deferred outflows of resources	<u>-</u>	<u>51,310</u>	<u>51,310</u>
<u>Liabilities:</u>			
Current liabilities:			
Accounts payable	10,814	5,892	16,706
Accrued wages	-	4,598	4,598
Intergovernmental payable	-	710	710
Compensated absences payable	-	3,078	3,078
Total current liabilities	<u>10,814</u>	<u>14,278</u>	<u>25,092</u>
Long-term liabilities:			
Net pension liability	-	153,512	153,512
Net OPEB liability	-	71,345	71,345
Total long-term liabilities	<u>-</u>	<u>224,857</u>	<u>224,857</u>
Total liabilities	<u>10,814</u>	<u>239,135</u>	<u>249,949</u>
<u>Deferred inflows of resources:</u>			
Pension	-	5,353	5,353
OPEB	-	1,586	1,586
Total deferred inflows of resources	<u>-</u>	<u>6,939</u>	<u>6,939</u>
<u>Net position:</u>			
Unrestricted	455,036	(103,146)	351,890
Total net position	<u>\$ 455,036</u>	<u>\$ (103,146)</u>	<u>\$ 351,890</u>

See accompanying notes to the basic financial statements.

Village of Newton Falls, Ohio  
Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
Internal Service Funds  
For the Year Ended December 31, 2019

	Governmental Activities Employee Benefits	Business-Type Activities Utility Office	Total
<u>Operating revenues:</u>			
Charges for services	\$ 912,586	\$ -	\$ 912,586
Other	36,092	286,193	322,285
Total operating revenue	<u>948,678</u>	<u>286,193</u>	<u>1,234,871</u>
<u>Operating expenses:</u>			
Personal services	-	205,451	205,451
Contractual services	657,786	54,889	712,675
Supplies and materials	-	8,865	8,865
Claims	88,585	-	88,585
Total operating expenses	<u>746,371</u>	<u>269,205</u>	<u>1,015,576</u>
Change in net position	202,307	16,988	219,295
Net position at beginning of year	252,729	(120,134)	132,595
Net position at end of year	<u>\$ 455,036</u>	<u>\$ (103,146)</u>	<u>\$ 351,890</u>

See accompanying notes to the basic financial statements.

Village of Newton Falls, Ohio  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2019

	Governmental Activities Employee Benefits	Business-Type Activities Utility Office	Total
Cash flows from operating activities:			
Cash received from interfund services provided	\$ 948,346	\$ 283,595	\$ 1,231,941
Cash payments for employee services and benefits	-	(195,835)	(195,835)
Cash payments to suppliers for goods and services	(561,635)	(60,128)	(621,763)
Cash payments for claims	(187,683)	-	(187,683)
Net cash provided by operating activities	<u>199,028</u>	<u>27,632</u>	<u>226,660</u>
Net increase in cash and cash equivalents	199,028	27,632	226,660
Cash and cash equivalents at beginning of year	266,490	60,001	326,491
Cash and cash equivalents at end of year	<u>\$ 465,518</u>	<u>\$ 87,633</u>	<u>\$ 553,151</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 202,307	\$ 16,988	\$ 219,295
Adjustments to reconcile operating income to net cash provided by operating activities:			
Change in assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivable	(332)	(2,598)	(2,930)
Prepaid items	-	(51)	(51)
(Increase) in deferred outflows of resources - pension	-	(23,317)	(23,317)
(Increase) in deferred outflows of resources - OPEB	-	2,793	2,793
Increase (decrease) in liabilities:			
Accounts payable	(2,947)	3,739	792
Accrued wages	-	1,558	1,558
Compensated absences	-	(22,143)	(22,143)
Due to other governments	-	609	609
Net pension liability	-	63,423	63,423
Net OPEB liability	-	10,382	10,382
Increase (decrease) in deferred inflows of resources - pension	-	(20,796)	(20,796)
Increase (decrease) in deferred inflows of resources - OPEB	-	(2,955)	(2,955)
Net cash provided by operating activities	<u>\$ 199,028</u>	<u>\$ 27,632</u>	<u>\$ 226,660</u>

See accompanying notes to the basic financial statements.

Village of Newton Falls  
 Schedule of Revenues, Expenditures and Changes  
 In Net Position - Budget (Non-GAAP Basis) and Actual  
 Employee Benefits Fund  
 For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Charges for services	\$ 970,000	\$ 830,791	\$ 912,586	\$ 81,795
Other	30,000	30,000	35,760	5,760
Total revenues	1,000,000	860,791	948,346	87,555
<u>Expenses:</u>				
Claims	1,000,000	1,000,000	749,318	250,682
Change in net position	-	(139,209)	199,028	338,237
Net position at beginning of year	266,490	266,490	266,490	-
Net position at end of year	\$ 266,490	\$ 127,281	\$ 465,518	\$ 338,237

Village of Newton Falls  
Schedule of Revenues, Expenditures and Changes  
In Net Position - Budget (Non-GAAP Basis) and Actual  
Utility Office Fund  
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Other	\$ 243,700	\$ 223,849	\$ 283,595	\$ 59,746
<u>Expenses:</u>				
Personal services	155,600	195,835	195,835	-
Travel	1,000	-	-	-
Contractual services	58,800	45,447	45,447	-
Materials and supplies	12,600	8,582	8,582	-
Capital outlay	34,000	33,986	6,099	27,887
Total expenses	<u>262,000</u>	<u>283,850</u>	<u>255,963</u>	<u>27,887</u>
Change in net position	(18,300)	(60,001)	27,632	87,633
Net position at beginning of year	<u>60,001</u>	<u>60,001</u>	<u>60,001</u>	<u>-</u>
Net position at end of year	<u>\$ 41,701</u>	<u>\$ -</u>	<u>\$ 87,633</u>	<u>\$ 87,633</u>



## Combining Statements – Fiduciary Funds

### AGENCY FUNDS

To account for assets held by the Village as an agent for individuals, private organizations, and/or other governmental units.

#### Guarantee Trust

Established to account for the funds received by the utility department for utility deposits.

#### Trumbull County Capital Fees

Established to account for the sewer cap fees to Trumbull County to separate stormwater from sewer lines and to tie into the Village's system.

#### Fire Claims

Established to account for funds received from damage and losses caused by fire.

#### Flower

Established to account for funds received for flowers and Village beautification.

#### Basketball Hoop

Established to account for funds to replace basketball hoops in the Village parks.

#### Municipal Court

Established to account for the monies that flow through the Clerk of Courts Office to various subdivisions.

Village of Newton Falls, Ohio  
Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended December 31, 2019

	Balance January 1, 2019	Additions	Deletions	Balance December 31, 2019
<b>Guarantee Trust</b>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 197,246	\$ 49,905	\$ 37,573	\$ 209,578
Receivables:				
Accounts	-	1,400	-	1,400
<b>Total assets</b>	<b>\$ 197,246</b>	<b>\$ 51,305</b>	<b>\$ 37,573</b>	<b>\$ 210,978</b>
<u>Liabilities:</u>				
Accounts payable	\$ -	\$ 2,864	\$ -	\$ 2,864
Deposits held and due to others	197,246	48,441	37,573	208,114
<b>Total liabilities</b>	<b>\$ 197,246</b>	<b>\$ 51,305</b>	<b>\$ 37,573</b>	<b>\$ 210,978</b>

	Balance January 1, 2019	Additions	Deletions	Balance December 31, 2019
<b>Trumbull County Capital Fees</b>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 3,060	\$ 10,786	\$ 10,916	\$ 2,930
Receivables:				
Accounts	1,804	1,668	1,804	1,668
<b>Total assets</b>	<b>\$ 4,864</b>	<b>\$ 12,454</b>	<b>\$ 12,720</b>	<b>\$ 4,598</b>
<u>Liabilities:</u>				
Accounts payable	\$ -	\$ 2,491	\$ -	\$ 2,491
Undistributed monies	4,864	9,963	12,720	2,107
<b>Total liabilities</b>	<b>\$ 4,864</b>	<b>\$ 12,454</b>	<b>\$ 12,720</b>	<b>\$ 4,598</b>

	Balance January 1, 2019	Additions	Deletions	Balance December 31, 2019
<b>Fire Claims</b>				
<u>Assets:</u>				
Cash and cash equivalents in segregated accounts	\$ 3,410	\$ 43,453	\$ -	\$ 46,863
<b>Total assets</b>	<b>\$ 3,410</b>	<b>\$ 43,453</b>	<b>\$ -</b>	<b>\$ 46,863</b>
<u>Liabilities:</u>				
Undistributed monies	3,410	43,453	-	46,863
<b>Total liabilities</b>	<b>\$ 3,410</b>	<b>\$ 43,453</b>	<b>\$ -</b>	<b>\$ 46,863</b>

	Balance January 1, 2019	Additions	Deletions	Balance December 31, 2019
<b>Flower</b>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 3,299	\$ 4,795	\$ 6,309	\$ 1,785
<b>Total assets</b>	<b>\$ 3,299</b>	<b>\$ 4,795</b>	<b>\$ 6,309</b>	<b>\$ 1,785</b>
<u>Liabilities:</u>				
Undistributed monies	\$ 3,299	\$ 4,795	\$ 6,309	\$ 1,785
<b>Total liabilities</b>	<b>\$ 3,299</b>	<b>\$ 4,795</b>	<b>\$ 6,309</b>	<b>\$ 1,785</b>

Village of Newton Falls, Ohio  
Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended December 31, 2019

	Balance January 1, 2019	Additions	Deletions	Balance December 31, 2019
<b>Basketball Hoop</b>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 475	\$ -	\$ -	\$ 475
Total assets	<u>\$ 475</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 475</u>
<u>Liabilities:</u>				
Undistributed monies	\$ 475	\$ -	\$ -	\$ 475
Total liabilities	<u>\$ 475</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 475</u>
	Balance January 1, 2019	Additions	Deletions	Balance December 31, 2019
<b>Municipal Court</b>				
<u>Assets:</u>				
Cash and cash equivalents in segregated accounts	\$ 8,472	\$ 177,482	\$ 176,104	\$ 9,850
Total assets	<u>\$ 8,472</u>	<u>\$ 177,482</u>	<u>\$ 176,104</u>	<u>\$ 9,850</u>
<u>Liabilities:</u>				
Undistributed monies	\$ 8,472	\$ 177,482	\$ 176,104	\$ 9,850
Total liabilities	<u>\$ 8,472</u>	<u>\$ 177,482</u>	<u>\$ 176,104</u>	<u>\$ 9,850</u>
	Balance January 1, 2019	Additions	Deletions	Balance December 31, 2019
<b>Totals</b>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 207,490	\$ 108,939	\$ 54,798	\$ 261,631
Cash and cash equivalents in segregated accounts	8,472	177,482	176,104	9,850
Receivables:				
Accounts	1,804	3,068	1,804	3,068
Total assets	<u>\$ 217,766</u>	<u>\$ 289,489</u>	<u>\$ 232,706</u>	<u>\$ 274,549</u>
<u>Liabilities:</u>				
Accounts payable	\$ -	\$ 5,355	\$ -	\$ 5,355
Deposits held and due to others	197,246	48,441	37,573	208,114
Undistributed monies	20,520	235,693	195,133	61,080
Total liabilities	<u>\$ 217,766</u>	<u>\$ 289,489</u>	<u>\$ 232,706</u>	<u>\$ 274,549</u>



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## STATISTICAL SECTION



## Statistical Section

This part of the Village's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Village's overall financial health.

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the Village's financial position has changed over time.	<b>S2 - S10</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader understand and assess the factors affecting the Village's ability to generate its most significant local revenue source(s), the property tax (and the income tax).	<b>S11 - S16</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	<b>S17 - S21</b>
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the Village's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	<b>S22 - S23</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.	<b>S24 - S31</b>

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Village of Newton Falls  
Net Position by Component  
Last Ten Years

	<u>2019</u>	<u>2018</u>	<u>2017 (1)</u>	<u>2016</u>	<u>2015</u>
<b><u>Governmental Activities</u></b>					
Net investment in capital assets	\$ 914,342	\$ 943,943	\$ -	\$ -	\$ -
Restricted	2,510,317	2,651,400	1,780,443	1,528,569	1,467,315
Unrestricted	<u>(1,394,771)</u>	<u>(1,657,571)</u>	<u>717,297</u>	<u>581,433</u>	<u>347,551</u>
Total governmental activities net position	<u>\$ 2,029,888</u>	<u>\$ 1,937,772</u>	<u>\$ 2,497,740</u>	<u>\$ 2,110,002</u>	<u>\$ 1,814,866</u>
<b><u>Business-Type Activities</u></b>					
Net investment in capital assets	\$ 1,868,180	\$ 1,377,497	\$ -	\$ -	\$ -
Restricted	-	-	373,349	335,049	296,749
Unrestricted	<u>3,746,253</u>	<u>3,899,211</u>	<u>4,517,318</u>	<u>4,003,593</u>	<u>3,538,889</u>
Total business-type activities net position	<u>\$ 5,614,433</u>	<u>\$ 5,276,708</u>	<u>\$ 4,890,667</u>	<u>\$ 4,338,642</u>	<u>\$ 3,835,638</u>
<b><u>Primary Government</u></b>					
Net investment in capital assets	\$ 2,782,522	\$ 2,321,440	\$ -	\$ -	\$ -
Restricted	2,510,317	2,651,400	2,153,792	1,863,618	1,764,064
Unrestricted	<u>2,351,482</u>	<u>2,241,640</u>	<u>5,234,615</u>	<u>4,585,026</u>	<u>3,886,440</u>
Total primary government net position	<u>\$ 7,644,321</u>	<u>\$ 7,214,480</u>	<u>\$ 7,388,407</u>	<u>\$ 6,448,644</u>	<u>\$ 5,650,504</u>

(1) Years 2010-2017 are reported on a cash basis.



2014	2013	2012	2011	2010
\$ -	\$ -	\$ -	\$ -	\$ -
1,165,775	1,152,007	953,206	1,006,570	884,450
27,896	118,404	183,664	423,313	752,722
<u>\$ 1,193,671</u>	<u>\$ 1,270,411</u>	<u>\$ 1,136,870</u>	<u>\$ 1,429,883</u>	<u>\$ 1,637,172</u>
\$ -	\$ -	\$ -	\$ -	\$ -
258,449	220,149	181,849	143,549	105,249
2,903,394	1,986,036	1,896,795	1,882,400	2,225,424
<u>\$ 3,161,843</u>	<u>\$ 2,206,185</u>	<u>\$ 2,078,644</u>	<u>\$ 2,025,949</u>	<u>\$ 2,330,673</u>
\$ -	\$ -	\$ -	\$ -	\$ -
1,424,224	1,372,156	1,135,055	1,150,119	989,699
2,931,290	2,104,440	2,080,459	2,305,713	2,978,146
<u>\$ 4,355,514</u>	<u>\$ 3,476,596</u>	<u>\$ 3,215,514</u>	<u>\$ 3,455,832</u>	<u>\$ 3,967,845</u>

Village of Newton Falls  
Changes in Net Position  
Last Ten Years

	<u>2019</u>	<u>2018 (2)</u>	<u>2017 (1)</u>	<u>2016</u>	<u>2015</u>
<b>Expenses</b>					
Governmental Activities:					
General government	\$ 1,813,012	\$ 1,459,887	\$ 1,099,092	\$ 1,172,657	\$ 1,088,190
Security of persons and property			677,681	658,421	629,274
Police	536,850	819,398	-	-	-
Fire	70,837	70,837	-	-	-
Other	18,978	13,950	-	-	-
Transportation	805,686	518,546	401,443	478,163	328,656
Community and economic development	101,868	33,131	26,222	18,616	17,605
Leisure time activities	130,773	34,374	11,848	79,706	75,985
Capital outlay	-	-	71,928	77,636	85,795
Principal retirement	-	-	56,832	46,111	14,617
Interest and fiscal charges	1,516	1,358	4,106	1,114	1,812
Total governmental activities expenses	<u>3,479,520</u>	<u>2,951,481</u>	<u>2,349,152</u>	<u>2,532,424</u>	<u>2,241,934</u>
Business-Type Activities:					
Water	1,870,037	1,774,096	1,532,391	1,653,552	1,870,905
Sewer	1,796,354	1,785,960	1,237,441	1,340,968	1,198,020
Electric	5,133,803	5,563,672	6,904,318	6,915,436	6,692,281
Stormwater	-	-	1,163	1,343	-
Total business-type activities	<u>8,800,194</u>	<u>9,123,728</u>	<u>9,675,313</u>	<u>9,911,299</u>	<u>9,761,206</u>
Total primary government expenses	<u>\$ 12,279,714</u>	<u>\$ 12,075,209</u>	<u>\$ 12,024,465</u>	<u>\$ 12,443,723</u>	<u>\$ 12,003,140</u>
<b>Program Revenues</b>					
Governmental Activities:					
Charges for services:					
General government	\$ 1,416,690	\$ 1,283,255	\$ 402,102	\$ 437,130	\$ 407,275
Security of persons and property			365,687	328,961	312,105
Police	30,187	11,008	-	-	-
Fire	-	-	-	-	-
Other	19,122	13,459	-	-	-
Transportation	92,291	87,299	176	4,485	5,484
Leisure time activities	2,246	885	689	1,281	17,469
Community environment	2,241	4,999	18,318	10,277	21,365
Capital outlay	-	-	188,823	185,848	168,734
Operating grants, contributions and interest	426,230	376,183	313,220	292,803	229,858
Capital grants and contributions	-	-	-	-	-
Total governmental activities program revenues	<u>1,989,007</u>	<u>1,777,088</u>	<u>1,289,015</u>	<u>1,260,785</u>	<u>1,162,290</u>
Business-Type Activities:					
Charges for services:					
Water	1,730,784	1,735,774	1,739,654	1,724,106	1,743,235
Sewer	1,375,243	1,363,370	1,354,664	1,385,890	1,394,107
Electric	5,753,249	6,194,259	5,374,689	5,230,111	4,950,564
Stormwater	-	-	85,026	85,652	7,380
Operating grants, contributions and interest	-	4,090	-	-	-
Capital grants and contributions	145,459	143,724	13,248	85,137	258,813
Total business-type activities program revenues	<u>9,004,735</u>	<u>9,441,217</u>	<u>8,567,281</u>	<u>8,510,896</u>	<u>8,354,099</u>
Total primary government program revenues	<u>\$ 10,993,742</u>	<u>\$ 11,218,305</u>	<u>\$ 9,856,296</u>	<u>\$ 9,771,681</u>	<u>\$ 9,516,389</u>
<b>Net (expense)/revenue</b>					
Governmental activities	\$ (1,490,513)	\$ (1,174,393)	\$ (1,060,137)	\$ (1,271,639)	\$ (1,079,644)
Business-type activities	204,541	317,489	(1,108,032)	(1,400,403)	(1,407,107)
Total primary government net expense	<u>\$ (1,285,972)</u>	<u>\$ (856,904)</u>	<u>\$ (2,168,169)</u>	<u>\$ (2,672,042)</u>	<u>\$ (2,486,751)</u>

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$	1,061,282	\$ 1,068,397	\$ 1,548,941	\$ 1,481,969	\$ 1,638,618
	767,075	1,051,080	1,224,902	1,228,206	1,241,690
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	416,482	456,475	666,384	472,206	580,450
	33,574	257,937	17,354	399,928	64,925
	78,381	114,097	116,978	87,044	83,797
	172,384	155,829	211,000	142,362	262,869
	14,214	409	89,374	83,249	78,307
	2,215	631	4,847	10,154	15,096
	<u>2,545,607</u>	<u>3,104,855</u>	<u>3,879,780</u>	<u>3,905,118</u>	<u>3,965,752</u>
	1,932,618	1,449,543	1,703,000	1,402,594	1,410,687
	1,335,969	1,379,981	1,286,328	1,247,022	1,509,901
	6,557,669	7,152,947	6,934,188	7,494,949	7,815,146
	-	-	-	-	-
	<u>9,826,256</u>	<u>9,982,471</u>	<u>9,923,516</u>	<u>10,144,565</u>	<u>10,735,734</u>
\$	<u>12,371,863</u>	<u>\$ 13,087,326</u>	<u>\$ 13,803,296</u>	<u>\$ 14,049,683</u>	<u>\$ 14,701,486</u>
\$	355,994	\$ 413,296	\$ 430,678	\$ 458,542	\$ 482,121
	311,392	306,751	393,295	439,215	423,951
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	6,323	7,082	6,689	6,215	5,315
	20,378	24,661	17,780	13,621	14,402
	7,267	7,021	5,665	11,878	10,187
	147,844	159,359	156,444	179,424	169,615
	223,103	466,323	427,707	553,999	577,348
	-	5,563	149,952	91,802	48,461
	<u>1,072,301</u>	<u>1,390,056</u>	<u>1,588,210</u>	<u>1,754,696</u>	<u>1,731,400</u>
	1,707,556	1,677,494	1,636,832	1,603,482	1,372,835
	1,370,998	1,323,479	1,320,046	1,227,132	1,111,013
	4,876,333	4,503,667	4,188,357	4,161,953	4,384,185
	-	-	-	-	-
	-	-	-	-	69,773
	46,096	67,512	206,472	-	-
	<u>8,000,983</u>	<u>7,572,152</u>	<u>7,351,707</u>	<u>6,992,567</u>	<u>6,937,806</u>
\$	<u>9,073,284</u>	<u>\$ 8,962,208</u>	<u>\$ 8,939,917</u>	<u>\$ 8,747,263</u>	<u>\$ 8,669,206</u>
\$	(1,473,306)	\$ (1,714,799)	\$ (2,291,570)	\$ (2,150,422)	\$ (2,234,352)
	(1,825,273)	(2,410,319)	(2,571,809)	(3,151,998)	(3,797,928)
\$	<u>(3,298,579)</u>	<u>\$ (4,125,118)</u>	<u>\$ (4,863,379)</u>	<u>\$ (5,302,420)</u>	<u>\$ (6,032,280)</u>

Village of Newton Falls  
Changes in Net Position  
Last Ten Years

	<u>2019</u>	<u>2018 (2)</u>	<u>2017 (1)</u>	<u>2016</u>	<u>2015</u>
(Continued)					
<b>General Revenues and Other Changes in Net Position</b>					
Governmental Activities:					
Property taxes levied for:					
General purposes	\$ 263,611	\$ 275,329	\$ 262,605	\$ 259,096	\$ 269,997
Permissive auto	-	-	91,708	95,287	96,445
Police pension	17,739	15,074	15,823	14,732	15,013
Income tax levied for:					
General purposes	647,428	648,448	647,761	784,613	879,536
Capital improvements	47,033	38,033	39,210	41,310	47,139
Parks and recreation	11,758	9,508	9,803	10,346	94,278
Street construction, maintenance and repair	82,307	66,558	68,618	72,293	94,278
Grants and entitlements not restricted to specific programs					
	150,289	130,399	105,389	156,411	97,386
Investment earnings	357,852	38,012	128,894	97,687	83,188
Other	68,474	71,183	77,500	35,564	23,579
Total governmental activities	<u>1,646,491</u>	<u>1,292,544</u>	<u>1,447,311</u>	<u>1,567,339</u>	<u>1,700,839</u>
Business-Type Activities:					
Bond anticipation notes issued	-	-	1,595,000	1,845,000	2,045,000
OWDA loans issued	-	-	-	-	-
OPWC loans issued	-	-	-	-	-
Other	69,322	456,509	65,057	58,407	35,902
Total business-type activities	<u>69,322</u>	<u>456,509</u>	<u>1,660,057</u>	<u>1,903,407</u>	<u>2,080,902</u>
Total primary government	<u>\$ 1,715,813</u>	<u>\$ 1,749,053</u>	<u>\$ 3,107,368</u>	<u>\$ 3,470,746</u>	<u>\$ 3,781,741</u>
<b>Advances and transfers</b>					
Governmental activities	(63,862)	-	564	(564)	-
Business-type activities	63,862	-	-	-	-
Total primary government	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 564</u>	<u>\$ (564)</u>	<u>\$ -</u>
<b>Change in net position</b>					
Governmental activities	\$ 92,116	\$ 118,151	\$ 387,738	\$ 295,136	\$ 621,195
Business-type activities	337,725	773,998	552,025	503,004	673,795
Total primary government	<u>\$ 429,841</u>	<u>\$ 892,149</u>	<u>\$ 939,763</u>	<u>\$ 798,140</u>	<u>\$ 1,294,990</u>

(1) Years 2010-2017 are reported on a cash basis.

(2) In 2018, the Stormwater fund is now being reported as a special revenue fund.

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$	275,089	\$ 253,344	\$ 114,037	\$ 117,978	\$ 128,677
	94,471	93,346	-	-	-
	18,113	17,701	15,281	15,590	17,547
	608,846	572,299	553,900	551,783	502,485
	31,570	132,069	92,582	91,971	79,013
	63,140	88,046	61,721	61,314	52,675
	63,140	88,046	61,721	61,314	52,675
	89,124	185,314	278,226	228,429	230,799
	72,869	138,069	117,979	112,108	168,813
	80,204	280,106	703,110	693,483	757,849
	<u>1,396,566</u>	<u>1,848,340</u>	<u>1,998,557</u>	<u>1,933,970</u>	<u>1,990,533</u>
	2,295,000	2,495,000	2,595,000	2,745,000	2,895,000
	-	-	-	-	92,085
	441,119	-	-	-	-
	44,812	42,860	29,504	102,274	63,390
	<u>2,780,931</u>	<u>2,537,860</u>	<u>2,624,504</u>	<u>2,847,274</u>	<u>3,050,475</u>
\$	<u>4,177,497</u>	<u>4,386,200</u>	<u>4,623,061</u>	<u>4,781,244</u>	<u>5,041,008</u>
	-	-	-	-	-
	-	-	-	-	-
\$	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	(76,740)	\$ 133,541	\$ (293,013)	\$ (216,452)	\$ (243,819)
	955,658	127,541	52,695	(304,724)	(747,453)
\$	<u>878,918</u>	<u>261,082</u>	<u>(240,318)</u>	<u>(521,176)</u>	<u>(991,272)</u>

Village of Newton Falls  
Fund Balances, Governmental Funds  
Last Ten Years

	<u>2019</u>	<u>2018</u>	<u>2017 (1)</u>	<u>2016</u>	<u>2015</u>
<b>General Fund</b>					
Nonspendable	\$ 30,657	\$ 27,869	\$ 15,768	\$ 9,978	\$ 9,929
Restricted	255	255	255	255	255
Committed	8,420	15,638	-	-	-
Assigned	349,248	409,772	304,030	122,625	103,621
Unassigned	512,836	338,334	319,162	387,881	216,252
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
<b>Total general fund</b>	<u>\$ 901,416</u>	<u>\$ 791,868</u>	<u>\$ 639,215</u>	<u>\$ 520,739</u>	<u>\$ 330,057</u>
<b>All Other Governmental Funds</b>					
Nonspendable	\$ 19,354	\$ 20,768	\$ -	\$ -	\$ -
Restricted	2,443,539	2,621,448	1,764,420	1,518,336	1,457,131
Committed	269,674	255,724	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Reserved	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
<b>Total all other governmental funds</b>	<u>\$ 2,732,567</u>	<u>\$ 2,897,940</u>	<u>\$ 1,764,420</u>	<u>\$ 1,518,336</u>	<u>\$ 1,457,131</u>
<b>Total governmental funds</b>	<u>\$ 3,633,983</u>	<u>\$ 3,689,808</u>	<u>\$ 2,403,635</u>	<u>\$ 2,039,075</u>	<u>\$ 1,787,188</u>

(1) Years 2010-2017 are reported on a cash basis.

(2) Prior year amounts have not been restated for the implementation of GASB Statement 54.

2014	2013	2012	2011 (2)	2010
\$ 9,868	\$ 9,663	\$ 9,298	\$ 9,168	\$ -
255	255	255	255	-
-	-	-	-	-
29,816	58,687	56,117	47,294	-
(31,773)	42,802	108,374	196,383	-
-	-	-	-	55,368
-	-	-	-	416,567
<u>\$ 8,166</u>	<u>\$ 111,407</u>	<u>\$ 174,044</u>	<u>\$ 253,100</u>	<u>\$ 471,935</u>
\$ -	\$ -	\$ -	\$ -	\$ -
1,155,652	1,142,089	943,653	997,147	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	176,669
-	-	-	-	688,591
-	-	-	-	19,190
<u>\$ 1,155,652</u>	<u>\$ 1,142,089</u>	<u>\$ 943,653</u>	<u>\$ 997,147</u>	<u>\$ 884,450</u>
<u>\$ 1,163,818</u>	<u>\$ 1,253,496</u>	<u>\$ 1,117,697</u>	<u>\$ 1,250,247</u>	<u>\$ 1,356,385</u>

Village of Newton Falls  
 Changes in Fund Balance, Governmental Funds  
 Last Ten Years

	2019	2018 (1)	2017	2016	2015	2014	2013	2012	2011	2010
<b><u>REVENUES</u></b>										
Municipal income taxes	\$ 814,597	\$ 756,280	\$ 765,392	\$ 908,562	\$ 1,115,231	\$ 766,696	\$ 880,460	\$ 769,924	\$ 766,382	\$ 686,848
Property and other taxes	279,668	289,047	370,136	369,115	381,455	387,673	364,391	129,318	133,568	146,224
Charges for services	521,209	420,378	27,671	25,791	57,170	45,486	44,085	31,248	57,815	37,649
Fines, licenses and permits	1,016,044	954,213	948,124	942,191	875,262	803,712	874,085	979,303	1,051,080	1,067,942
Intergovernmental revenues	540,924	516,574	413,609	424,714	327,244	312,227	657,200	855,885	874,230	856,608
Investment income	357,926	38,137	128,894	97,687	83,188	72,869	138,069	117,979	112,108	168,813
Other	77,799	75,659	79,900	60,064	22,154	48,009	242,174	703,110	693,483	757,849
Total revenues	<u>3,608,167</u>	<u>3,050,288</u>	<u>2,733,726</u>	<u>2,828,124</u>	<u>2,861,704</u>	<u>2,436,672</u>	<u>3,200,464</u>	<u>3,586,767</u>	<u>3,688,666</u>	<u>3,721,933</u>
<b><u>EXPENDITURES</u></b>										
General government	1,607,088	1,415,275	1,114,758	1,202,017	1,086,708	1,051,404	1,047,781	1,466,630	1,430,082	1,565,584
Security of persons and property			681,578	665,981	628,878	760,453	1,037,260	1,169,723	1,193,423	1,192,730
Police	868,497	730,639	-	-	-	-	-	-	-	-
Fire	70,837	70,837	-	-	-	-	-	-	-	-
Other	18,978	13,950	-	-	-	-	-	-	-	-
Transportation	722,880	459,782	405,058	484,492	328,359	413,725	450,721	643,411	457,725	560,066
Leisure time activities	87,078	21,377	11,848	79,706	75,985	78,381	114,097	116,978	87,044	83,797
Community and economic development	125,153	30,963	26,222	18,616	17,605	33,574	257,937	17,354	399,928	64,925
Capital outlay	247,186	42,521	71,928	77,636	85,795	172,384	155,829	211,000	142,362	262,869
Debt service:										
Principal retirement	14,965	30,235	56,832	46,111	14,617	14,214	409	89,374	83,249	78,307
Interest and fiscal charges	1,516	1,358	4,106	1,114	1,812	2,215	631	4,847	10,154	15,096
Total expenditures	<u>3,764,178</u>	<u>2,816,937</u>	<u>2,372,330</u>	<u>2,575,673</u>	<u>2,239,759</u>	<u>2,526,350</u>	<u>3,064,665</u>	<u>3,719,317</u>	<u>3,803,967</u>	<u>3,823,374</u>
Excess of revenues over (under) expenditures	<u>(156,011)</u>	<u>233,351</u>	<u>361,396</u>	<u>252,451</u>	<u>621,945</u>	<u>(89,678)</u>	<u>135,799</u>	<u>(132,550)</u>	<u>(115,301)</u>	<u>(101,441)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>										
Advances in	-	-	564	-	-	-	-	-	-	-
Advances out	-	-	-	(564)	-	-	-	-	-	-
Inception of capital lease	164,048	40,784	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	2,600	-	1,425	-	-	-	-	-
Transfers in	228,066	48,141	94,981	15,154	20,907	52,294	53,411	121,993	136,021	132,428
Transfer out	(291,928)	(48,141)	(94,981)	(15,154)	(20,907)	(52,294)	(53,411)	(121,993)	(136,021)	(132,428)
Total other financing sources (uses)	<u>100,186</u>	<u>40,784</u>	<u>3,164</u>	<u>(564)</u>	<u>1,425</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ (55,825)</u>	<u>\$ 274,135</u>	<u>\$ 364,560</u>	<u>\$ 251,887</u>	<u>\$ 623,370</u>	<u>\$ (89,678)</u>	<u>\$ 135,799</u>	<u>\$ (132,550)</u>	<u>\$ (115,301)</u>	<u>\$ (101,441)</u>
Debt service as a percentage of noncapital expenditures	0.5%	1.1%	2.6%	1.9%	0.8%	0.7%	0.0%	2.7%	2.6%	2.6%

(1) Modified accrual basis of accounting. 2017-2010 cash basis.



Village of Newton Falls  
 Assessed and Estimated Actual Value of Taxable Property  
 Last Ten Collection Years

Collection Year	Real Property (1)			Public Utility (2)		Tangible Personal Property (3)		Total		Weighted Average Tax Rate	Total Village Direct Rate
	Assessed Value	Commercial/Industrial/PU	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2019	\$ 42,450,580	\$ 16,317,490	\$ 167,908,771	\$ 1,006,090	\$ 2,583,822	\$ -	\$ -	\$ 59,774,160	\$ 170,492,593	35.77%	\$ 2.50
2018	42,432,750	15,500,150	165,522,571	1,005,830	2,583,154	-	-	58,938,730	168,105,726	35.77%	2.50
2017	41,166,670	15,453,920	161,773,114	1,024,060	2,629,972	-	-	57,644,650	164,403,087	35.77%	2.50
2016	41,137,690	15,739,560	162,506,429	1,110,980	2,853,199	-	-	57,988,230	165,359,627	35.77%	2.50
2015	41,139,160	15,592,210	162,089,629	934,370	2,399,632	-	-	57,665,740	164,489,261	35.77%	2.50
2014	44,088,830	15,418,110	170,019,829	494,970	1,271,173	-	-	60,001,910	171,291,002	35.39%	2.50
2013	44,252,790	14,858,990	168,890,800	480,770	1,234,705	-	-	59,592,550	170,125,505	35.38%	2.50
2012	44,288,610	15,293,930	170,235,829	465,060	1,194,359	-	-	60,047,600	171,430,187	35.37%	2.50
2011	44,815,670	14,516,930	169,521,714	423,240	1,086,957	-	-	59,755,840	170,608,672	35.34%	2.50
2010	44,803,450	14,529,870	169,523,771	401,690	1,031,613	80,450	160,900	59,815,460	170,716,284	35.30%	2.50

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Source: Trumbull County Auditor

- (1) Real estate value is assessed at 35% of appraised market value.
- (2) Public utility personal property is assessed at 88% of true value for half of 2009-2018, the other half at 25% of true value.
- (3) Tangible personal property is assessed at 10% for 2009, 5% for 2010 and 0% for 2011-2018.

Village of Newton Falls  
Property Tax Levies and Collections  
Last Ten Calendar Years

<u>Year</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections (1)</u>	<u>Deliquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Outstanding Delinquent Taxes to Current Tax Levy</u>	<u>Total Direct Tax Rate</u>
2019	\$ 148,364	\$ 140,955	\$ 5,862	\$ 146,817	95.01%	\$ 30,219	20.37%	\$ 2.50
2018	147,347	139,773	5,872	145,645	94.86%	28,538	19.37%	2.50
2017	144,112	136,873	4,457	141,330	94.98%	27,181	18.86%	2.50
2016	144,971	136,347	5,553	141,900	97.88%	24,360	16.80%	2.50
2015	144,164	137,588	6,596	144,184	100.01%	23,337	16.19%	2.50
2014	150,005	141,907	8,521	150,428	100.28%	26,113	17.41%	2.50
2013	148,981	142,898	4,602	147,500	99.01%	26,720	17.94%	2.50
2012	150,119	142,761	4,440	147,201	98.06%	24,297	16.19%	2.50
2011	149,390	144,382	5,356	149,738	100.23%	22,712	15.20%	2.50
2010	149,338	143,143	6,619	149,762	100.28%	21,542	14.42%	2.50

Source: Trumbull County Auditor

(1) Represents amounts collected by the County for the Village during the year indicated.

Village of Newton Falls  
Property Tax Rates - Direct and Overlapping Governments  
(Per \$1,000 of Assessed Valuation)  
Last Ten Calendar Years

Collection Year	Village Direct Rates				Overlapping Rates					
	General Fund	Health Department	Police Pension	Total Village	County Levy	Village Schools	Vocational School	Townships	Special Service	Total Levy
2019	\$ 2.05	\$ 0.15	\$ 0.30	\$ 2.50	\$ 12.30	\$ 43.75	\$ 2.40	\$ 1.10	\$ 5.50	\$ 67.55
2018	2.05	0.15	0.30	2.50	12.30	43.75	2.40	1.10	5.50	67.55
2017	2.05	0.15	0.30	2.50	12.30	43.65	2.40	1.10	5.50	67.45
2016	2.05	0.15	0.30	2.50	12.30	43.45	2.40	1.10	5.50	67.25
2015	2.05	0.15	0.30	2.50	12.30	37.35	2.40	1.10	5.50	61.15
2014	2.05	0.15	0.30	2.50	12.30	37.45	2.40	0.60	3.00	58.25
2013	2.05	0.15	0.30	2.50	12.30	37.45	2.40	0.60	3.00	58.25
2012	2.05	0.15	0.30	2.50	12.30	37.70	2.40	0.60	3.00	58.50
2011	2.05	0.15	0.30	2.50	12.30	37.95	2.40	0.60	2.50	58.25
2010	2.05	0.15	0.30	2.50	12.30	40.15	2.40	0.60	2.50	60.45

Source: Trumbull County Auditor

Village of Newton Falls  
Schedules of Principal Taxpayers - Real Property  
2019 and 2010

	2010			2019		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
<b>Taxpayer</b>						
Newton Village Apt Co.	\$ 1,454,880	1	2.45%	\$ 1,372,000	1	2.33%
Country Club Center VI LLC	-		0.00%	1,103,950	2	1.88%
Marcon Limited Partnership	775,110	2	1.31%	777,110	3	1.32%
Kolovich Enterprises LLC	396,430	9	0.67%	684,390	4	1.16%
Willow Glen Elderly Housing Corp	452,420	6	0.76%	573,690	5	0.98%
S&S Singh Partners	-		0.00%	489,930	6	0.83%
Bar Processing Real Estate LLC	525,750	3	0.89%	436,250	7	0.74%
Spicko Family Limited Partnership	469,220	5	0.79%	424,030	8	0.72%
Midwest Estate LLC	-		0.00%	405,440	9	0.69%
Clark Properties LTD	392,630	10	0.66%	390,500	10	0.66%
Hooberry & Associates Inc.	481,460	4	0.81%	-		0.00%
Hooberry Family General	448,360	7	0.76%	-		0.00%
Jedco NF LTD	440,090	8	0.74%	-		0.00%
Total of above	<u>\$ 5,836,350</u>		<u>9.85%</u>	<u>\$ 6,657,290</u>		<u>11.34%</u>
Total Village	<u>\$ 59,333,320</u>			<u>\$ 58,768,070</u>		

Source: Trumbull County Auditor

Village of Newton Falls  
Schedules of Principal Taxpayers - Public Utility  
2019 and 2010

	2010			2019		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
<b><u>Taxpayer</u></b>						
Cobra Popeline Co. LTD	\$ -		0.00%	\$ 351,480	1	34.94%
The Ohio Edison Co.	219,980	1		246,150	2	24.47%
East Ohio Gas Co. Dominion	137,630	2	34.26%	157,640	3	15.67%
American Transmission	-		0.00%	122,800	4	12.21%
CSX Transportation Inc.	85,980	3	21.40%	104,250	5	10.36%
Northeast Ohio Natural Gas Corp	84,640	4	21.07%	-		0.00%
KKOKTK LLC	59,850	5	14.90%	-		0.00%
Total of above	<u>\$ 588,080</u>		<u>146.40%</u>	<u>\$ 982,320</u>		<u>97.64%</u>
Total Village	<u>\$ 401,690</u>			<u>\$ 1,006,090</u>		

Source: Trumbull County Auditor

Village of Newton Falls  
Income Tax Rates and Collections  
Last Ten Calendar Years

Tax Year (1)	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2018	1.00%	\$ 683,656	\$ 449,188	65.70%	\$ 53,095	7.77%	\$ 181,374	26.53%
2017	1.00	763,264	481,392	63.07	100,710	13.19	181,234	23.74
2016	1.00	901,492	509,192	56.48	126,303	14.01	265,996	29.51
2015	1.00	1,112,469	485,533	43.64	104,501	9.39	522,435	46.96
2014	1.00	766,696	464,949	60.64	85,607	11.17	216,139	28.19
2013	1.00	1,021,108	444,232	43.50	101,791	9.97	475,085	46.53
2012	1.00	769,926	472,197	61.33	107,583	13.97	190,146	24.70
2011	1.00	766,382	479,648	62.59	99,624	13.00	187,111	24.41
2010	1.00	686,849	466,233	67.88	58,959	8.58	181,657	26.45
2009	1.00	728,990	452,592	62.08	87,845	12.05	188,553	25.86

Source: Village income tax records.  
(1) 2018 is the latest information available.

Village of Newton Falls  
Ratios of Outstanding Debt by Type  
Last Ten Years

Fiscal Year	Governmental Activities (1)			Business-Type Activities						Total Primary Government	Percentage of Personal Income	Total Debt Per Capita
	Note Payable	Capital Leases	Revenue Bonds	OWDA Loans	OPWC Loans	Note Payable	Line of Credit	Electric AMP Stranded Costs	Capital Leases			
2019	\$ -	\$ 189,867	\$6,216,500	\$ 838,542	\$567,957	\$ 1,160,000	\$ -	\$541,504	\$345,740	\$ 9,860,110	8.45%	\$ 2,205
2018	-	40,784	6,322,300	925,326	621,073	1,395,000	-	570,537	325,786	10,200,806	8.57%	2,127
2017	-	30,235	6,423,700	1,096,343	540,034	1,595,000	-	600,647	422,444	10,708,403	8.99%	2,233
2016	-	73,625	6,520,900	1,264,014	586,606	1,845,000	-	633,051	463,552	11,386,748	9.56%	2,375
2015	-	29,540	6,613,900	1,428,405	633,178	2,045,000	-	667,154	609,079	12,026,256	10.10%	2,508
2014	-	43,712	6,703,200	1,589,582	679,750	2,295,000	-	702,299	-	12,013,543	10.09%	2,505
2013	-	57,500	6,788,600	1,745,770	266,808	2,495,000	-	-	-	11,353,678	9.54%	2,368
2012	-	-	6,870,500	1,900,454	290,966	2,595,000	-	-	30,007	11,686,927	9.82%	2,437
2011	57,665	31,317	6,948,900	2,024,609	315,125	2,745,000	-	-	58,590	12,181,206	10.23%	2,540
2010	111,118	60,737	7,024,000	2,174,375	339,282	-	2,895,000	-	85,817	12,690,329	10.66%	2,647

Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements.

Village of Newton Falls  
 Direct and Overlapping Governmental Activities Debt  
 December 31, 2019

<b>Governmental Unit</b>	<u>Debt Outstanding (2)</u>	<u>Percentage applicable to Village (1)</u>	<u>Amount applicable to Village</u>
Newton Falls Exempted Village School District	\$ 2,617,775	49.02%	\$ 1,283,233
Trumbull County	22,901,143	1.78%	<u>407,640</u>
Subtotal, overlapping debt			1,690,874
<b>Village of Newton Falls governmental activities direct debt</b>			<u>189,867</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 1,880,741</u></u>

(1) Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the Village's boundaries and dividing it by each unit's total taxable assessed value.

(2) All debt reported as of December 31, 2019, except for Newton Falls Exempted Village School District which is reported as of June 30, 2019.



Village of Newton Falls  
 Legal Debt Margin Information  
 Last Ten Years

Legal Debt Margin Calculation for Year Ending December 31, 2019	<u>Unvoted</u>	<u>Overall</u>
Total assessed valuation	\$ 59,774,160	\$ 59,774,160
Debt limitation - 5.5% of assessed valuation	<u>3,287,579</u>	
Debt limitation - 10.5% of assessed valuation		<u>6,276,287</u>
Debt applicable to limitation:		
Gross indebtedness	9,860,110	9,860,110
Exempt debt:		
Bond anticipation notes	(1,160,000)	(1,160,000)
Revenue bonds	(6,216,500)	(6,216,500)
OPWC loans	(567,957)	(567,957)
OWDA loans	(838,542)	(838,542)
AMP stranded costs	(541,504)	(541,504)
Amount available in debt service fund	<u>-</u>	<u>-</u>
Total debt applicable to limitation	<u>535,607</u>	<u>535,607</u>
Legal debt margin	<u>\$ 2,751,972</u>	<u>\$ 5,740,680</u>

GIS

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt limit	\$ 6,280,623	\$ 6,274,363	\$ 6,304,998	\$ 6,257,218	\$ 6,300,201	\$ 6,054,903	\$ 6,088,764	\$ 6,052,688	\$ 6,188,567	\$ 6,276,287
Total net debt applicable to limit	146,554	89,907	30,007	57,500	43,712	638,619	537,177	452,679	366,570	535,607
Legal debt margin	\$ 6,134,069	\$ 6,184,456	\$ 6,274,991	\$ 6,199,718	\$ 6,256,489	\$ 5,416,284	\$ 5,551,587	\$ 5,600,009	\$ 5,821,997	\$ 5,740,680
Total net debt applicable to limit as a percentage of debt limit	2.33%	1.43%	0.48%	0.92%	0.69%	10.55%	8.82%	7.48%	5.92%	8.53%

Village of Newton Falls  
Pledged OWDA and OPWC Loan Coverage - Water Fund  
Last Ten Years

Fiscal Year	Revenues (1)	Operating expenses (2)	Net revenue available debt service	Debt service requirements			Percentage of Coverage
				Principal	Interest	Total	
2019	\$ 1,745,988	\$ 1,662,508	\$ 83,480	\$ 129,320	\$ 8,948	\$ 138,268	60.38%
2018	1,747,893	1,474,763	273,130	209,045	20,429	229,474	119.02%
2017 (3)	1,749,514	1,315,223	434,291	202,452	23,749	226,201	191.99%
2016	1,725,379	1,437,096	288,283	199,196	27,004	226,200	127.45%
2015	1,748,883	1,643,896	104,987	196,006	30,195	226,201	46.41%
2014	1,712,865	1,713,256	(391)	181,671	33,324	214,995	-0.18%
2013	1,683,920	1,236,642	447,278	167,397	36,390	203,787	219.48%
2012	1,794,355	1,462,823	331,532	164,392	39,396	203,788	162.68%
2011	1,617,339	1,175,868	441,471	161,444	42,343	203,787	216.63%
2010	1,376,812	1,174,611	202,201	158,555	45,232	203,787	99.22%

Source: Department of Finance, Village of Newton Falls

Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements.

- (1) - Revenues includes operating revenues only.
- (2) - Total operating expenses exclusive of depreciation.
- (3) - Years 2010-2017 are presented on a cash basis.

Village of Newton Falls  
Pledged OWDA and OPWC Loan Coverage - Sewer Fund  
Last Ten Years

Fiscal Year	Revenues (1)	Operating expenses (2)	Net revenue available debt service	Debt service requirements			Percentage of Coverage
				Principal	Interest	Total	
2019	\$ 1,380,266	\$ 1,241,947	\$ 138,319	\$ 10,580	\$ 153	\$ 10,733	1288.73%
2018	1,571,969	1,151,214	420,755	11,816	324	12,140	3465.86%
2017 (3)	1,356,639	847,222	509,417	11,791	348	12,139	4196.53%
2016	1,418,216	896,001	522,215	11,767	373	12,140	4301.61%
2015	1,394,249	802,859	591,390	11,743	397	12,140	4871.42%
2014	1,373,351	939,926	433,425	9,882	-	9,882	4386.00%
2013	1,327,406	979,750	347,656	11,445	-	11,445	3037.62%
2012	1,377,917	864,773	513,144	12,511	-	12,511	4101.54%
2011	1,227,431	835,090	392,341	12,479	-	12,479	3144.01%
2010	1,111,127	971,853	139,274	131,181	-	131,181	106.17%

Source: Department of Finance, Village of Newton Falls

Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements.

- (1) - Revenues includes operating revenues only.
- (2) - Total operating expenses exclusive of depreciation.
- (3) - Years 2010-2017 are presented on a cash basis.

Village of Newton Falls  
Revenue Bond Coverage - Sewer Fund  
Last Ten Years

Fiscal Year	Revenues (1)	Operating expenses (2)	Net revenue available debt service	Debt service requirements			Percentage of Coverage
				Principal	Interest	Total	
2019	\$ 1,380,266	\$ 1,241,947	\$ 138,319	\$ 105,800	\$ 276,600	\$ 382,400	36.17%
2018	1,571,969	1,151,214	420,755	101,400	281,036	382,436	110.02%
2017 (3)	1,356,639	847,222	509,417	97,200	285,289	382,489	133.18%
2016	1,418,216	896,001	522,215	93,000	289,358	382,358	136.58%
2015	1,394,249	802,859	591,390	89,300	293,265	382,565	154.59%
2014	1,373,351	939,926	433,425	85,400	297,001	382,401	113.34%
2013	1,327,406	979,750	347,656	81,900	300,584	382,484	90.89%
2012	1,377,917	864,773	513,144	78,400	304,014	382,414	134.19%
2011	1,227,431	835,090	392,341	75,100	307,300	382,400	102.60%
2010	1,111,127	971,853	139,274	72,000	310,450	382,450	36.42%

Source: Department of Finance, Village of Newton Falls

Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements.

- (1) - Revenues includes operating revenues only.
- (2) - Total operating expenses exclusive of depreciation.
- (3) - Years 2010-2017 are presented on a cash basis.

Village of Newton Falls  
 Schedule of Principal Employers  
 2019 and 2018 (1)

<u>Employer (1)</u>	<u>Industry</u>	<u>2019</u>			<u>2018</u>		
		<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Village Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Village Employment</u>
Newton Falls Exempted Village Schools	Education	155	1	0.62%	249	1	1.00%
Cornerstone Innovations, Inc.	Leasing Company	132	2	0.53%	139	2	0.56%
Bar Processing Corporation	Steel Bar Processor	96	3	0.39%	75	3	0.30%
Transco Railway Products, Inc.	Freight car repair and modification	70	4	0.28%	65	4	0.26%
Spicko's Supermarket, Inc.	Grocery Store	65	5	0.26%	60	5	0.24%
The Cadle Company	Billing Company	60	6	0.24%	56	6	0.22%
Quality Switch, Inc.	Manufacturer	47	7	0.19%	43	7	0.17%
Ohio North East Health Systems	Health Care	35	8	0.14%	40	8	0.16%
Direct International, Inc.	Home Décor	31	9	0.12%	30	9	0.12%
Dental Associates Newton Falls	Dentistry	25	10	0.10%	26	10	0.10%
		<u>716</u>		<u>2.87%</u>	<u>783</u>		<u>3.13%</u>

Source: Village Income Tax Department W2 Audit Listing & Regional Income Tax Agency (RITA) records for 2019.

(1) 2018 information is latest information available. Table will be updated each year until it shows the current year and nine years ago.

Village of Newton Falls  
 Demographic and Economic Statistics  
 Last Ten Years

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Village of Newton Falls Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
2019	4,471	\$ 116,652,861	\$ 26,091	\$ 43,493	46	303	1,890	3.7%	\$ 99,906	\$ 59,774,160
2018	4,795	119,050,260	24,828	\$ 39,980	43	220	1,012	6.6%	99,229	58,938,730
2017	4,795	119,050,260	24,828	37,017	40	219	1,056	7.2%	83,214	57,644,650
2016	4,795	119,050,260	24,828	37,017	40	208	1,178	6.7%	97,344	57,988,230
2015	4,795	119,050,260	24,828	37,017	40	300	1,213	6.5%	80,802	57,665,740
2014	4,795	119,050,260	24,828	37,017	40	352	1,330	7.0%	69,093	60,001,910
2013	4,795	119,050,260	24,828	37,017	40	294	1,450	7.5%	69,616	59,592,550
2012	4,795	119,050,260	24,828	37,017	40	332	1,461	8.1%	71,408	60,047,600
2011	4,795	119,050,260	24,828	37,017	40	321	1,461	9.6%	64,536	59,755,840
2010	4,795	119,050,260	24,828	37,017	40	322	1,512	10.7%	76,855	59,815,460

- (1) Source: U. S. Census  
 Years 2010 through 2019 - 2013-2017 American Community Survey by U.S. Census Bureau
- (2) Source: Ohio Department of Education
- (3) Source: Ohio Department of Job and Family Services (Trumbull County)
- (4) Source: Trumbull County Auditor
- (5) Computation of per capita personal income multiplied by population

Village of Newton Falls  
 Full-Time Equivalent Village Government Employees by Function/Program  
 Last Nine Years (1)

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>General Government</b>									
Council	6.00	6.00	6.00	7.00	6.00	6.00	7.00	6.00	6.00
Finance	3.00	2.00	3.00	4.00	2.00	2.00	3.00	2.00	2.00
Tax	0.00	1.00	2.00	2.00	1.00	3.00	1.00	2.00	1.00
Village Manager	3.00	4.00	3.00	3.00	2.00	3.00	3.00	3.00	2.00
Law	2.00	2.00	2.00	3.00	2.00	2.00	3.00	3.00	5.00
Custodian	1.00	0.00	0.00	1.00	1.00	1.00	2.00	3.00	2.00
Court	16.00	14.00	16.00	16.00	15.00	19.00	18.00	17.00	18.00
Senior Citizen Van	0.00	0.00	1.00	4.00	5.00	4.00	4.00	5.00	6.00
<b>Security of Persons and Property</b>									
Police	26.00	22.00	23.00	26.00	25.00	26.00	24.00	28.00	32.00
<b>Community Development</b>									
Zoning	1.00	1.00	1.00	1.00	1.00	2.00	1.00	1.00	1.00
<b>Leisure Time Activities</b>									
Park and recreation	1.00	0.00	0.00	0.00	2.00	4.00	0.00	0.00	0.00
Community Center	0.00	0.00	0.00	0.00	3.00	3.00	3.00	1.00	1.00
<b>Transportation</b>									
Street	5.00	6.00	5.00	3.00	3.00	4.00	4.00	5.00	5.00
<b>Basic Utility Services</b>									
Water	8.00	10.00	10.00	9.00	8.00	9.00	7.00	9.00	8.00
Sewer	5.00	6.00	6.00	7.00	6.00	6.00	5.00	5.00	5.00
Electric	5.00	4.00	4.00	4.00	4.00	9.00	5.00	5.00	3.00
Utility office	9.00	7.00	5.00	6.00	5.00	6.00	7.00	6.00	6.00
<b>Totals:</b>	<u>91.00</u>	<u>85.00</u>	<u>87.00</u>	<u>96.00</u>	<u>91.00</u>	<u>109.00</u>	<u>97.00</u>	<u>101.00</u>	<u>103.00</u>

Source: Village Payroll Department W2 Audit Listing

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee at year end.

(1) Will report ten years as information becomes available. Information prior to 2011 not available.

Village of Newton Falls  
 Capital Assets Statistics by Function/Program  
 Last Ten Years

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>General Government</b>										
Square Footage Occupied	16,959	16,959	16,959	16,959	16,959	16,959	16,959	16,959	16,959	16,959
Administrative Vehicles	1	1	1	1	1	1	1	1	1	1
Inspection Vehicles	1	1	1	1	1	1	1	1	1	1
Municipal Court Vehicles	1	1	1	1	1	1	1	1	1	1
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Square Footage of Building	6,907	6,907	6,907	6,907	6,907	6,907	6,907	6,907	6,907	6,907
Vehicles	14	14	14	14	14	14	14	14	14	14
<b>Fire</b>										
Number of fire hydrants	378	378	378	378	378	378	378	378	378	378
<b>Recreation</b>										
Number of Parks	3	3	3	3	3	3	3	3	3	3
Number of Tennis Courts	0	0	0	0	0	2	2	2	2	2
Number of Baseball Fields	6	6	6	6	6	6	6	6	6	6
Number of Community Centers	1	1	1	1	1	1	1	1	1	1
Square Footage of Community Center	12,302	12,302	12,302	12,302	12,302	12,302	12,302	12,302	12,302	12,302
Vehicles	1	1	1	1	1	1	1	1	1	1
<b>Other Public Works</b>										
Streets (miles)	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0
Service Vehicles	14	13	13	13	13	13	13	13	13	13
<b>Wastewater</b>										
Sanitary Sewers (miles)	34	34	34	34	34	34	34	34	34	34
Storm Sewers (miles)	10	10	10	10	10	10	10	10	10	10
Vehicles	8	8	8	8	8	8	8	8	8	8
<b>Water Department</b>										
Water Lines (miles)	36.7	36.7	36.7	36.7	36.7	36.7	36.7	36.7	36.7	36.7
Vehicles	8	7	7	7	7	7	7	7	7	7
Treatment plants	1	1	1	1	1	1	1	1	1	1
<b>Electric</b>										
Substations	2	2	2	2	2	2	2	2	2	2
Aerial lines (miles)	50	50	50	50	50	50	50	50	50	50
Transmission lines (miles)	10	10	10	10	10	10	10	10	10	10
Underground lines (miles)	10	10	10	10	10	10	10	10	10	10
Meters	2	2	2	2	2	2	2	2	2	2
Vehicles	9	9	9	9	9	9	9	9	9	9

Source: Village of Newton Falls



Village of Newton Falls  
 Operating Indicators by Function/Program  
 Last Ten Years

Function/Program	2019	2018 (1)	2017	2016	2015
<b>General Government</b>					
<i>Council and Clerk</i>					
Number of Ordinances Passed	37	20	27	14	20
Number of Resolutions Passed	64	40	22	27	25
<i>Finance Department</i>					
Number of payroll checks issued	219	308	307	331	306
Number of payroll direct deposits issued	1,880	1,725	1,627	1,711	1,774
Number of checks/ vouchers issued	1,884	1,553	1,689	1,814	1,600
Amount of checks written (cash basis)	\$4,264,767	\$3,247,731	\$4,540,545	\$7,968,902	\$7,157,964
Interest earnings for fiscal year (cash basis)	\$192,333	\$113,648	\$128,894	\$97,687	\$83,188
Number of Receipts issued	1,155	4,788	4,818	3,213	2,892
Number of Budget Adjustments issued	2	3	2	3	9
Total final appropriations	\$17,107,551	\$19,852,264	\$15,931,029	\$17,008,277	\$15,671,710
Health Insurance Costs vs General Fund Expenditures %	34.79%	39.15%	54.80%	53.64%	52.36%
General Fund Receipts (cash basis)	\$2,131,794	\$2,561,918	\$1,946,395	\$2,056,536	\$2,037,981
General Fund Expenditures (cash basis)	\$2,153,609	\$2,512,049	\$1,736,102	\$1,850,136	\$1,695,183
General Fund Cash Balances	\$664,700	\$673,060	\$639,215	\$520,739	\$330,057
<i>Income Tax Department</i>					
Number of Individual/Business Returns	1,778	2,604	1,888	2,262	2,270
Number of Net Profit Forms Processed	601	418	400	455	445
Number of business withholding accounts	418	4,657	2,985	3,388	2,315
Amount of Penalties and Interest Collected	\$ 20,021	\$ 3,488	\$ 15,603	\$ 25,049	\$ 23,851
Annual number of estimated payment forms processed	1	3	391	357	847
<i>Municipal Court</i>					
Number of Civil Cases	265	56	58	43	161
Number of Criminal/Traffic cases	7,838	515	507	459	721
<i>Civil Service</i>					
Number of police entry tests administered	0	0	1	0	0
Number of police promotional tests administered	0	0	0	0	0
Number of hires of Police Officers from certified lists	0	0	1	0	0
Number of promotions from police certified lists	0	0	0	0	0
<i>Building Department Indicators</i>					
Number of permits issued	48	45	55	53	36
Amount of Revenue generated from permits	\$525	\$4,999	\$3,171	\$5,353	\$2,350
<b>Security of Persons &amp; Property</b>					
<i>Police</i>					
Total Calls for Services	4,832	4,842	4,541	4,282	4,592
Number of traffic citations issued	344	288	331	201	368
Number of parking citations issued	0	111	21	20	22
Number of criminal arrests	137	167	155	91	119
Number of accident reports completed	46	50	74	58	39
Animal Warden service calls responded to per annual report	109	104	95	89	128
Motor Vehicle Accidents	46	111	114	106	119
Property damage accidents	0	68	75	79	91
Gasoline costs of fleet	\$0	\$19,114	\$14,309	\$10,366	\$13,522
<b>Community Development</b>					
Estimated value of construction	\$57,810	n/a	\$154,280	\$1,582,875	n/a
Residential/Commercial/Zoning permits issued	48	n/a	55	53	36
Permit revenue	\$525	n/a	n/a	n/a	\$2,350
Zoning board of appeals hearings	0	0	0	0	1
<b>Basic Utility Services</b>					
Refuse disposal costs per year January through December	\$301,282	\$305,138	\$291,408	\$289,767	\$291,140

2014	2013	2012	2011	2010
24	28	30	34	35
20	29	52	25	39
444	733	838	959	n/a
1,508	1,236	1,258	1,278	n/a
1,460	1,465	1,427	1,507	1,524
\$6,842,987	\$7,579,075	\$7,538,172	\$7,523,276	\$8,006,925
\$72,869	\$138,069	\$117,979	\$112,108	\$168,813
2,879	3,491	2,892	2,877	2,867
7	6	8	7	9
\$16,009,537	\$16,599,967	\$16,167,695	\$16,634,134	\$17,363,405
37.78%	38.53%	36.00%	26.58%	26.06%
\$1,732,098	\$2,060,530	\$2,555,015	\$2,523,336	\$2,649,690
\$1,798,045	\$2,069,756	\$2,590,562	\$2,615,568	\$2,731,910
\$8,166	\$111,407	\$174,044	\$253,100	\$471,935
2,079	2,439	2,291	2,301	2,628
410	471	438	457	483
2,226	2,197	2,166	2,066	1,979
\$ 18,035	\$ 15,983	\$ 10,601	\$ 12,192	\$ 11,852
361	337	433	382	359
124	159	149	n/a	n/a
738	727	789	n/a	n/a
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
49	54	66	52	81
\$4,288	\$4,598	\$3,103	\$3,718	\$7,781
5,018	5,280	n/a	12,736	11,290
325	330	n/a	515	519
n/a	n/a	n/a	12	19
138	155	n/a	515	49
107	63	n/a	112	62
0	0	n/a	42	45
107	63	n/a	112	62
0	0	n/a	27	21
\$25,984	\$32,910	n/a	\$33,645	\$28,963
n/a	n/a	\$3,003	\$2,868	n/a
49	54	66	52	81
\$4,288	\$4,598	\$3,103	\$3,718	\$7,781
0	5	1	7	0
\$294,037	\$482,614	\$309,121	\$306,240	\$314,027

Village of Newton Falls  
 Operating Indicators by Function/Program  
 Last Ten Years

Function/Program	2019	2018 (1)	2017	2016	2015
<b>Transportation</b>					
Street Improvements - asphalt overlay (linear feet)	2,830	2,640	2,700	2,500	2,600
Crackseal Coating Program (Miles)	0	0	0	0	0
Street Repair (Concrete, asphalt, crack sealing) (hours)	86	0	0	0	0
Mowing (hours)	930	960	1,000	840	900
Street Sweeper (hours)	80	100	96	110	120
Snow & Ice Removal regular hours	1,400	1,700	1,620	1,600	1,540
Snow & Ice Removal overtime hours	62	75	79	70	70
Sewer and Sanitary service calls	25	29	36	33	30
Catch basin (hours)	15	10	15	12	11
Holiday lights setup (hours)	0	3	3	3	3
Equipment repair (hours)	1,500	3,120	2,700	2,100	3,200
Building maintenance (hours)	92	104	100	95	72
<b>Water Department</b>					
Water Rates per 1000 gallons	\$ 5.01	\$ 5.01	\$ 5.01	\$ 5.01	\$ 5.01
Avg. number of water accounts billed monthly (Cu. Ft.)	2,520	2,529	2,527	2,513	2,513
Total Water Collections Annually (Including P&I)	\$1,631,387	\$1,539,435	\$1,539,979	\$1,512,673	\$1,539,379
Water Usage:					
Water usage by schools	1,117,450	1,183,800	1,522,950	1,464,180	1,476,180
Water usage by churches	589,800	427,350	455,300	398,450	438,550
Water usage by government	8,325,650	9,178,350	6,992,150	4,451,250	5,817,150
Water usage by other	14,404,470	17,569,177	17,115,020	17,611,264	18,331,954
Water usage by residential	122,114,730	112,289,572	109,849,270	109,824,604	105,644,331
Water usage by commercial	30,633,230	31,960,885	34,375,310	30,648,900	31,584,160
Water usage by industrial	1,943,280	127,806,700	115,437,700	104,123,900	99,597,200
Total Usage	<u>179,128,610</u>	<u>300,415,834</u>	<u>285,747,700</u>	<u>268,522,548</u>	<u>262,889,525</u>
<b>Wastewater Department</b>					
Wastewater Rates per 1st 300 Cu ft of water used	\$0.00	\$28.12	\$28.12	\$28.12	\$27.31
Total flow of wastewater treatment plant (Millions of Gallons)	451,947	386,120	377,932	308,137	355,037
Average daily flow (Millions of gallons per day)	1,238.000	1.058	1.035	0.844	0.973

Source: Village of Newton Falls

(1) First year reporting on a GAAP Basis.  
 n/a - information is not available at this time.

2014	2013	2012	2011	2010
2,000	1,400	1,600	1,800	2,000
1	2	2	1	0
12	24	24	12	0
850	1,020	950	920	923
115	105	100	96	123
1,540	1,600	1,450	1,300	1,500
65	60	50	45	50
26	41	28	28	18
17	12	14	15	16
3	3	3	3	3
2,476	2,863	2,745	2,673	2,954
105	80	95	88	79
\$ 4.82	\$ 4.63	\$ 4.41	\$ 4.20	\$ 4.04
2,513	2,525	2,551	2,549	2,548
\$1,508,042	\$1,478,781	\$1,428,604	\$1,388,071	\$1,293,779
1,320,550	1,696,660	2,518,810	1,234,160	2,223,671
434,950	539,050	460,740	893,200	684,230
7,337,950	8,159,900	7,624,580	9,429,050	7,476,070
15,956,703	13,010,442	14,774,513	15,612,593	14,838,243
104,691,821	109,020,273	108,444,690	104,458,810	103,428,430
33,577,150	47,632,499	49,648,530	49,460,830	51,117,905
91,723,900	89,270,400	87,988,100	60,037,600	42,046,700
<u>255,043,024</u>	<u>269,329,224</u>	<u>271,459,963</u>	<u>241,126,243</u>	<u>221,815,249</u>
\$26.52	\$25.38	\$24.28	\$19.85	\$19.27
374,675	350,093	338,130	491,904	322,810
1.027	0.959	0.926	1.348	0.884

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF NEWTON FALLS**

**TRUMBULL 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 3/25/2021**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

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[www.ohioauditor.gov](http://www.ohioauditor.gov)