

**CITY OF NEW PHILADELPHIA
TUSCARAWAS COUNTY, OHIO**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2022



Rea & associates

www.reacpa.com

OHIO AUDITOR OF STATE
KEITH FABER



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City Council
City of New Philadelphia
150 East High Avenue, Suite 19
New Philadelphia, Ohio 44663

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

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

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

Keith Faber
Auditor of State
Columbus, Ohio

December 11, 2023

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Tuscarawas County, Ohio
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Tuscarawas County, Ohio
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INDEPENDENT AUDITOR'S REPORT

To Members of City Council
City of New Philadelphia
Tuscarawas County, Ohio
150 East High Avenue
New Philadelphia, Ohio 44663

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of New Philadelphia, Tuscarawas County, Ohio (the City) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund, Safety Forces Operation Fund and American Rescue Plan Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The *Schedule of Expenditures of Federal Awards* as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *Schedule of Expenditures of Federal Awards* is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Rea & Associates, Inc.

Rea & Associates, Inc.
New Philadelphia, Ohio
November 1, 2023

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City of New Philadelphia
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022

The discussion and analysis of the City of New Philadelphia's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2022. The intent of this discussion and analysis is to look at the City's performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2022 are as follows:

- In total, net position increased \$2,532,491. Net position of governmental activities increased \$387,863 and the net position of business-type activities increased \$2,144,628.
- Total capital assets increased \$1,493,445 during 2022. Capital assets of governmental activities increased \$1,438,743 and capital assets of business-type activities increased \$54,702.

Using this Annual Financial Report

This report is designed to allow the reader to look at the financial activities of the City of New Philadelphia as a whole and is intended to allow the reader to obtain a summary view or a more detailed view of the City's operations, as they prefer.

The Statement of Net Position and the Statement of Activities provide information from a summary perspective showing the effects of the operations for the year 2022 and how they affected the operations of the City as a whole.

Reporting the City of New Philadelphia as a Whole

Statement of Net Position and the Statement of Activities

The *Statement of Net Position and Statement of Activities* provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column. In the case of the City of New Philadelphia, the general fund is the most significant governmental funds. Business-type funds consist of the water, sewer and sanitation funds.

A question typically asked about the City's finances "How did we do financially during 2022?" The Statement of Net Position and the Statement of Activities answer this question. These statements include *all assets and deferred outflows of resources and liabilities and deferred inflows of resources* using the *accrual basis of accounting* similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

City of New Philadelphia
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022

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

In the Statement of Net Position and the Statement of Activities, the City is divided into two distinct kinds of activities:

- **Governmental Activities** - Most of the City's programs and services are reported here, including general government, security of persons and property, public health, community and economic development, leisure time activities and transportation.
- **Business-Type Activities** - These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's water, sewer and sanitation funds are reported as business activities.

Reporting the City of New Philadelphia's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been safeguarded for specific activities or objectives. The City uses many funds to account for financial transactions. However, these fund financial statements focus on the City's most significant funds. The City's major governmental funds are the general fund, safety forces operation fund, and American Rescue Plan Act (ARPA) fund.

Governmental Funds Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance future services. 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 Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for the fiduciary funds is much like that used for proprietary funds.

City of New Philadelphia
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022

The City of New Philadelphia as a Whole

Recall that the Statement of Net Position provides the perspective of the City as a whole. Table 1 provides a summary of the City's net position for 2022 compared to 2021:

Table 1
Net Position

	Governmental Activities			Business-Type Activities		
	2022	Restated 2021	Change	2022	2021	Change
Assets						
Current & Other Assets	\$ 12,223,165	\$ 12,399,732	\$ (176,567)	\$ 8,404,701	\$ 7,456,634	\$ 948,067
Net Pension/OPEB Asset	806,399	438,913	367,486	434,216	257,774	176,442
Capital Assets	38,767,695	37,328,952	1,438,743	17,201,813	17,147,111	54,702
<i>Total Assets</i>	<u>51,797,259</u>	<u>50,167,597</u>	<u>1,629,662</u>	<u>26,040,730</u>	<u>24,861,519</u>	<u>1,179,211</u>
Deferred Outflows of Resources						
Pension & OPEB	6,152,865	3,976,656	2,176,209	638,472	679,819	(41,347)
<i>Total Deferred Outflows of Resources</i>	<u>6,152,865</u>	<u>3,976,656</u>	<u>2,176,209</u>	<u>638,472</u>	<u>679,819</u>	<u>(41,347)</u>
Liabilities						
Current & Other Liabilities	1,725,056	912,849	812,207	521,077	203,796	317,281
Long-Term Liabilities:						
Due Within One Year	919,487	973,995	(54,508)	780,816	774,917	5,899
Due In More Than One Year:						
Net Pension Liability	12,643,684	14,504,166	(1,860,482)	1,260,689	2,242,182	(981,493)
Net OPEB Liability	1,807,518	1,660,886	146,632	-	-	-
Other Amounts	7,924,295	6,450,303	1,473,992	1,018,173	1,641,158	(622,985)
<i>Total Liabilities</i>	<u>25,020,040</u>	<u>24,502,199</u>	<u>517,841</u>	<u>3,580,755</u>	<u>4,862,053</u>	<u>(1,281,298)</u>
Deferred Inflows of Resources						
Property Taxes	1,631,433	1,602,115	29,318	-	-	-
Leases	230,941	239,683	(8,742)	-	-	-
Pension & OPEB	7,712,387	4,832,796	2,879,591	2,083,526	1,808,992	274,534
<i>Total Deferred Inflows of Resources</i>	<u>9,574,761</u>	<u>6,674,594</u>	<u>2,900,167</u>	<u>2,083,526</u>	<u>1,808,992</u>	<u>274,534</u>
Net Investment in Capital Assets	31,459,510	31,462,535	(3,025)	15,307,421	15,150,363	157,058
Restricted	5,864,037	5,528,239	335,798	-	-	-
Unrestricted	(13,968,224)	(14,023,314)	55,090	5,707,500	3,719,930	1,987,570
<i>Total Net Position</i>	<u>\$ 23,355,323</u>	<u>\$ 22,967,460</u>	<u>\$ 387,863</u>	<u>\$ 21,014,921</u>	<u>\$ 18,870,293</u>	<u>\$ 2,144,628</u>

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2022 and is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*. In a prior year, the City adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which significantly revised accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting net OPEB asset and deferred outflows related to pension and OPEB.

City of New Philadelphia
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022

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

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

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

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

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

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

City of New Philadelphia
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022

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

Capital assets include land, buildings and building improvements, improvements other than buildings, machinery and equipment, vehicles, infrastructure, water lines, sewer lines, and construction in progress. These capital assets are used to provide services to citizens and are not available for future spending. Although the City'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.

A portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position is a deficit balance.

For both governmental and business-type activities, the changes reflected in NPL, NOL, and deferred outflows/inflows of resources related to pension and OPEB are based on estimates at the plan level. For additional details on GASB 68 and 75, see aforementioned discussion.

Governmental Activities

Non-depreciable capital assets increased primarily due increased construction in progress for various ongoing projects.

The City also saw an increase in current and other liabilities. This increase was primarily due to increased unearned revenue resulting from unspent proceeds from the American Rescue Plan Act (ARPA) grant.

Long-term liabilities increased as a result of financed purchase for a new fire truck.

Business-Type activities

Current and other assets increased as the City's user charges were more than sufficient to cover operating expenses.

The City saw a decrease in long-term liabilities. The decrease is primarily due to scheduled debt payments and no new loans during 2022.

Capital assets decreased due to depreciation exceeding current year additions.

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City of New Philadelphia
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2022 and 2021.

Table 2
Changes in Net Position

	Governmental Activities			Business-Type Activities		
	2022	2021	Change	2022	2021	Change
Revenues						
<i>Program Revenues</i>						
Charges for Services	\$ 2,402,777	\$ 2,466,212	\$ (63,435)	\$ 7,879,583	\$ 7,732,287	\$ 147,296
Operating Grants	1,917,313	1,695,908	221,405	16,410	20,289	(3,879)
Capital Grants	1,425,923	1,083,649	342,274	272,204	-	272,204
<i>Total Program Revenues</i>	<u>5,746,013</u>	<u>5,245,769</u>	<u>500,244</u>	<u>8,168,197</u>	<u>7,752,576</u>	<u>415,621</u>
General Revenues						
Property Taxes	1,675,094	1,625,671	49,423	-	-	-
Income Taxes	9,806,323	9,559,013	247,310	-	-	-
Other Local Taxes	305,645	300,195	5,450	-	-	-
Grants & Entitlements	873,897	864,589	9,308	-	-	-
ARPA	223,297	705,994	(482,697)	-	-	-
Other	(52,938)	241,677	(294,615)	10,413	52,269	(41,856)
<i>Total General Revenues</i>	<u>12,831,318</u>	<u>13,297,139</u>	<u>(465,821)</u>	<u>10,413</u>	<u>52,269</u>	<u>(41,856)</u>
<i>Total Revenues</i>	<u>18,577,331</u>	<u>18,542,908</u>	<u>34,423</u>	<u>8,178,610</u>	<u>7,804,845</u>	<u>373,765</u>
Program Expenses						
General Government	4,112,783	3,044,616	1,068,167	-	-	-
Security of Persons and Property	8,607,235	7,851,122	756,113	-	-	-
Public Health	639,198	573,101	66,097	-	-	-
Leisure Time Activities	1,227,293	801,989	425,304	-	-	-
Community and Economic Development	302,250	211,775	90,475	-	-	-
Transportation	3,006,614	2,451,260	555,354	-	-	-
Interest and Fiscal Charges	188,329	168,200	20,129	-	-	-
Enterprise Operations						
Water	-	-	-	2,565,258	2,084,821	480,437
Sewer	-	-	-	2,155,804	1,678,549	477,255
Sanitation	-	-	-	1,418,686	1,060,262	358,424
<i>Total Expenses</i>	<u>18,083,702</u>	<u>15,102,063</u>	<u>2,981,639</u>	<u>6,139,748</u>	<u>4,823,632</u>	<u>1,316,116</u>
Transfers	(105,766)	(418,583)	312,817	105,766	418,583	(312,817)
<i>Total General Revenues and Transfers</i>	<u>12,725,552</u>	<u>12,878,556</u>	<u>(153,004)</u>	<u>116,179</u>	<u>470,852</u>	<u>(354,673)</u>
<i>Change in Net Position</i>	387,863	3,022,262	(2,634,399)	2,144,628	3,399,796	(1,255,168)
<i>Net Position Beginning of Year</i>	22,967,460	19,945,198	3,022,262	18,870,293	15,470,497	3,399,796
<i>Net Position End of Year</i>	<u>\$ 23,355,323</u>	<u>\$ 22,967,460</u>	<u>\$ 387,863</u>	<u>\$ 21,014,921</u>	<u>\$ 18,870,293</u>	<u>\$ 2,144,628</u>

The City's overall net position increased from the prior year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities

The funding for the governmental activities comes from several different sources, the most significant being the municipal income tax. Other prominent sources are property taxes, grants and entitlements and charges for services.

City of New Philadelphia
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022

General revenues include grants and entitlements, such as local government funds. Governmental activities are funded with the combination of property tax, income tax and intergovernmental revenues. During the year, the City received funding from the American Rescue Plan Act (ARPA), which is not restricted to a specific program of the City. The City monitors its sources of revenues very closely for fluctuations.

The City's income tax is at a rate of 1.5 percent. Both residents of the City and non-residents who work inside the City are subject to the income tax. However if residents work in a locality that has a municipal income tax, the City provides 100 percent credit up to 1.5 percent for those who pay income tax to another city. City Council could by Ordinance, choose to vary that income tax credit and create additional revenues for the City.

The City saw an increase in total governmental revenue in 2022. This was primarily due to increases in operating grants and capital grants offset by decreased ARPA revenues. Operating grants increased as a result of increased CHIP grant revenue throughout the year. Capital grants increased primarily as a result of Ohio Department of Transportation grants received for airport upgrade projects and donated assets. ARPA revenues decreased as revenue is only recognized when expenditures are incurred. Other revenues decreased as a result of fair value adjustments in the City's investments.

All program expenditures increased during 2022. These significant increases are primarily the result of fluctuations related to net pension/OPEB liabilities.

Business-Type Activities

Business-type activities include water, sewer and sanitation operations. The revenues are generated primarily from charges for services. Capital grants increased primarily due to a Ohio Public Works Commission (OPWC) grant for the Parklane Waterline Replacement project. The total expenses for the utilities increased primarily due to fluctuations related to pension/OPEB accruals.

The City's Funds

Governmental Funds

As noted earlier, the City's governmental funds are accounted for using the modified accrual method of accounting. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of the fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City's Council.

City of New Philadelphia
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022

The following table provides a summary of the City's fund balances by major fund for 2022 compared to 2021:

	Governmental Activities		
	Fund Balance	Fund Balance	Increase
	12/31/2022	12/31/2021	(Decrease)
General	\$ 1,362,949	\$ 1,631,801	\$ (268,852)
Safety Forces Operating	356,615	973,420	(616,805)
American Rescue Plan Act	-	-	-

The general fund is the chief operating fund of the City. The fund balance of the general fund decreased during the current fiscal year primarily due to increases in expenditures for general government and leisure time activities as a result of normal operations.

The safety forces operation fund, a major fund, decreased in fund balance due primarily to increased personnel and equipment expenditures.

The American Rescue Plan Act fund reported no fund balance for 2022 as all unspent funds are reported as an unearned revenue.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements for the business-type activities, but in more detail.

The following table provides a summary of the City's unrestricted net position by major proprietary fund for 2022 compared to 2021:

	Business-Type Activities		
	Unrestricted	Unrestricted	Increase
	Net Position 12/31/2022	Net Position 12/31/2021	(Decrease)
Water	\$ 2,541,392	\$ 1,600,488	\$ 940,904
Sewer	2,659,756	1,904,954	754,802
Sanitation	506,352	214,488	291,864

Total change in net position for these funds was primarily due to fluctuations in net pension liability, net OPEB liability, and net OPEB asset as operations remained fairly consistent from year to year.

General Fund Budgeting Highlights

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

City of New Philadelphia
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022

During the course of 2022, the City amended its general fund budget. All recommendations for appropriation changes come to Council from the City Auditor. The Finance Committee of Council reviews them, and they make their recommendation to the Council as a whole.

Original Budget Compared to Final Budget During the year, there was no need for any significant amendments to either the original estimated revenues or original budgeted appropriations with the exception to decrease estimated licenses and permits.

Final Budget Compared to Actual Results The most significant variance between final budgeted revenues and actual revenues was for income taxes which were lower than expected. The most significant variances between estimated appropriations and actual expenditures were the result of conservative spending for all program expenditures.

There were no significant variances to discuss within other financing sources and uses.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental activities increased in comparison with prior year-end as the City completed several projects which included 4 pickleball courts and a new track for the Quaker stadium.

The City's investment in capital assets for its business-type activities also increased in comparison with prior year-end as a result of several on-going capital projects.

See Note 8 for additional information about the capital assets of the City.

Debt

The City's governmental activities total debt increased due to the addition of a financed purchase offset by current year principal payments.

The City's business-type activities total debt decreased as a result of current year principal payments.

See Note 13 for detailed information on the City's outstanding debt.

Economic Factors

In 2022, The City saw a resurgence of activity, both in the local business sector, and in city projects. Businesses were hiring and confident in their future operations. This renewed economic activity resulted in a 7 percent growth in income tax revenue for the year.

The City received the balance of its \$1,830,997 award from the American Rescue Plan. These dollars continued to be used for construction of new water and sewer infrastructure, along with upgrading existing water and sewer infrastructure throughout the City.

City of New Philadelphia
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022

Broadband expansion continued in the City in 2022. Using the City's fiber optic network, free wireless internet service was provided to the downtown area and at Tuscora Park. City Council adopted new regulations to address the expansion of 5G and other emerging wireless telecommunications technologies.

Tuscora Park, one of the City's focal points, resumed normal hours in 2022. 4 Pickleball courts were added at the park for the public to enjoy. Tuscora Park personnel oversaw a \$250,000 renovation, paid for by private donations, on the very popular Ferris wheel. Meanwhile, the Southside Community Park, an additional green space developed in 2021, saw throngs of visitors partaking in the recreational and sporting opportunities there.

Schoenbrunn Village, which was founded in 1772 as a Moravian mission among the Lenape Delaware tribe, is a historic site in New Philadelphia. This village was the first Christian settlement in Ohio. Schoenbrunn Village observed their 250th anniversary in May of 2022, with a special time of recognition and celebration.

We continue to receive grants from the Federal Aviation Administration and ODOT to upgrade and improve Harry Clever Field Airport located on the east side of New Philadelphia. The current projects at the airport include upgrading the lighting system and runway. The City is to receive more than \$2,000,000 in grants in 2023 for the relocation of one of its airport runways.

The City is optimistic about 2023. We anticipate our local businesses having full employment and another successful year. Our City operations are continuing at a normal level with City revenues achieving continued normal growth.

Contacting the City's Finance Department

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Beth Gundy, Auditor of City of New Philadelphia, 150 East High Ave., Suite 19, New Philadelphia, Ohio, 44663 or bgundy@newphilaoh.com.

City of New Philadelphia
Tuscarawas County, Ohio
Statement of Net Position
December 31, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	New Philadelphia City Health District
Assets				
Equity in Pooled Cash and Investments	\$ 6,537,474	\$ 6,569,969	\$ 13,107,443	\$ 277,275
Accounts Receivable	308,242	940,577	1,248,819	-
Intergovernmental Receivable	1,074,825	185,736	1,260,561	18,605
Property Taxes Receivable	1,663,537	-	1,663,537	-
Income Taxes Receivable	1,833,113	-	1,833,113	-
Leases Receivable	236,113	-	236,113	-
Materials and Supplies Inventory	569,861	708,419	1,278,280	-
Net OPEB Asset	806,399	434,216	1,240,615	-
Non-Depreciable Capital Assets	3,887,668	900,978	4,788,646	-
Depreciable Capital Assets, net	34,880,027	16,300,835	51,180,862	-
<i>Total Assets</i>	<u>51,797,259</u>	<u>26,040,730</u>	<u>77,837,989</u>	<u>295,880</u>
Deferred Outflows of Resources				
Pension	4,932,374	604,785	5,537,159	-
OPEB	1,220,491	33,687	1,254,178	-
<i>Total Deferred Outflows of Resources</i>	<u>6,152,865</u>	<u>638,472</u>	<u>6,791,337</u>	<u>-</u>
Liabilities				
Accounts Payable	216,314	66,582	282,896	-
Accrued Wages and Benefits	147,054	44,985	192,039	-
Contracts Payable	274,243	369,840	644,083	-
Intergovernmental Payable	185,739	39,670	225,409	-
Unearned Revenue	901,706	-	901,706	-
Long-Term Liabilities:				
Due Within One Year	919,487	780,816	1,700,303	-
Due In More Than One Year:				
Net Pension Liability	12,643,684	1,260,689	13,904,373	-
Net OPEB Liability	1,807,518	-	1,807,518	-
Other Amounts Due in More Than One Year	7,924,295	1,018,173	8,942,468	-
<i>Total Liabilities</i>	<u>25,020,040</u>	<u>3,580,755</u>	<u>28,600,795</u>	<u>-</u>
Deferred Inflows of Resources				
Property Taxes Levied for the Next Year	1,631,433	-	1,631,433	-
Leases	230,941	-	230,941	-
Pension	6,157,397	1,622,584	7,779,981	-
OPEB	1,554,990	460,942	2,015,932	-
<i>Total Deferred Inflows of Resources</i>	<u>9,574,761</u>	<u>2,083,526</u>	<u>11,658,287</u>	<u>-</u>
Net Position				
Net Investment in Capital Assets	31,459,510	15,307,421	46,766,931	-
Restricted for:				
Capital Outlay	1,526,556	-	1,526,556	-
Debt Service	354,305	-	354,305	-
Restricted for Streets	1,527,056	-	1,527,056	-
Restricted for Court Operations	1,269,869	-	1,269,869	-
Restricted for Community Development	150,390	-	150,390	-
Other Purposes	1,035,861	-	1,035,861	-
Unrestricted (Deficit)	(13,968,224)	5,707,500	(8,260,724)	295,880
<i>Total Net Position</i>	<u>\$ 23,355,323</u>	<u>\$ 21,014,921</u>	<u>\$ 44,370,244</u>	<u>\$ 295,880</u>

See accompanying notes to the basic financial statements.

City of New Philadelphia
Tuscarawas County, Ohio
Statement of Activities
For the Year Ended December 31, 2022

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
					Primary Government		New Philadelphia City Health District	
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities	Business-Type Activities		Total
Governmental Activities								
General Government	\$ 4,112,783	\$ 1,428,781	\$ 436,048	\$ 95,811	\$ (2,152,143)	\$ -	\$ (2,152,143)	\$ -
Security of Persons and Property	8,607,235	701,706	40,407	168,320	(7,696,802)	-	(7,696,802)	-
Public Health	639,198	141,975	6,696	-	(490,527)	-	(490,527)	-
Leisure Time Activities	1,227,293	94,765	-	448,785	(683,743)	-	(683,743)	-
Community and Economic Development	302,250	-	310,223	178,423	186,396	-	186,396	-
Transportation	3,006,614	35,550	1,123,939	534,584	(1,312,541)	-	(1,312,541)	-
Interest and Fiscal Charges	188,329	-	-	-	(188,329)	-	(188,329)	-
<i>Total Governmental Activities</i>	<u>18,083,702</u>	<u>2,402,777</u>	<u>1,917,313</u>	<u>1,425,923</u>	<u>(12,337,689)</u>	<u>-</u>	<u>(12,337,689)</u>	<u>-</u>
Business-Type Activities								
Water	2,565,258	3,158,579	-	272,204	-	865,525	865,525	-
Sewer	2,155,804	3,121,960	-	-	-	966,156	966,156	-
Sanitation	1,418,686	1,599,044	16,410	-	-	196,768	196,768	-
<i>Total Business-Type Activities</i>	<u>6,139,748</u>	<u>7,879,583</u>	<u>16,410</u>	<u>272,204</u>	<u>-</u>	<u>2,028,449</u>	<u>2,028,449</u>	<u>-</u>
Component Unit								
New Philadelphia Health District	761,562	113,602	427,864	-	-	-	-	(220,096)
<i>Total</i>	<u>\$ 24,985,012</u>	<u>\$ 10,395,962</u>	<u>\$ 2,361,587</u>	<u>\$ 1,698,127</u>	<u>(12,337,689)</u>	<u>2,028,449</u>	<u>(10,309,240)</u>	<u>(220,096)</u>
General Revenues								
Property Taxes Levied for:								
General Purposes					1,121,361	-	1,121,361	-
Debt Service					343,082	-	343,082	-
Police and Fire					210,651	-	210,651	-
Income Taxes Levied for:								
General Purposes					4,251,155	-	4,251,155	-
Police and Fire					3,881,650	-	3,881,650	-
Health Services					410,801	-	410,801	-
Street Maintenance and Repair					704,231	-	704,231	-
Capital Projects					295,999	-	295,999	-
Other Purposes					262,487	-	262,487	-
Other Local Taxes					305,645	-	305,645	-
Grants and Entitlements not Restricted to Specific Programs					873,897	-	873,897	210,513
Grants and Entitlements not Restricted to Specific Programs - ARPA					223,297	-	223,297	-
Investment Earnings					(230,514)	-	(230,514)	-
Miscellaneous					177,576	10,413	187,989	13,154
<i>Total General Revenues</i>					<u>12,831,318</u>	<u>10,413</u>	<u>12,841,731</u>	<u>223,667</u>
Transfers					(105,766)	105,766	-	-
<i>Total General Revenues and Transfers</i>					<u>12,725,552</u>	<u>116,179</u>	<u>12,841,731</u>	<u>223,667</u>
<i>Change in Net Position</i>					<u>387,863</u>	<u>2,144,628</u>	<u>2,532,491</u>	<u>3,571</u>
<i>Net Position Beginning of Year</i>					<u>22,967,460</u>	<u>18,870,293</u>	<u>41,837,753</u>	<u>292,309</u>
<i>Net Position End of Year</i>					<u>\$ 23,355,323</u>	<u>\$ 21,014,921</u>	<u>\$ 44,370,244</u>	<u>\$ 295,880</u>

See accompanying notes to the basic financial statements.

City of New Philadelphia
Tuscarawas County, Ohio
Balance Sheet
Governmental Funds
December 31, 2022

	General	Safety Forces Operation	American Rescue Plan Act	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Investments	\$ 793,996	\$ 206,362	\$ 901,706	\$ 4,635,410	\$ 6,537,474
Accounts Receivable	124,063	-	-	184,179	308,242
Intergovernmental Receivable	337,090	-	-	737,735	1,074,825
Property Taxes Receivable	1,113,703	-	-	549,834	1,663,537
Income Taxes Receivable	737,376	604,927	-	490,810	1,833,113
Leases Receivable	-	-	-	236,113	236,113
Interfund Receivable	29,858	-	-	-	29,858
Materials and Supplies Inventory	142,418	-	-	427,443	569,861
<i>Total Assets</i>	<u>\$ 3,278,504</u>	<u>\$ 811,289</u>	<u>\$ 901,706</u>	<u>\$ 7,261,524</u>	<u>\$ 12,253,023</u>
Liabilities					
Accounts Payable	\$ 79,097	\$ 32,209	\$ -	\$ 105,008	\$ 216,314
Accrued Wages	85,062	39,786	-	22,206	147,054
Contracts Payable	14,606	-	-	259,637	274,243
Intergovernmental Payable	50,990	112,326	-	22,423	185,739
Interfund Payable	-	-	-	29,858	29,858
Unearned Revenue	-	-	901,706	-	901,706
<i>Total Liabilities</i>	<u>229,755</u>	<u>184,321</u>	<u>901,706</u>	<u>439,132</u>	<u>1,754,914</u>
Deferred Inflows of Resources					
Property Taxes Levied for the Next Year	1,090,995	-	-	540,438	1,631,433
Unavailable Revenue	594,805	270,353	-	690,464	1,555,622
Leases	-	-	-	230,941	230,941
<i>Total Deferred Inflows of Resources</i>	<u>1,685,800</u>	<u>270,353</u>	<u>-</u>	<u>1,461,843</u>	<u>3,417,996</u>
Fund Balances					
Nonspendable	185,110	-	-	427,443	612,553
Restricted	-	356,615	-	4,777,555	5,134,170
Committed	233,771	-	-	178,484	412,255
Assigned	868,199	-	-	-	868,199
Unassigned	75,869	-	-	(22,933)	52,936
<i>Total Fund Balance</i>	<u>1,362,949</u>	<u>356,615</u>	<u>-</u>	<u>5,360,549</u>	<u>7,080,113</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 3,278,504</u>	<u>\$ 811,289</u>	<u>\$ 901,706</u>	<u>\$ 7,261,524</u>	<u>\$ 12,253,023</u>

See accompanying notes to the basic financial statements.

City of New Philadelphia
Tuscarawas County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2022

Total Governmental Fund Balances		\$ 7,080,113
<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 the funds.		38,767,695
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Delinquent Property Taxes	\$ 32,104	
Income Tax	819,253	
Intergovernmental	652,852	
Charges for Services	51,413	1,555,622
The net pension liability and net OPEB liability/asset are not due and payable in the current period, therefore, the liability/asset and related deferred inflows/outflows are not reported in governmental funds.		
Net OPEB Asset	806,399	
Deferred Outflows - Pension	4,932,374	
Deferred Outflows - OPEB	1,220,491	
Net Pension Liability	(12,643,684)	
Net OPEB Liability	(1,807,518)	
Deferred Inflows - Pension	(6,157,397)	
Deferred Inflows - OPEB	(1,554,990)	(15,204,325)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(4,010,000)	
ODOT Loans	(386,355)	
Unamortized Bond Premium	(104,346)	
Financed Purchase	(2,514,722)	
Leases	(122,865)	
Compensated Absences	(1,705,494)	(8,843,782)
<i>Net Position of Governmental Activities</i>		\$ 23,355,323

See accompanying notes to the basic financial statements.

City of New Philadelphia
Tuscarawas County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2022

	General	Safety Forces Operation	American Rescue Plan Act	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	\$ 1,117,161	\$ -	\$ -	\$ 553,280	\$ 1,670,441
Income Taxes	4,293,715	3,262,498	-	2,330,080	9,886,293
Other Local Taxes	210,325	-	-	95,320	305,645
Charges for Services	228,098	-	-	886,899	1,114,997
Licenses and Permits	392,685	-	-	-	392,685
Fines and Forfeitures	288,539	-	-	679,109	967,648
Intergovernmental	838,596	3,000	223,297	2,796,143	3,861,036
Investment Income	(230,514)	-	-	(3,195)	(233,709)
Rent	68,701	-	-	35,550	104,251
Contributions and Donations	102,543	7,500	-	22,117	132,160
Miscellaneous	49,268	22,676	-	105,632	177,576
<i>Total Revenues</i>	<u>7,359,117</u>	<u>3,295,674</u>	<u>223,297</u>	<u>7,500,935</u>	<u>18,379,023</u>
Expenditures					
Current:					
General Government	3,560,756	-	-	1,315,852	4,876,608
Security of Persons and Property	2,772,548	3,660,072	-	1,595,003	8,027,623
Public Health	340,041	-	-	433,294	773,335
Leisure Time Activities	953,543	-	-	-	953,543
Community and Economic Development	-	-	-	299,991	299,991
Transportation	51,872	-	-	1,962,436	2,014,308
Capital Outlay	47,240	99,061	223,297	3,033,216	3,402,814
Debt Service:					
Principal Retirement	-	37,965	-	425,727	463,692
Interest and Fiscal Charges	-	8,693	-	185,433	194,126
<i>Total Expenditures</i>	<u>7,726,000</u>	<u>3,805,791</u>	<u>223,297</u>	<u>9,250,952</u>	<u>21,006,040</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(366,883)</u>	<u>(510,117)</u>	<u>-</u>	<u>(1,750,017)</u>	<u>(2,627,017)</u>
Other Financing Sources (Uses)					
Inception of Financed Purchase	-	-	-	1,868,144	1,868,144
Transfers In	116,421	-	-	248,657	365,078
Transfers Out	(18,390)	(106,688)	-	(240,000)	(365,078)
<i>Total Other Financing Sources (Uses)</i>	<u>98,031</u>	<u>(106,688)</u>	<u>-</u>	<u>1,876,801</u>	<u>1,868,144</u>
<i>Net Change in Fund Balances</i>	(268,852)	(616,805)	-	126,784	(758,873)
<i>Fund Balances Beginning of Year</i>	<u>1,631,801</u>	<u>973,420</u>	<u>-</u>	<u>5,233,765</u>	<u>7,838,986</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,362,949</u>	<u>\$ 356,615</u>	<u>\$ -</u>	<u>\$ 5,360,549</u>	<u>\$ 7,080,113</u>

See accompanying notes to the basic financial statements.

City of New Philadelphia
Tuscarawas County, 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, 2022*

Net Change in Fund Balances - Total Governmental Funds		\$ (758,873)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital Asset Additions	\$ 3,302,639	
Current Year Depreciation	<u>(1,813,221)</u>	1,489,418
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.		(50,675)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes	4,653	
Income Tax	(79,970)	
Intergovernmental	1,644	
Charges for Services	<u>(176,804)</u>	(250,477)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
General Obligation Bonds	165,000	
ODOT Loan	140,385	
Financed Purchases	120,342	
Lease	<u>37,965</u>	463,692
Inception of financed purchases in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues.		
Inception of Financed Purchase		(1,868,144)
Amortization of bond premium on bonds are not reported in the fund but are allocated as an expense over the life of the debt in the statement of activities.		5,797
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	1,509,290	
OPEB	<u>21,454</u>	1,530,744
Except for amount reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension	(613,212)	
OPEB	<u>460,422</u>	(152,790)
Some expenses reported in the statement of activities, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated Absences		<u>(20,829)</u>
<i>Change in Net Position of Governmental Activities</i>		<u><u>\$ 387,863</u></u>

See accompanying notes to the basic financial statements.

City of New Philadelphia
Tuscarawas County, Ohio
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property Taxes	\$ 1,115,000	\$ 1,115,000	\$ 1,117,161	\$ 2,161
Income Taxes	4,081,000	4,081,000	3,835,580	(245,420)
Other Local Taxes	195,000	195,000	210,029	15,029
Charges for Services	216,000	216,000	214,109	(1,891)
Licenses and Permits	385,000	268,579	319,504	50,925
Fines and Forfeitures	315,000	315,000	273,526	(41,474)
Intergovernmental	739,000	739,000	831,651	92,651
Investment Income	110,000	110,000	83,226	(26,774)
Rent	31,000	31,000	26,796	(4,204)
Contributions and Donations	5,000	5,000	2,486	(2,514)
Miscellaneous	8,000	8,000	49,880	41,880
<i>Total Revenues</i>	7,200,000	7,083,579	6,963,948	(119,631)
Expenditures				
Current:				
General Government	3,222,481	3,248,483	3,052,451	196,032
Security of Persons and Property	2,967,792	2,967,793	2,872,477	95,316
Public Health	434,300	434,300	310,629	123,671
Leisure Time Activities	1,070,753	1,070,753	966,652	104,101
Transportation	69,566	69,566	60,829	8,737
Capital Outlay	69,962	69,962	44,198	25,764
<i>Total Expenditures</i>	7,834,854	7,860,857	7,307,236	553,621
<i>Excess of Revenues Over (Under) Expenditures</i>	(634,854)	(777,278)	(343,288)	433,990
Other Financing Sources (Uses)				
Transfers In	-	116,421	116,421	-
Transfers Out	(20,000)	(20,000)	(18,390)	1,610
<i>Total Other Financing Sources (Uses)</i>	(20,000)	96,421	98,031	1,610
<i>Net Change in Fund Balance</i>	(654,854)	(680,857)	(245,257)	435,600
<i>Fund Balance Beginning of Year</i>	679,023	679,023	679,023	-
Prior Year Encumbrances Appropriated	189,376	189,376	189,376	-
<i>Fund Balance End of Year</i>	\$ 213,545	\$ 187,542	\$ 623,142	\$ 435,600

See accompanying notes to the basic financial statements.

City of New Philadelphia
Tuscarawas County, Ohio
*Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Safety Forces Operation Fund
For the Year Ended December 31, 2022*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Income Taxes	\$ 3,300,000	\$ 3,450,000	\$ 3,239,898	\$ (210,102)
Intergovernmental	-	-	3,000	3,000
Contributions and Donations	-	-	7,500	7,500
Miscellaneous	-	-	24,963	24,963
<i>Total Revenues</i>	<u>3,300,000</u>	<u>3,450,000</u>	<u>3,275,361</u>	<u>(174,639)</u>
Expenditures				
Current:				
Security of Persons and Property	3,713,493	3,758,493	3,649,223	109,270
Capital Outlay	171,811	171,811	102,136	69,675
<i>Total Expenditures</i>	<u>3,885,304</u>	<u>3,930,304</u>	<u>3,751,359</u>	<u>178,945</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(585,304)</u>	<u>(480,304)</u>	<u>(475,998)</u>	<u>4,306</u>
Other Financing Sources (Uses)				
Transfers Out	(107,000)	(107,000)	(106,688)	312
<i>Total Other Financing Sources (Uses)</i>	<u>(107,000)</u>	<u>(107,000)</u>	<u>(106,688)</u>	<u>312</u>
<i>Net Change in Fund Balance</i>	(692,304)	(587,304)	(582,686)	4,618
<i>Fund Balance Beginning of Year</i>	701,599	701,599	701,599	-
Prior Year Encumbrances Appropriated	69,049	69,049	69,049	-
<i>Fund Balance End of Year</i>	<u>\$ 78,344</u>	<u>\$ 183,344</u>	<u>\$ 187,962</u>	<u>\$ 4,618</u>

See accompanying notes to the basic financial statements.

City of New Philadelphia
Tuscarawas County, Ohio
*Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
American Rescue Plan Act Fund
For the Year Ended December 31, 2022*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 912,000	\$ 912,000	\$ 919,139	\$ 7,139
Expenditures				
Capital Outlay	1,270,000	1,270,000	417,153	852,847
<i>Excess of Revenues Over (Under) Expenditures</i>	(358,000)	(358,000)	501,986	859,986
<i>Net Change in Fund Balance</i>	(358,000)	(358,000)	501,986	859,986
<i>Fund Balance Beginning of Year</i>	359,445	359,445	359,445	-
Prior Year Encumbrances Appropriated	29,336	29,336	29,336	-
<i>Fund Balance End of Year</i>	<u>\$ 30,781</u>	<u>\$ 30,781</u>	<u>\$ 890,767</u>	<u>\$ 859,986</u>

See accompanying notes to the basic financial statements.

City of New Philadelphia
Tuscarawas County, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2022

	Enterprise Funds			
	Water	Sewer	Sanitaion	Total
Assets				
<i>Current Assets:</i>				
Equity in Pooled Cash and Investments	\$ 2,287,451	\$ 2,982,162	\$ 1,300,356	\$ 6,569,969
Accounts Receivable	463,161	477,416	-	940,577
Intergovernmental Receivable	182,324	-	3,412	185,736
Materials and Supplies Inventory	699,232	5,415	3,772	708,419
<i>Total Current Assets</i>	<u>3,632,168</u>	<u>3,464,993</u>	<u>1,307,540</u>	<u>8,404,701</u>
<i>Non-Current Assets:</i>				
Net OPEB Asset	173,686	136,468	124,062	434,216
Non-Depreciable Capital Assets	558,353	332,632	9,993	900,978
Depreciable Capital Assets, Net	7,581,286	8,105,782	613,767	16,300,835
<i>Total Non-Current Assets</i>	<u>8,313,325</u>	<u>8,574,882</u>	<u>747,822</u>	<u>17,636,029</u>
<i>Total Assets</i>	<u>11,945,493</u>	<u>12,039,875</u>	<u>2,055,362</u>	<u>26,040,730</u>
Deferred Outflows of Resources				
Pension	236,267	185,678	182,840	604,785
OPEB	8,480	6,669	18,538	33,687
<i>Total Deferred Outflows of Resources</i>	<u>244,747</u>	<u>192,347</u>	<u>201,378</u>	<u>638,472</u>
Liabilities				
<i>Current Liabilities:</i>				
Accounts Payable	36,857	1,738	27,987	66,582
Accrued Wages and Benefits	21,935	12,440	10,610	44,985
Contracts Payable	369,840	-	-	369,840
Intergovernmental Payable	16,315	11,201	12,154	39,670
Compensated Absences Payable	70,140	35,302	24,873	130,315
OPWC Loans Payable	7,855	40,938	-	48,793
OWDA Loans Payable	-	601,708	-	601,708
<i>Total Current Liabilities</i>	<u>522,942</u>	<u>703,327</u>	<u>75,624</u>	<u>1,301,893</u>
<i>Long-Term Liabilities:</i>				
Compensated Absences Payable - Net of Current Portion	69,356	56,182	18,585	144,123
OPWC Loans Payable - Net of Current Portion	65,300	341,614	-	406,914
OWDA Loans Payable - Net of Current Portion	-	467,136	-	467,136
Net Pension Liability	504,276	396,216	360,197	1,260,689
<i>Total Long-Term Liabilities</i>	<u>638,932</u>	<u>1,261,148</u>	<u>378,782</u>	<u>2,278,862</u>
<i>Total Liabilities</i>	<u>1,161,874</u>	<u>1,964,475</u>	<u>454,406</u>	<u>3,580,755</u>
Deferred Inflows of Resources				
Pension	610,877	479,975	531,732	1,622,584
OPEB	179,453	140,999	140,490	460,942
<i>Total Deferred Inflows of Resources</i>	<u>790,330</u>	<u>620,974</u>	<u>672,222</u>	<u>2,083,526</u>
Net Position				
Net Investment in Capital Assets	7,696,644	6,987,017	623,760	15,307,421
Unrestricted	2,541,392	2,659,756	506,352	5,707,500
<i>Total Net Position</i>	<u>\$ 10,238,036</u>	<u>\$ 9,646,773</u>	<u>\$ 1,130,112</u>	<u>\$ 21,014,921</u>

See accompanying notes to the basic financial statements.

City of New Philadelphia
Tuscarawas County, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2022

	Enterprise Funds			
	Water	Sewer	Sanitaion	Total
Operating Revenues				
Charges for Services	\$ 3,158,579	\$ 3,121,960	\$ 1,599,044	\$ 7,879,583
Other	1,129	824	8,460	10,413
<i>Total Operating Revenues</i>	<u>3,159,708</u>	<u>3,122,784</u>	<u>1,607,504</u>	<u>7,889,996</u>
Operating Expenses				
Salaries	870,834	716,566	661,242	2,248,642
Fringe Benefits	75,186	36,454	74,552	186,192
Contractual Services	575,178	674,482	492,224	1,741,884
Materials and Supplies	637,456	160,549	104,032	902,037
Depreciation	403,551	544,844	86,636	1,035,031
<i>Total Operating Expenses</i>	<u>2,562,205</u>	<u>2,132,895</u>	<u>1,418,686</u>	<u>6,113,786</u>
<i>Operating Income (Loss)</i>	<u>597,503</u>	<u>989,889</u>	<u>188,818</u>	<u>1,776,210</u>
Non-Operating Revenues (Expenses)				
Intergovernmental	270,765	-	16,410	287,175
Loss on Sale/Transfer of Capital Assets	(3,053)	-	-	(3,053)
Interest	-	(22,909)	-	(22,909)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>267,712</u>	<u>(22,909)</u>	<u>16,410</u>	<u>261,213</u>
<i>Income (Loss) Before Capital Contributions</i>	865,215	966,980	205,228	2,037,423
Capital Contributions	107,205	-	-	107,205
<i>Change in Net Position</i>	972,420	966,980	205,228	2,144,628
<i>Net Position Beginning of Year</i>	<u>9,265,616</u>	<u>8,679,793</u>	<u>924,884</u>	<u>18,870,293</u>
<i>Net Position End of Year</i>	<u>\$ 10,238,036</u>	<u>\$ 9,646,773</u>	<u>\$ 1,130,112</u>	<u>\$ 21,014,921</u>

See accompanying notes to the basic financial statements.

City of New Philadelphia
Tuscarawas County, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

	Enterprise Funds			
	Water	Sewer	Sanitaion	Total
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 3,141,832	\$ 3,114,463	\$ 1,599,044	\$ 7,855,339
Cash Received from Other Operating Receipts	2,089	1,526	9,166	12,781
Cash Payments to Suppliers for Goods and Services	(716,567)	(163,563)	(106,667)	(986,797)
Cash Payments to Employees for Services and Benefits	(1,267,793)	(1,049,845)	(968,233)	(3,285,871)
Cash Payments for Contractual Services	(576,176)	(704,443)	(493,213)	(1,773,832)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>583,385</u>	<u>1,198,138</u>	<u>40,097</u>	<u>1,821,620</u>
Cash Flows from Noncapital Financing Activities				
Intergovernmental Revenue	-	-	16,864	16,864
<i>Net Cash Provided by (Used for) Noncapital Financing Activities</i>	<u>-</u>	<u>-</u>	<u>16,864</u>	<u>16,864</u>
Cash Flows from Capital and Related Financing Activities				
Intergovernmental Revenue	88,441	-	-	88,441
Acquisition of Capital Assets	(328,427)	(303,687)	-	(632,114)
Contributions and Donations Received	1,439	-	-	1,439
Principal Payments on Debt	(5,366)	(617,916)	-	(623,282)
Interest Payments on Debt	1,439	(22,909)	-	(21,470)
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>(242,474)</u>	<u>(944,512)</u>	<u>-</u>	<u>(1,186,986)</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	340,911	253,626	56,961	651,498
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>1,946,540</u>	<u>2,728,536</u>	<u>1,243,395</u>	<u>5,918,471</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$ 2,287,451</u>	<u>\$ 2,982,162</u>	<u>\$ 1,300,356</u>	<u>\$ 6,569,969</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating Income (Loss)	\$ 597,503	\$ 989,889	\$ 188,818	\$ 1,776,210
Adjustments:				
Depreciation	403,551	544,844	86,636	1,035,031
(Increase) Decrease in Assets and Deferred Outflows:				
Accounts Receivable	(15,787)	(6,795)	706	(21,876)
Materials and Supplies Inventory	(87,646)	(2,542)	(2,635)	(92,823)
Net OPEB Asset	(76,150)	(59,832)	(40,460)	(176,442)
Deferred Outflows - Pension/OPEB	(19,780)	(15,484)	76,611	41,347
Increase (Decrease) in Liabilities and Deferred Inflows:				
Accounts Payable	7,537	(30,433)	(989)	(23,885)
Accrued Wages	6,465	1,232	(959)	6,738
Intergovernmental Payable	(550)	(2,351)	482	(2,419)
Compensated Absences Payable	(4,778)	6,494	3,041	4,757
Matured Compensated Absences Payable	-	(18,059)	-	(18,059)
Deferred Inflows - Pension/OPEB	117,137	61,554	95,843	274,534
Net Pension Liability	(344,117)	(270,379)	(366,997)	(981,493)
<i>Net Cash Provided by (Used For) Operating Activities</i>	<u>\$ 583,385</u>	<u>\$ 1,198,138</u>	<u>\$ 40,097</u>	<u>\$ 1,821,620</u>

Noncash Capital Financing Activities:

The City purchased \$8,825 and \$369,840 of capital assets on account in the water fund in 2021 and 2022, respectively.
The City purchased \$6,109 of capital assets on account in the sewer fund in 2021.
The City transferred \$105,766 of construction in progress activity from governmental activities to the water fund in 2022.

See accompanying notes to the basic financial statements.

City of New Philadelphia
Tuscarawas County, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2022

	Custodial
Assets	
Cash and Cash Equivalents in Segregated Accounts	\$ 143,443
Accounts Receivable	1,427
	144,870
<i>Total Assets</i>	
Liabilities	
Intergovernmental Payable	144,870
	144,870
<i>Total Liabilities</i>	
Net Position	
<i>Total Net Position</i>	\$ -

See accompanying notes to the basic financial statements.

City of New Philadelphia
Tuscarawas County, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2022

	Custodial
Additions	
Fines & Forfeitures for Other Governments	\$ 804,496
<i>Total Additions</i>	804,496
Deductions	
Fines & Forfeitures Distributions to Other Governments	804,496
<i>Total Deductions</i>	804,496
 <i>Change in Net Position</i>	 -
 <i>Net Position Beginning of Year</i>	 -
 <i>Net Position End of Year</i>	 \$ -

See accompanying notes to the basic financial statements.

City of New Philadelphia
Tuscarawas County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 1 - REPORTING ENTITY

The City of New Philadelphia (the “City”) is a municipal corporation, established under the laws of the State of Ohio. The City operates under a Council-Mayor form of government. The Mayor, Council, Auditor, Treasurer, Law Director, and Municipal Court Judge are elected.

In evaluating how to define the City for financial reporting purposes, management has considered all agencies, departments, and organizations making up the City (the primary government) and its potential component units consistent with Government Accounting Standards Board Statements No. 14, *The Financial Reporting Entity* and No. 39, *Determining Whether Certain Organizations are Component Units – an Amendment of GASB Statement No. 14*, as amended by GASB 61 and 80.

The City provides various services including police and fire protection, emergency medical, water and sewer services, parks and recreation, planning, zoning, street maintenance and repair, refuse collection and general administrative services. The operation of each of these activities is directly controlled by the Council through the budgetary process. None of these services are provided by a legally separate organization; therefore, these operations are included in the primary government.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization’s governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization’s resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the levying of taxes or the issuance of debt. Based on the application of these criteria, the City does have one component unit.

The following component unit and organizations are described due to their relationship to the City:

New Philadelphia City Health District

The New Philadelphia City Health District (the District) is a legally separate organization. Among its various duties, the District provides for the prompt diagnosis and control of communicable diseases. The District may also inspect business where food is manufactured, handled, stored, or offered for sale. The District is operated by a board with all members being appointed by the City. The rates charged by the District are subject to the approval of City Council. In addition, the City provides funding to the District, thus the City can impose will on the District, and the District imposes a financial burden to the City. Therefore, the District is considered a discretely presented component unit of the City of New Philadelphia. During 2022, the City paid \$310,629 in expenses on behalf of the District. This is reported as Public Health on the *Statement of Revenues, Expenditures and Changes in Fund Balance*. Separately issued financial statements can be obtained from the New Philadelphia City Health District at 150 East High Avenue, New Philadelphia, Ohio, 44663.

City of New Philadelphia
Tuscarawas County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2022

Jointly Governed Organizations and Related Organization

The City is associated with certain organizations which are defined as jointly governed organizations and a related organization.

Jointly governed organizations

Community Improvement Corporation of Tuscarawas County

The City is associated with the Community Improvement Corporation of Tuscarawas County (“Corporation”) as a Jointly Governed Organization. The Corporation is operated by Tuscarawas County, New Philadelphia, Dover, Uhrichsville, Dennison, Strasburg, Sugarcreek and Gnadenhutten. It is controlled by 30 trustees consisting of the three County Commissioners, the mayor of each participating city or village and eighteen self-elected trustees. The board exercises total control over the operation of the Corporation including budgeting, appropriating, contracting and designating management. Each participant’s degree of control is limited to its representation on the board.

Tuscarawas County Drug Enforcement Task Force

The City entered into a mutual aid agreement with the Tuscarawas County Drug Enforcement Task Force, which is coordinated by the Tuscarawas County Sheriff’s Office.

Ohio Mid-Eastern Governments Association (OMEGA)

The Ohio-Mid Eastern Governments Association (OMEGA) is a ten county regional council of governments comprised of Belmont, Carroll, Coshocton, Columbiana, Guernsey, Harrison, Holmes, Jefferson, Muskingum and Tuscarawas counties. OMEGA was formed to aid and assist the participating counties and political subdivisions within the counties in the application for Appalachian Regional Commission and Economic Development grant monies. OMEGA is governed by a sixteen member executive board comprised of members appointed from each participating county and cities within each county. City membership is voluntary. The mayor of the City of New Philadelphia serves as the City’s representative on the board. The board has total control over budgeting, personnel, and financial matters. Each member currently pays a per capita membership fee based upon the most recent United States census.

Tax Incentive Revenue Council (TIRC)

The Tax Incentive Revenue Council (TIRC) is an inter-jurisdictional body created to review and evaluate the performance of each Enterprise Zone Agreement. This body is advisory in nature only and cannot directly impact an existing Enterprise Zone Agreement. The TIRC is charged to annually review each Enterprise Zone Agreement and determine whether or not the business(es) has/have complied with the terms and conditions of the agreement. Upon review, the TIRC is to make a formal recommendation to the local government(s) in party to the Enterprise Zone Agreement. ORC Section 5709.85 sets forth the composition of TIRC. The council is jointly governed among Tuscarawas County, municipalities, townships and school districts within the county-designated Enterprise Zone.

City of New Philadelphia
Tuscarawas County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2022

Related Organization

Tuscora Park Foundation

The Tuscora Park Foundation (Foundation) is a related organization that was created by citizens of the community as a 501(c)(3). The Foundation is governed by nine members on the Board of Trustees who are appointed by the Board of Directors. The mayor and parks and recreation superintendent of the City of New Philadelphia serve as City representatives on the board. Additionally, the City Park and Recreation Board appoint three members. The Foundation was established to assist the City by raising, acquiring, and accepting funds for present and future needs in order to develop a network of resources to maintain, restore, and build community parks within the City and surrounding areas. The board has total control over budgeting, personnel, and financial matters. The City is not able to impose its will on the Foundation and no financial benefit and/or burden relationship exists. The City has an agreement with the Foundation to contribute the local share of the project costs for the Southside Improvement Project.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City 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 reporting principles. The most significant of the City's accounting policies are described below.

Basis of Presentation

The City'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 City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type.

The statement of net position presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. 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 which are not classified as program revenues are presented as general revenues of the City, with certain limitations. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

City of New Philadelphia
Tuscarawas County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2022

Fund Financial Statements During the year, the City segregates transactions related to certain City 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 City 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. Fiduciary funds are reported by type.

Fund Accounting

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

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

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 City for any purpose provided it is expended or transferred according to the general laws of Ohio.

Safety Forces Operation Fund The safety forces operation special revenue fund is used to account for revenues and expenditures used to provide security for persons and property.

American Rescue Plan Act (ARPA) Fund - The American Rescue Plan Act Fund accounts for grant revenue to aid COVID-19 relief and any negative economic impact.

The other governmental funds of the City account for grants and other resources to which the City is bound to observe constraints imposed upon the use of the resources.

Proprietary Funds Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The following is the City's proprietary fund type:

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 water, sewer and sanitation funds are the City's major enterprise funds.

Water Fund – The water fund accounts for the provision of water service to the residents and commercial users located within the City.

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

Sanitation Fund – The sanitation fund accounts for the provision of sanitation service to the residents and commercial users within the City.

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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 custodial funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City has no trust funds. The City's custodial funds account for court collections that are distributed to various other governmental entities.

Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the City are included on the Statement of Net Position. The Statement of Activities presents increases (e.g. revenues) and decreases (e.g. 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 and fiduciary fund types are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. The statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary fund activities.

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

Basis of Accounting

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

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

Nonexchange transactions, in which the City 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 fiscal year for which the taxes are levied. (See Note 5.) Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: income tax, state-levied locally shared taxes (including gasoline tax and motor vehicle license fees), fines and forfeitures, interest, grants and entitlements, leases, and rent.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position. The deferred outflows of resources related to pension and OPEB are explained in Notes 10 and 11.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, pension, OPEB, leases, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2022, but which were levied to finance 2023 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue may include delinquent property taxes, income taxes, intergovernmental grants, and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balances to net position of governmental activities. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 10 and 11).

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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.

Pooled Cash and Investments

To improve cash management, all cash received by the City is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents."

Investments are reported at fair value with the exception of nonparticipating certificates of deposit and repurchase agreements, which are reported at cost.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund (including unrealized gains/losses on investments) during 2022 amounted to \$(230,514), where \$(215,888) was assigned from other funds.

Investments of the cash management pool and investments with a maturity of three months or less at the time they are purchased by the City are considered to be cash equivalents. Investments with an original maturity of more than three months that are not made from the pool are reported as investments.

Materials and Supplies Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies held for consumption.

Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital 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 (except for intangible right to use assets, which are discussed later) 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 City maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

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Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings and Building Improvements	20-50 Years	20-50 Years
Improvements Other Than Buildings	10-50 Years	10-50 Years
Machinery and Equipment	10-30 Years	10-30 Years
Furniture and Fixtures	10-30 Years	20 Years
Vehicles	10 Years	10 Years
Infrastructure	40-50 Years	40-50 Years

The City's infrastructure consists of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, sewer lines, and water lines.

The City is reporting intangible right to use assets related to leased equipment. These intangible assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Compensated Absences

Vacation benefits 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 City records a liability for all accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the City's past experience of making termination payments.

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

In governmental funds, the liability for unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

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 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 fiscal year. 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.

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Pensions/Other Postemployment Benefits (OPEB)

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.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. At December 31, 2022, there was no net position restricted by enabling legislation.

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

Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. 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 loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those 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 (City ordinances).

Enabling legislation authorizes the City 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 City 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.

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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 or resolution, as both are equally binding) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance or resolution, as both are equally binding) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City 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. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by policies of City Council or a City official delegated by that authority by resolution or by State Statute. State statute authorizes the City Auditor to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes 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 City 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.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water, sewer and sanitation services. Operating expenses are necessary costs incurred to provide the goods or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as non-operating.

Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, of grants or outside contributions of resources restricted to capital acquisition and construction.

Interfund Activity

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

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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.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the current year.

Budgetary Data

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the alternative tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The alternative tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the object level within each department in the general fund and at the object level for all other funds. Budgetary modifications may only be made by resolution of the City Council at the legal level of control.

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

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

Estimates

The preparation of 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.

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Implementation of New Accounting Principles

For the year ended December 31, 2022, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, GASB Statement No. 91, Conduit Debt Obligations, GASB Statement No. 92, Omnibus 2020, a certain provision of GASB Statement No. 93, Replacement of Interbank Offered Rates, certain provisions of GASB Statement No. 97, Component Unit Criteria and Deferred Compensation Plans, and certain provisions of GASB Statement No. 99, Omnibus 2022.

GASB Statement No. 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. These changes were incorporated in the City's 2022 financial statements resulting in the addition of leases receivable and deferred inflows. There was no effect on beginning net position/fund balance.

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the City.

GASB Statement No. 92 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of GASB Statement No. 92 did not have an effect on the financial statements of the City.

GASB Statement No. 93 addresses accounting and financial reporting effects that result from the replacement of interbank offered rates (IBORs) with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. The implementation of paragraph 11b of GASB Statement No. 93 did not have an effect on the financial statements of the City.

GASB Statement No. 97 results in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The implementation of certain provisions of GASB Statement No. 97 (all except paragraphs 4 and 5) did not have an effect on the financial statements of the City.

GASB Statement No. 99 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of certain provisions of GASB Statement No. 99 that relate to extension of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, and pledges of future revenues by pledging governments, did not have an effect on the financial statements of the City.

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NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

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

The Statements of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the general fund and major special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditure/expenses (budget) rather than as restricted, committed or assigned fund balance (GAAP).
4. Some funds are included in the general fund, (GAAP basis), but have separate legally adopted budgets (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and major special revenue funds.

Net Change in Fund Balance

	<u>General</u>	<u>Safety Forces Operation</u>	<u>American Rescue Plan Act</u>
GAAP Basis	\$ (268,852)	\$ (616,805)	\$ -
Net Adjustment for Revenue Accruals	239,531	(20,313)	695,842
Net Adjustment for Expenditure Accruals	(49,944)	71,867	(182,917)
Funds Budgeted Elsewhere **	(35,552)	-	-
Adjustment for Encumbrances	<u>(130,440)</u>	<u>(17,435)</u>	<u>(10,939)</u>
Budget Basis	<u>\$ (245,257)</u>	<u>\$ (582,686)</u>	<u>\$ 501,986</u>

** As part of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes unclaimed monies, income tax administration and collection, municipal court computer, airport capital improvement funds, and profit sharing lots.

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NOTE 4 - DEPOSITS AND INVESTMENTS

State statues classify monies held by the City into three categories.

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

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

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

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

Interim monies to 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 or 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. Written repurchase agreements in the securities listed above, provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days.;
4. Bonds and any other obligations of the State of Ohio;
5. 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;

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6. The State Treasurer's investment pool (STAR Ohio).
7. Certain bankers acceptances and commercial paper notes for a period not to exceed one hundred and eighty days and two hundred and seventy days, respectively, from the purchase date in any amount not to exceed 40 percent of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt interests noted in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by certificate, upon receipt of confirmation of transfer from the custodian.

The City has segregated bank accounts for monies held separately from the City's pooled accounts. These depository accounts are presented on the financial statements as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the City's treasury.

Cash on Hand - At December 31, 2022 the City had \$300 in undeposited cash on hand, which is included as part of "Equity in Pooled Cash and Cash Equivalents."

Deposits - At year-end, \$7,057,376 of the City's bank balance was exposed to custodial credit risk. Although the securities were held by the pledging financial institutions' trust department in the City's name and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of a bank failure, the City will not be able to recover deposits or collateral securities that are in possession of an outside party.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by:

1. Eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
2. Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS required the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

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Investments

As of December 31, 2022, the City had the following investments and maturities:

Rating	Investment	Measurement Amount	Investment Maturities in Months			% Total
			0-12	13-36	Over 36	
Net Asset Value (NAV):						
AAAm	First American Government Obligations	\$ 34,241	\$ 34,241	\$ -	\$ -	0.54%
Fair Value:						
AA+	Federal Home Loan Mortgage	123,271	123,271	-	-	1.95%
Aaa	Federal Farm Credit Bank	1,419,680	420,178	299,701	699,801	22.45%
AAA	Federal Home Loan Banks	524,565	-	-	524,565	8.30%
Aaa	Federal National Mortgage Association MTN	224,690	-	224,690	-	3.55%
N/A	Negotiable Certificates of Deposit	1,393,743	344,002	1,049,741	-	22.04%
P-1	Commerical Paper	542,823	542,823	-	-	8.58%
AA+	US Treasury Notes	2,060,892	96,676	1,192,030	772,186	32.59%
Total Investments		<u>\$ 6,323,905</u>	<u>\$ 1,561,191</u>	<u>\$ 2,766,162</u>	<u>\$ 1,996,552</u>	<u>100.0%</u>

The City 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 above table identifies the City's recurring fair value measurements as of December 31, 2022. The City's investments measured at fair value are Level 2 since valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data.

The City has a formal investment policy. The objective of the policy shall be the preservation of capital and protection of principal while earning investment interest. Safety of principal is the primary objective of the investment program. All investments are in an internal investment pool.

Interest Rate Risk The City has no investment policy to address interest rate risk in place at this time.

Credit Risk: S&P Global Ratings and Moody's Investors are included in the table above for each investment.

Concentration of Credit Risk The table above includes the percentage to total of each investment type held by the City at December 31, 2022.

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For the Year Ended December 31, 2022

NOTE 5 - PROPERTY TAXES

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

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

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

The full tax rate for all City operations for the year ended December 31, 2022, was \$3.70 per \$1,000 of assessed valuation. The assessed values of real property and public utility tangible property upon which 2022 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$ 373,855,280
Public Utilities - Real	14,970
Public Utilities - Personal	<u>18,097,800</u>
Total Assessed Value	<u>\$ 391,968,050</u>

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2022, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2022 operations is offset to deferred inflows of resources – property taxes levied for the next year. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

NOTE 6 - INCOME TAX

The City levies a municipal income tax of 1.5 percent on gross salaries, wages and other personal service compensation earned by residents of the City and on the earnings of nonresidents working within the City. This tax also applies to the net income of businesses operating within the City. Residents of the City are granted a credit up to 1.5 percent for taxes paid to other municipalities.

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Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. Effective July 1, 2005, the electors approved the one-half (1/2) percent to be used for safety forces operations. The remaining one percent provides for general municipal operations. The street lighting special revenue fund and income tax administration fund receive an allocation from the income tax that is established annually by Council. For 2022, the balance was allocated 60 percent to the general fund, 12 percent to the street maintenance and repair special revenue fund, 11 percent to the police and fire pension special revenue fund, 10 percent to the master capital fund, and 7 percent to the cemetery special revenue fund.

NOTE 7 - RECEIVABLES

Receivables at December 31, 2022 consisted of taxes, interfund, accounts (billed and unbilled user charged services), leases, and intergovernmental. Taxes, accounts, leases, and intergovernmental receivables are deemed collectible in full.

The City is reporting leases receivable of \$236,113 in the governmental funds. This amount represents the discounted future lease payments. This discount is being amortized using the interest method. The TowerCo LLC Land lease commenced in fiscal year 2018 with an initial term of 10 years. The lessee has the option to extend the lease for four additional 5 year terms. Payments are made monthly.

Revenue for the lease during the fiscal year is as follows:

	Fiscal Year Ending 12/31/2022
Lease Revenue	\$ 8,742
Interest Revenue	7,125
Total	<u>\$ 15,867</u>

A summary of future payments to be received is as follows:

Fiscal Year	Governmental Activities	
	Principal	Interest
2023	\$ 3,267	\$ 7,039
2024	3,575	6,937
2025	3,897	6,826
2026	4,233	6,704
2027	4,584	6,572
2028-2032	28,725	30,493
2033-2037	40,000	25,382
2038-2042	53,787	18,399
2043-2047	70,565	9,135
2048-2052	23,480	535
Total	<u>\$ 236,113</u>	<u>\$ 118,022</u>

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NOTE 8 - CAPITAL ASSETS

A summary of changes in capital assets during 2022 follows:

	Restated Balance 12/31/2021	Additions	Deletions	Balance 12/31/2022
Governmental Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 1,621,119	\$ -	\$ -	\$ 1,621,119
Construction in progress	<u>877,346</u>	<u>2,411,404</u>	<u>(1,022,201)</u>	<u>2,266,549</u>
<i>Total Capital Assets Not Being Depreciated/Amortized</i>	<u>2,498,465</u>	<u>2,411,404</u>	<u>(1,022,201)</u>	<u>3,887,668</u>
<i>Capital Assets, Being Depreciated:</i>				
Buildings and Building Improvements	13,246,104	94,336	-	13,340,440
Improvements Other than Buildings	11,523,410	612,667	-	12,136,077
Machinery and Equipment	5,865,706	227,246	(36,366)	6,056,586
Furniture and Fixtures	110,091	-	-	110,091
Vehicles	6,213,834	762,752	(42,732)	6,933,854
Intangible Right-to-Use - Vehicles	208,005	-	-	208,005
Infrastructure	<u>35,720,553</u>	<u>216,435</u>	<u>-</u>	<u>35,936,988</u>
<i>Total Capital Assets, Being Depreciated/Amortized</i>	<u>72,887,703</u>	<u>1,913,436</u>	<u>(79,098)</u>	<u>74,722,041</u>
<i>Less Accumulated Depreciation/Amortization:</i>				
Buildings and Building Improvements	(5,633,558)	(278,066)	-	(5,911,624)
Improvements Other than Buildings	(3,967,129)	(291,139)	-	(4,258,268)
Machinery and Equipment	(4,261,125)	(181,610)	5,419	(4,437,316)
Furniture and Fixtures	(104,501)	(10)	-	(104,511)
Vehicles	(3,940,586)	(333,663)	23,004	(4,251,245)
Intangible Right-to-Use - Vehicles	(6,587)	(39,521)	-	(46,108)
Infrastructure	<u>(20,143,730)</u>	<u>(689,212)</u>	<u>-</u>	<u>(20,832,942)</u>
<i>Total Accumulated Depreciation/Amortization</i>	<u>(38,057,216)</u>	<u>(1,813,221) *</u>	<u>28,423</u>	<u>(39,842,014)</u>
<i>Total Capital Assets Being Depreciated/Amortized, Net</i>	<u>34,830,487</u>	<u>100,215</u>	<u>(50,675)</u>	<u>34,880,027</u>
<i>Total Governmental Activities Capital Assets, Net</i>	<u>\$ 37,328,952</u>	<u>\$ 2,511,619</u>	<u>\$ (1,072,876)</u>	<u>\$ 38,767,695</u>

*Depreciation/Amortization expense was charged to governmental functions as follows:

General Government	\$ 251,151
Security of Persons and Property	394,973
Leisure Time Services	288,811
Transportation	854,183
Public Health	22,541
Community and Economic Development	<u>1,562</u>
Total	<u>\$ 1,813,221</u>

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	Balance 12/31/2021	Additions	Deletions	Balance 12/31/2022
Business-Type Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 51,892	\$ 16,500	\$ -	\$ 68,392
Construction in progress	575,883	835,283	(578,580)	832,586
<i>Total Capital Assets Not Being Depreciated</i>	<u>627,775</u>	<u>851,783</u>	<u>(578,580)</u>	<u>900,978</u>
<i>Capital Assets, Being Depreciated:</i>				
Buildings and Building Improvements	9,853,371	-	-	9,853,371
Improvements Other than Buildings	6,903,852	-	-	6,903,852
Machinery and Equipment	5,474,923	135,237	(7,820)	5,602,340
Furniture and Fixtures	20,554	-	-	20,554
Vehicles	3,162,754	-	-	3,162,754
Sewer Lines	7,222,284	-	-	7,222,284
Water Lines	15,346,512	684,346	-	16,030,858
<i>Total Capital Assets, Being Depreciated</i>	<u>47,984,250</u>	<u>819,583</u>	<u>(7,820)</u>	<u>48,796,013</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Building Improvements	(6,934,579)	(187,115)	-	(7,121,694)
Improvements Other than Buildings	(3,970,871)	(198,499)	-	(4,169,370)
Machinery and Equipment	(4,517,006)	(100,337)	4,767	(4,612,576)
Furniture and Fixtures	(19,526)	-	-	(19,526)
Vehicles	(2,104,197)	(153,059)	-	(2,257,256)
Sewer Lines	(3,742,693)	(116,636)	-	(3,859,329)
Water Lines	(10,176,042)	(279,385)	-	(10,455,427)
<i>Total Accumulated Depreciation</i>	<u>(31,464,914)</u>	<u>(1,035,031)</u>	<u>4,767</u>	<u>(32,495,178)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>16,519,336</u>	<u>(215,448)</u>	<u>(3,053)</u>	<u>16,300,835</u>
<i>Total Business-Type Activities Capital Assets, Net</i>	<u>\$ 17,147,111</u>	<u>\$ 636,335</u>	<u>\$ (581,633)</u>	<u>\$ 17,201,813</u>

NOTE 9 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2022, the City contracted with several companies for various types of insurance.

There has been no reduction in coverage from the prior year. Settled claims did not exceed coverage in any of the last three years.

The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs to provide coverage to employees for job related injuries.

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NOTE 10 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability (Asset)

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

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

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

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

The remainder of this note includes the pension disclosures. See Note 11 for the OPEB disclosures.

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Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, the Combined Plan is no longer available for member selection. Substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members 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 as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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

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

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

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

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$897,424 for 2022. Of this amount, \$74,057 is reported as an intergovernmental payable.

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

Plan Description – 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 or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan (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, surviving beneficiaries under optional plans, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

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

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

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

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

	Police	Firefighters
2022 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2022 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %

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Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$925,964 for 2022. Of this amount, \$114,123 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2021, 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, 2021, and was determined by rolling forward the total pension liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net pension liability was based on the City'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:

	OPERS	OP&F	Total
Proportion of the Net Pension Liability:			
Current Measurement Period	0.041400%	0.164907%	
Prior Measurement Period	0.040924%	0.156759%	
Change in Proportion	<u>0.000476%</u>	<u>0.008148%</u>	
Proportionate Share of the Net			
Pension Liability	\$ 3,601,968	\$ 10,302,405	\$ 13,904,373
Pension Expense	\$ (403,715)	\$ 840,592	\$ 436,877

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in pension expense beginning in the current period, using a straight line method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five year period. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Differences between Expected and			
Actual Experience	\$ 183,623	\$ 297,063	\$ 480,686
Changes of Assumptions	450,422	1,882,842	2,333,264
Changes in Proportionate Share and			
Differences in Contributions	251,698	648,123	899,821
City Contributions Subsequent			
to the Measurement Date	897,424	925,964	1,823,388
Total Deferred Outflows of Resources	<u>\$ 1,783,167</u>	<u>\$ 3,753,992</u>	<u>\$ 5,537,159</u>

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	OPERS	OP&F	Total
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	\$ 79,001	\$ 535,586	\$ 614,587
Net Difference between Projected and Actual Earnings on Pension Plan Investments	4,284,409	2,701,140	6,985,549
Changes in Proportionate Share and Differences in Contributions	95,391	84,454	179,845
Total Deferred Inflows of Resources	<u>\$ 4,458,801</u>	<u>\$ 3,321,180</u>	<u>\$ 7,779,981</u>

\$1,823,388 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2023	\$ (427,255)	\$ 150,285	\$ (276,970)
2024	(1,456,816)	(599,465)	(2,056,281)
2025	(1,007,437)	(190,836)	(1,198,273)
2026	(681,550)	(120,440)	(801,990)
2027	-	267,304	267,304
Total	<u>\$ (3,573,058)</u>	<u>\$ (493,152)</u>	<u>\$ (4,066,210)</u>

Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the value 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 (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 was determined by an actuarial valuation as of December 31, 2021, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 7.2 percent down to 6.9 percent, for the defined benefit investments. Key actuarial assumptions and methods used in the latest actuarial valuation, prepared as of December 31, 2021, reflecting experience study results, are presented below:

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	<u>OPERS Traditional Plan</u>
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.00 percent, simple
Post-January 7, 2013 Retirees	3.00 percent, simple through 2022, then 2.05 percent, simple
Investment Rate of Return	6.90 percent
Actuarial Cost Method	Individual Entry Age

Key actuarial assumptions and methods used in the prior actuarial valuation, prepared as of December 31, 2020, are presented below:

	<u>OPERS Traditional Plan</u>
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.00 percent, simple
Post-January 7, 2013 Retirees	0.50 percent, simple through 2021, then 2.15 percent, simple
Investment Rate of Return	7.20 percent
Actuarial Cost Method	Individual Entry Age

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females). Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females). For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

For 2020, 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, 2020.

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During 2021, 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 15.3 percent for 2021.

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 long-term expected 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. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Geometric)</u>
Fixed Income	24.00%	1.03%
Domestic Equities	21.00	3.78
Real Estate	11.00	3.66
Private Equity	12.00	7.43
International Equities	23.00	4.88
Risk Parity	5.00	2.92
Other investments	4.00	2.85
Total	<u>100.00%</u>	<u>4.21%</u>

Discount Rate The discount rate used to measure the total pension liability for the current year was 6.9 percent. The discount rate for the prior year 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 contractually required rates, as actuarially determined. 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.

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Sensitivity of the City’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate The following table presents the City’s proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 6.9 percent, as well as what the City’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 9,496,746	\$ 3,601,968	\$ (1,303,272)

Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, 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 the value 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 are: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2021, are presented below.

Valuation Date	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.50 percent
Projected Salary Increases	3.75 percent to 10.50 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus productivity increase rate of 0.50 percent
Cost of Living Adjustments	2.20 percent simple per year

In February 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for the 2020 measurement period to 7.5 percent for the 2021 measurement period.

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 Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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Age	Police	Fire
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 Buck Modified 2016 Improvement Scale.

Age	Police	Fire
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 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 expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. 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, 2021, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	3.60
Non-US Equity	14.00	4.40
Private Markets	8.00	6.80
Core Fixed Income *	23.00	1.10
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.80
Midstream Energy Infrastructure	5.00	5.00
Real Assets	8.00	5.90
Gold	5.00	2.40
Private Real Estate	12.00	4.80
	125.00 %	

Note: Assumptions are geometric.

* levered 2x

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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 1.25 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 7.50 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 of 7.50 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 City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact, the following table presents the net pension liability calculated using the discount rate of 7.50 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 (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's Proportionate Share of the Net Pension Liability	\$ 15,278,368	\$ 10,302,405	\$ 6,158,712

NOTE 11 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability (Asset)

See Note 10 for a description of the net OPEB liability (asset).

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service

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and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

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

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

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

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

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

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

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

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City had no contractually required contribution for 2022.

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

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

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

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

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

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

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

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

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

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

The City's contractually required contribution to OP&F was \$21,454 for 2022. Of this amount, \$2,640 is reported as an intergovernmental payable.

Net OPEB Liability (Asset), OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, 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, 2021, and was determined by rolling forward the total OPEB liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net OPEB liability (asset) was based on the City'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:

	OPERS	OP&F	Total
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Period	0.039609%	0.1649065%	
Prior Measurement Period	0.039105%	0.1567589%	
Change in Proportion	0.000504%	0.0081476%	
Proportionate Share of the Net			
OPEB Liability (Asset)	\$ (1,240,615)	\$ 1,807,518	
OPEB Expense	\$ (1,005,269)	\$ 193,226	\$ (812,043)

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At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	\$ -	\$ 82,225	\$ 82,225
Changes of Assumptions	-	800,060	800,060
Changes in Proportionate Share and Differences in Contributions	72,861	277,578	350,439
City Contributions Subsequent to the Measurement Date	-	21,454	21,454
Total Deferred Outflows of Resources	\$ 72,861	\$ 1,181,317	\$ 1,254,178
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	\$ 188,183	\$ 238,891	\$ 427,074
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	591,436	163,277	754,713
Changes of Assumptions	502,188	209,934	712,122
Changes in Proportionate Share and Differences in Contributions	12,309	109,714	122,023
Total Deferred Inflows of Resources	\$ 1,294,116	\$ 721,816	\$ 2,015,932

\$21,454 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction/addition of the net OPEB liability (asset) in 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2023	\$ (735,092)	\$ 120,448	\$ (614,644)
2024	(271,997)	96,208	(175,789)
2025	(129,228)	93,299	(35,929)
2026	(84,938)	24,641	(60,297)
2027	-	48,999	48,999
Thereafter	-	54,452	54,452
Total	\$ (1,221,255)	\$ 438,047	\$ (783,208)

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 health care costs 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 coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing historical assumptions to actual results. The experience study incorporates both a

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historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions. The actuarial valuation used for 2021 compared to those used for 2020 are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Wage Inflation	2.75 percent	3.25 percent
Projected Salary Increases,	2.75 to 10.75 percent	3.25 to 10.75 percent
	including wage inflation	including wage inflation
Single Discount Rate	6.00 percent	6.00 percent
Investment Rate of Return	6.00 percent	6.00 percent
Municipal Bond Rate	1.84 percent	2.00 percent
Health Care Cost Trend Rate	5.50 percent, initial	8.50 percent, initial
	3.50 percent, ultimate in 2034	3.50 percent, ultimate in 2035
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females). Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females). For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

For 2020, 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, 2020.

During 2021, 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, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. 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 was 14.3 percent for 2021.

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The allocation of investment assets within 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 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 rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care's portfolios target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00%	0.91%
Domestic Equities	25.00	3.78
Real Estate Investment Trust	7.00	3.71
International Equities	25.00	4.88
Risk Parity	2.00	2.92
Other investments	7.00	1.93
Total	<u>100.00%</u>	<u>3.45%</u>

Discount Rate A single discount rate of 6.0 percent was used to measure the total OPEB liability on the measurement date of December 31, 2021. 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 1.84 percent (Fidelity Index's "20-Year Municipal GO AA Index"). 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 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the City's Proportionate Share of the Net OPEB (Asset) to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB (asset) calculated using the single discount rate of 6.00 percent, as well as what the City's proportionate share of the net OPEB (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

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	1% Decrease	Current Discount Rate	1% Increase
City's Proportionate Share of the Net OPEB (Asset)	\$ (729,598)	\$ (1,240,615)	\$ (1,664,766)

Sensitivity of the City's Proportionate Share of the Net OPEB (Asset) 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 (asset). The following table presents the net OPEB (asset) calculated using the assumed trend rates, and the expected net OPEB (asset) 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 2022 is 5.50 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 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 3.50 percent in the most recent valuation.

	1% Decrease	Current Trend Rate	1% Increase
City's Proportionate Share of the Net OPEB (Asset)	\$ (1,254,021)	\$ (1,240,615)	\$ (1,224,710)

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, 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 the value 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.

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

Valuation Date	January 1, 2021, with Actuarial Liabilities Rolled Forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.50 Percent
Projected Salary Increases	3.75 Percent to 10.50 Percent
Payroll Growth	3.25 Percent
Blended Discount Rate:	
Current Measurement Date	2.84 Percent
Prior Measurement Date	2.96 Percent
Cost of Living Adjustments	2.20 Percent Simple per Year

In February 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for the 2020 measurement period to 7.5 percent for the 2021 measurement period.

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 Buck 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 Buck 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 long-term expected rate of return on OPEB 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 expected. 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, 2021, are summarized below:

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	- %	- %
Domestic Equity	21.00	3.60
Non-US Equity	14.00	4.40
Private Markets	8.00	6.80
Core Fixed Income *	23.00	1.10
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.80
Midstream Energy Infrastructure	5.00	5.00
Real Assets	8.00	5.90
Gold	5.00	2.40
Private Real Estate	12.00	4.80
Total	<u>125.00 %</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 the 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 For 2021, the total OPEB liability was calculated using the discount rate of 2.84 percent. For 2020, the total OPEB liability was calculated using the discount rate of 2.96 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 7.5 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 2.05 percent at December 31, 2021, and 2.12 percent at December 31, 2020, was blended with the long-term rate of 7.5 percent for 2021 and 8 percent for 2020, which resulted in a blended discount rate of 2.84 percent for 2021 and 2.96 percent for 2020. 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 2037. The long-term expected rate of return on health care investments was applied to projected costs through 2037, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City'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 2.84 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 (1.84 percent), or one percentage point higher (3.84 percent) than the current rate.

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	1% Decrease	Current Discount Rate	1% Increase
City's Proportionate Share of the Net OPEB Liability	\$ 2,272,089	\$ 1,807,518	\$ 1,425,638

NOTE 12 - OTHER EMPLOYEE BENEFITS

Additional Insurance

The City contracts with AultCare for major medical insurance, Vision Service Plan for vision insurance for all full-time employees, and AFSCME Care Plan for full-time AFSCME union employees. The City pays \$2 for single eye care, \$5 for family eye care and \$26 for dental insurance premiums. Employees have an HSA health care plan. The City pays \$683 for single care and \$1,553 for family care.

These premiums are paid from the same funds that pay the employees' salaries. The City provides life insurance and accidental death and dismemberment insurance to all full-time employees through American United Life.

Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Employees earn two to five weeks of vacation per year, depending upon length of service. Vacation accumulation is limited to one year for all employees except for members of the police and fire unions who can accumulate unlimited vacation. All accumulated unused vacation time is paid upon termination of employment with the exclusion of non-bargaining employees.

Employees earn sick leave at the rate of 4.6 hours for every 80 hours worked for City employees and police officers, and at a rate of 13.85 hours for every 104 hours of service for firefighters. Sick leave accumulation is limited based on years of service and is paid upon retirement.

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NOTE 13 - LONG-TERM OBLIGATIONS

Debt Issue	Year of Issuance	Interest Rate	Original Issue Amount	Date of Maturity
Governmental Activities				
Fire Station Construction Serial & Term Bonds	2016	1.0-4.0	\$ 5,000,000	December 1, 2040
Ohio Department of Transportation Loan	2014	3.00	352,000	July 1, 2024
Ohio Department of Transportation Loan	2018	3.00	504,000	November 15, 2038
Community First National Bank	2021	3.08	700,000	September 1, 2031
Chase Bank	2019	4.80	259,612	April 1, 2022
First Federal Community Bank	2022	4.00	1,868,144	December 1, 2042
Business-Type Activities				
Ohio Public Works Commission (OPWC) Loans:				
Waste Water Treatment Plant Improvements	2003	0.00	\$ 350,000	January 1, 2024
Clearwell	2004	0.00	100,000	July 1, 2025
Bluebell Pump Station	2008	0.00	60,591	January 1, 2024
Water Treatment Plant Backwash	2016	0.00	387,969	July 1, 2039
Waste Water Treatment Plant Upgrade	2017	0.00	11,317	January 1, 2048
Wabash Avenue Improvement	2020	0.00	49,564	January 1, 2041
Ohio Water Development Authority (OWDA) Loans:				
Sewer Plant Expansion and Upgrade	2001	0.02	8,238,264	July 1, 2023
Bass Lake Project	2002	0.00	1,645,800	July 1, 2023
Waste Water Treatment Plant Improvements	2003	3.53	870,558	July 1, 2023
Sewer Loan	2005	4.25	211,630	July 1, 2030
5 Points Storm Sewer	2013	3.29	634,069	January 1, 2034
Drinking Water Assessment				

Changes in the long-term obligations of the City during 2022 were as follows:

	Amount Outstanding 12/30/2021	Additions	(Reductions)	Amount Outstanding 12/30/2022	Amounts Due in One Year
Governmental Activities:					
General Obligation Bonds:					
2016 Fire Station Construction Bonds					
Serial and Term Bonds	\$ 4,175,000	\$ -	\$ (165,000)	\$ 4,010,000	\$ 170,000
Unamortized Premium	110,143	-	(5,797)	104,346	-
Total General Obligaion Bonds	4,285,143	-	(170,797)	4,114,346	170,000
Direct Borrowings:					
ODOT-West High Widening	121,813	-	(121,813)	-	-
ODOT-12-bay Hanger	404,927	-	(18,572)	386,355	19,133
Financed Purchases	766,920	1,868,144	(120,342)	2,514,722	83,210
Total Direct Borrowings	1,293,660	1,868,144	(260,727)	2,901,077	102,343
Other Long-Term Obligations					
Net Pension/OPEB Liability	16,165,052	-	(1,713,850)	14,451,202	-
Compensated Absences	1,684,665	605,306	(584,477)	1,705,494	605,729
Leases	160,830	-	(37,965)	122,865	41,415
Total Other Long-Term Obligations	18,010,547	605,306	(2,336,292)	16,279,561	647,144
Total Governmental Activities	\$ 23,589,350	\$ 2,473,450	\$ (2,767,816)	\$ 23,294,984	\$ 919,487

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	Amount Outstanding 12/30/2021	Additions	(Reductions)	Amount Outstanding 12/30/2022	Amounts Due in One Year
Business-Type Activities:					
Direct Borrowings:					
OPWC Loans	\$ 480,103	\$ -	\$ (24,396)	\$ 455,707	\$ 48,793
OWDA Loans	1,666,291	1,439	(598,886)	1,068,844	601,708
<i>Total Direct Borrowings</i>	<u>2,146,394</u>	<u>1,439</u>	<u>(623,282)</u>	<u>1,524,551</u>	<u>650,501</u>
Other Long-Term Obligations:					
Net Pension/OPEB Liability	2,242,182	-	(981,493)	1,260,689	-
Compensated Absences	269,681	133,435	(128,678)	274,438	130,315
<i>Total Other Long-Term Obligations</i>	<u>2,511,863</u>	<u>133,435</u>	<u>(1,110,171)</u>	<u>1,535,127</u>	<u>130,315</u>
<i>Total Business-Type Activities</i>	<u>\$ 4,658,257</u>	<u>\$ 134,874</u>	<u>\$ (1,733,453)</u>	<u>\$ 3,059,678</u>	<u>\$ 780,816</u>

The governmental activities general obligations bonds are being repaid from the bond retirement and fire station bond retirement funds. The West High widening ODOT loan and the hanger ODOT loan are being repaid from the master capital and hangar construction debt funds, respectively. Governmental activities leases and financed purchases are being repaid from the fire equipment, and safety forces. Compensated absences liabilities are paid from the fund which pays the employees' salary. For governmental activities, this is primarily the general, safety forces operations, income tax, street maintenance and repair, and cemetery funds.

The business-type activities OPWC and OWDA loans are being repaid from the water and sewer funds. The water, sewer and sanitation funds pay compensated absences liabilities for the business-type activities.

There are no repayment schedules for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are primarily made from the general fund and water, sewer, and sanitation funds. For additional information related to the net pension liability and net OPEB liability see Notes 10 and 11.

Governmental Activities:

General Obligation Bonds

In March 2016, the City issued general obligation bonds in the amount of \$5,000,000 for the construction of a fire station. The bonds were issued with a premium of \$144,925 at an interest rate ranging from one to four percent and mature on December 1, 2040. The bond issue consists of serial and term bonds. The bonds maturing on or after December 1, 2023 are subject to prior redemption, by and at the sole option of the City, either in whole or in part (as selected by the City), and in integral multiples of \$5,000 on any date on or after December 1, 2022, at a redemption price equal to 100 percent of the principal amount redeemed, plus interest accrued to the redemption date.

Term bonds maturing in 2026, 2028, 2030, 2033, 2036, 2038, and 2040 are subject to mandatory sinking fund redemption in part by lot pursuant to the terms of the mandatory sinking fund redemption requirements at a redemption price equal to 100 percent of the principal amount redeemed, plus interest accrued to the redemption date, in December.

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General obligation bonds are backed by full faith and credit of the City.

Direct Borrowings

On February 24, 2014, the City received a loan from the Ohio Department of Transportation (ODOT). The proceeds of this loan were used for improvements and widening of West High Avenue. Semiannual principal and interest payments of \$25,470 began on January 1, 2017. Payments were made from the master capital improvement fund. The loan was fully retired in April 2022.

On November 27, 2018, the City received a loan from ODOT. The proceeds of this loan were used for the construction of a 12-bay hanger at the airport. Semiannual principal and interest payments of \$15,291 will begin on May 1, 2021 and will mature on November 15, 2038. Payments will be made from the hanger construction debt fund. In the event of default, as defined by the debt agreement, ODOT may declare all amounts payable by the City due. ODOT also holds the right to inspect, examine and copy the books, records, accounts and financial data of the City.

In 2019, the City entered into a purchase agreement for an ambulance in the amount of \$259,612. The purchase carries an interest rate of 4.48 percent and matured on April 1, 2022. The purchase was repaid from the fire capital equipment fund.

In 2021, the City entered into a purchase agreement for a fire truck in the amount of \$700,000. The purchase carries an interest rate of 3.13 percent and a maturity date of September 1, 2031. The purchase will be paid from the fire capital equipment fund. In the event of default, as defined by the purchase agreement, the Lender may declare all remaining payments immediately due. If payments are not made, the Lender may retake possession of the ambulance and hold the City liable for all costs incurred by the Lender as a result of collection activities.

In 2022, the City entered into a purchase agreement for a fire truck in the amount of \$1,868,144. The purchase carries an interest rate of 4 percent and a maturity date of December 1, 2042. The purchase will be paid from the fire capital equipment fund. In the event of default, as defined by the purchase agreement, the Lender may declare all remaining payments immediately due. If payments are not made, the Lender may retake possession of the ambulance and hold the City liable for all costs incurred by the Lender as a result of collection activities.

Lease Agreement

In 2021, the City entered into a lease agreement for five vehicles for the police department. The agreement carries a 7.48 percent interest rate and matures on December 31, 2025. This lease will be paid by the safety forces operation fund.

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The annual requirements to retire governmental activities debt are as follows:

	General							
	Obligation Bonds		ODOT Loans		Financed Purchases		Lease	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 170,000	\$ 136,100	\$ 19,133	\$ 11,448	\$ 83,210	\$ 99,614	\$ 41,415	\$ 6,422
2024	175,000	131,850	19,712	10,870	91,696	91,128	41,415	6,422
2025	175,000	127,475	20,307	10,274	94,791	88,033	40,035	6,210
2026	180,000	122,225	20,922	9,660	97,993	84,831	-	-
2027	190,000	116,825	21,553	9,028	101,305	81,519	-	-
2028-2032	1,030,000	493,525	117,942	34,966	579,899	351,394	-	-
2033-2037	1,235,000	284,225	136,878	16,030	550,895	249,105	-	-
2038-2042	855,000	58,044	29,908	675	914,933	105,220	-	-
	<u>\$ 4,010,000</u>	<u>\$ 1,470,269</u>	<u>\$ 386,355</u>	<u>\$ 102,951</u>	<u>\$ 2,514,722</u>	<u>\$ 1,150,844</u>	<u>\$ 122,865</u>	<u>\$ 19,054</u>

Business-Type Activities:

Direct Borrowings

The City entered into an OWDA loan in 2022 for drinking water assessment in the amount of \$1,439. As of December 31, 2022, \$1,439 had been drawn down by the City. This debt was forgiven in 2022, releasing them from the debt obligation.

The City has pledged future water revenue and sewer revenue, net of specified operating expenses to repay \$1,524,551 of Ohio Public Works Commission (OPWC) loans and Ohio Water Development Authority (OWDA) loans. Annual principal and interest payments, as a percentage of net customer revenues, on the loans are expected to be similar over the term of the loans as in the current year, which were 25.43 percent. The total principal and interest remaining to be paid on the loans is \$1,629,620. Principal and interest paid for the current year and total net revenues were \$621,843 and \$2,535,787, respectively.

In the event of default, as defined each OPWC loan agreement, the amount of default will be subject to 8 percent interest on all amounts due from date of default. Additionally, the Lender may declare all amounts immediately due and payable or require the City treasurer to pay the amounts due from funds appropriated to the City's water/sewer fund. The lender will also be entitled to collect any cost incurred in the event of default.

In the event of default, as defined each OWDA loan agreement, the lender may declare the full amount of the unpaid Project Participation Principal amount immediately due and payable and require the City to pay any fines or penalties incurred with interest.

The annual requirements to retire business-type activities debt are as follows:

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Year Ending	OPWC		OWDA Loans		Total	
	Loans Principal		Principal	Interest	Principal	Interest
2023	\$ 48,793		\$ 601,708	\$ 18,767	\$ 650,501	\$ 18,767
2024	48,794		41,594	15,600	90,388	15,600
2025	27,255		43,075	14,146	70,330	14,146
2026	24,753		44,609	12,638	69,362	12,638
2027	22,253		46,199	11,076	68,452	11,076
2028-2032	111,269		228,399	30,749	339,668	30,749
2033-2037	111,268		63,260	2,093	174,528	2,093
2038-2042	59,058		-	-	59,058	-
2040-2044	1,886		-	-	1,886	-
2045-2048	378		-	-	378	-
Total	<u>\$ 455,707</u>		<u>\$1,068,844</u>	<u>\$ 105,069</u>	<u>\$1,524,551</u>	<u>\$ 105,069</u>

NOTE 14 - INTERFUND ACTIVITY

Interfund Transfers

Interfund transfers for the year ended December 31, 2022, consisted of the following.

<u>Fund</u>	<u>Transfers Out</u>	<u>Transfers In</u>
Governmental:		
General	\$ 18,390	\$ 116,421
Master Capital Improvement	-	123,579
Nonmajor Governmental Funds:		
Safety Forces Operation	106,688	-
SAFER Grant	-	106,688
TV Cable Franchise	240,000	-
Sidewalk Improvement	-	18,390
Totals	<u>\$ 365,078</u>	<u>\$ 365,078</u>

Interfund transfers were made from the general fund to transfer the City's share of sidewalk replacements to the sidewalk improvement fund. In addition, the safety forces operation fund transferred \$106,688 to the SAFER for local match requirements. The TV cable franchise fund transferred money for franchise fees in the amount of \$240,000 to the general and master capital improvement funds per a City resolution to repay an ODOT loan. Governmental activities transferred construction in progress in the amount of \$105,766 to business-type activities.

Interfund Balances

During 2022, the general fund advanced \$29,858 to the FEMA Grant fund. The primary purpose of the interfund balances is to cover the costs in specific fund where revenues were not received by December 31, 2022. The outstanding advance is expected to be repaid once the anticipated revenues are received.

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NOTE 15 - CONTINGENCIES

Grants

The City received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the overall financial position of the City at December 31, 2022.

Litigation

The City is not party to any claims or lawsuits that would, in the City's opinion, have a material effect on the basic financial statements.

NOTE 16 - SIGNIFICANT COMMITMENTS

Contractual Commitments

As of December 31, 2022, the City had contractual commitments for the following projects:

	<u>Contractual</u> <u>Commitment</u>	<u>Expended</u>	<u>Balance</u> <u>12/31/2022</u>
Michael Baker, Jr. - Reconstruct Taxiway	\$ 150,000	\$ 15,000	\$ 135,000
Michael Baker, Jr. - Runway Lighting Replacement	470,784	51,000	419,784
Jess Howard Elec Runway Lighting Replacement	343,225	425	342,800
Tuscon, Inc - Howden Buffalo Waterline	297,700	277,219	20,481
Tuscon, Inc - 2nd St NW Waterline	119,778	117,558	2,220
WE Quicksall Glen Dr Project	107,140	48,000	59,140
Tucson, Inc Parklane Waterline	510,955	25,325	485,630
Totals	<u>\$ 1,999,582</u>	<u>\$ 534,527</u>	<u>\$ 1,465,055</u>

Other Commitments

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed or assigned classifications of fund balance. At year end, the City's commitments for encumbrances in the governmental funds are as follows:

<u>Fund</u>	<u>Amount</u>
General	\$ 122,790
Safety Forces Operation	15,774
American Rescue Plan Act	10,939
Other Governmental Funds	<u>510,826</u>
Totals	<u>\$ 660,329</u>

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Contractual commitments identified above may or may not be included in the outstanding encumbrance commitments previously disclosed in this note. Reasons for this may include timing of when contracts are encumbered and contracts paid from enterprise funds, which are not required to disclose encumbrance commitments.

NOTE 17 - ASSET RETIREMENT OBLIGATIONS

Ohio Revised Code (ORC) Section 6111.44 requires the City to submit any changes to their sewerage system to the Ohio EPA for approval, including the retirement or abandonment of certain sewer-related assets. Through this permitting process, the City would be responsible to address any public safety issues associated with retiring or abandoning these sewer-related assets. In accordance with ORC Section 6111.44, and applicable accounting standards, the City believes an asset retirement obligation (ARO) to be present, however, there is significant uncertainty as to what public safety issues would need to be addressed. Based on this uncertainty, the ARO amount is not reasonably estimable at this time and therefore an ARO is not recognized in the City's financial statements.

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NOTE 18 - FUND BALANCE

Fund balance can be classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in governmental funds.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

	General Fund	Safety Forces Operation	Other Governmental	Total
Nonspendable for:				
Inventory	\$ 142,418	\$ -	\$ 427,443	\$ 569,861
Unclaimed Monies	42,692	-	-	42,692
Total Nonspendable	<u>185,110</u>	<u>-</u>	<u>427,443</u>	<u>612,553</u>
Restricted for:				
Public Safety and Law Enforcement	-	356,615	321,120	677,735
Street Maintenance	-	-	803,005	803,005
Cemetery	-	-	506,204	506,204
Debt Service	-	-	448,783	448,783
Municipal Court	-	-	1,304,595	1,304,595
Community Development	-	-	150,390	150,390
Capital Outlay	-	-	1,204,802	1,204,802
Other	-	-	38,656	38,656
Total Restricted	<u>-</u>	<u>356,615</u>	<u>4,777,555</u>	<u>5,134,170</u>
Committed for:				
Fire and Ambulance	-	-	166,702	166,702
Debt Service	-	-	1,475	1,475
Municipal Court	233,771	-	-	233,771
Other Purposes	-	-	10,307	10,307
Total Committed	<u>233,771</u>	<u>-</u>	<u>178,484</u>	<u>412,255</u>
Assigned:				
Encumbrances				
General Government	72,546	-	-	72,546
Security of Persons and Property	16,230	-	-	16,230
Transportation	3,100	-	-	3,100
Public Health	1,086	-	-	1,086
Leisure Time Activities	9,783	-	-	9,783
Capital Outlay	3,989	-	-	3,989
Airport Capital Improvement	40,007	-	-	40,007
Income Tax	1,362	-	-	1,362
Subsequent Year Appropriations	720,096	-	-	720,096
Total Assigned	<u>868,199</u>	<u>-</u>	<u>-</u>	<u>868,199</u>
Unassigned	<u>75,869</u>	<u>-</u>	<u>(22,933) *</u>	<u>52,936</u>
Total Fund Balance	<u>\$ 1,362,949</u>	<u>\$ 356,615</u>	<u>\$ 5,360,549</u>	<u>\$ 7,080,113</u>

The deficit in this fund resulted from adjustments for accrued liabilities in the FEMA grant fund. The general fund is liable for any deficit in this fund and will provide transfers when cash is required, not when accruals occur.

City of New Philadelphia
Tuscarawas County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 19 - NEW PHILADELPHIA CITY HEALTH DISTRICT

The constitution and laws of the State of Ohio establish the rights and privileges of the New Philadelphia City Health District, Tuscarawas County (the District) as a body corporate and politic. A five-member Board and a Health Commissioner govern the District. The Mayor appoints the Board. The District's services include communicable disease investigations, immunization clinics, mosquito and smoking control programs, inspections, and public health nursing services, and the District issues health-related licenses and permits. The District is operating by a board with all members appointed by the City Mayor. The City provides funding to the District, thus the City can impose will on the District, and the District imposes a financial burden to the City. Therefore, the District is considered a discretely presented component unit of the City of New Philadelphia.

Summary of Significant Accounting Policies

The financial statements of the District 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 reporting principles. The most significant of the District's accounting policies are described below.

Basis of Presentation: Government-wide Financial Statements The statement of net position and the statement of activities display information about the District as a whole. The statement of net position presents the financial condition of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, 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 which are not classified as program revenues are presented as general revenues of the District, with certain limitations. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Measurement Focus: Government-wide Financial Statements The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the District are included on the Statement of Net Position. The Statement of Activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net position.

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.

Revenues - Exchange and Non-Exchange 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. Nonexchange transactions, in which the District receives value without directly giving equal value in return, includes grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be

City of New Philadelphia
Tuscarawas County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2022

used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial 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.

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

Pooled Cash and Investments The City of New Philadelphia Treasurer is custodian for the District's deposits. The City's deposit and investment pool holds the District's assets, valued at the Treasurer's reported carrying amount.

Accrued Liabilities and Long-Term Obligations All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

Net Position Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Estimates The preparation of 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.

Receivables

Receivables at December 31, 2022 consisted solely of intergovernmental receivables arising from grants.

Risk Management

Commercial Insurance The District has obtained commercial insurance for vehicles.

Risk Pool Membership The District is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity's) policy. The Pool covers general liability and casualty; public official's liability; cyber; law enforcement liability; automobile liability; vehicles; property; and equipment breakdown.

City of New Philadelphia
Tuscarawas County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2022

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

	<u>2022</u>
Cash and investments	\$ 42,310,794
Actuarial liabilities	\$ 15,724,479

Contingencies

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

Litigation Management is not aware of any pending litigation.

Required Supplementary Information

City of New Philadelphia
Tuscarawas County, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Last Nine Years (1)

	2022	2021	2020	2019	2018
Ohio Public Employees' Retirement System (OPERS)					
City's Proportion of the Net Pension Liability	0.0414000%	0.0409240%	0.0388230%	0.0395410%	0.0409956%
City's Proportionate Share of the Net Pension Liability	\$ 3,601,968	\$ 6,059,953	\$ 7,673,629	\$ 10,829,478	\$ 6,431,422
City's Covered Payroll	\$ 6,008,393	\$ 5,763,929	\$ 5,462,343	\$ 5,340,679	\$ 5,670,757
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	59.95%	105.14%	140.48%	202.77%	113.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.62%	86.88%	82.17%	74.70%	84.66%
Ohio Police and Fire Pension Fund (OPF)					
City's Proportion of the Net Pension Liability	0.1649070%	0.1567589%	0.1571912%	0.1558740%	0.1606510%
City's Proportionate Share of the Net Pension Liability	\$ 10,302,405	\$ 10,686,395	\$ 10,589,272	\$ 12,723,437	\$ 9,859,863
City's Covered Payroll	\$ 4,078,907	\$ 3,923,232	\$ 3,585,069	\$ 3,471,004	\$ 3,445,910
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	252.58%	272.39%	295.37%	366.56%	286.13%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.03%	70.65%	69.89%	63.07%	70.91%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

See accompanying notes to the required supplementary information.

	2017	2016	2015	2014
	0.0385608%	0.0393160%	0.0399860%	0.0399860%
\$	8,756,492	\$ 6,810,027	\$ 4,822,758	\$ 4,713,828
\$	4,989,825	\$ 4,863,000	\$ 4,903,692	\$ 3,982,946
	175.49%	140.04%	98.35%	118.35%
	77.25%	81.08%	86.45%	86.36%
	0.1483620%	0.1492050%	0.1453451%	0.1453451%
\$	9,397,131	\$ 9,598,462	\$ 7,529,482	\$ 7,078,762
\$	3,138,985	\$ 2,968,896	\$ 2,894,854	\$ 2,140,640
	299.37%	323.30%	260.10%	330.68%
	68.36%	66.77%	72.20%	73.00%

See accompanying notes to the required supplementary information.

City of New Philadelphia
Tuscarawas County, Ohio
Required Supplementary Information
Schedule of the City's Contributions - Pension
Last Ten Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<i>Ohio Public Employees' Retirement System (OPERS)</i>				
Contractually Required Contribution	\$ 897,424	\$ 841,175	\$ 806,950	\$ 764,728
Contributions in Relation to the Contractually Required Contribution	<u>(897,424)</u>	<u>(841,175)</u>	<u>(806,950)</u>	<u>(764,728)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 6,410,171	\$ 6,008,393	\$ 5,763,929	\$ 5,462,343
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
<i>Ohio Police and Fire Pension Fund (OPF)</i>				
Contractually Required Contribution	\$ 925,964	\$ 882,430	\$ 847,383	\$ 775,630
Contributions in Relation to the Contractually Required Contribution	<u>(925,964)</u>	<u>(882,430)</u>	<u>(847,383)</u>	<u>(775,630)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 4,290,783	\$ 4,078,907	\$ 3,923,232	\$ 3,585,069
Contributions as a Percentage of Covered Payroll	21.58%	21.63%	21.60%	21.64%

See accompanying notes to the required supplementary information.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 747,695	\$ 737,198	\$ 598,779	\$ 583,560	\$ 588,443	\$ 517,783
<u>(747,695)</u>	<u>(737,198)</u>	<u>(598,779)</u>	<u>(583,560)</u>	<u>(588,443)</u>	<u>(517,783)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 5,340,679	\$ 5,670,757	\$ 4,989,825	\$ 4,863,000	\$ 4,903,692	\$ 3,982,946
14.00%	13.00%	12.00%	12.00%	12.00%	13.00%
\$ 747,659	\$ 742,971	\$ 675,455	\$ 639,089	\$ 608,260	\$ 389,142
<u>(747,659)</u>	<u>(742,971)</u>	<u>(675,455)</u>	<u>(639,089)</u>	<u>(608,260)</u>	<u>(389,142)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,471,004	\$ 3,445,910	\$ 3,138,985	\$ 2,968,896	\$ 2,894,854	\$ 2,140,640
21.54%	21.56%	21.52%	21.53%	21.01%	18.18%

See accompanying notes to the required supplementary information.

City of New Philadelphia
Tuscarawas County, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net OPEB Liability (Asset)
Last Six Years (1)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<i>Ohio Public Employees' Retirement System (OPERS)</i>				
City's Proportion of the Net OPEB Liability (Asset)	0.0396090%	0.0391050%	0.0375150%	0.0384500%
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ (1,240,615)	\$ (696,687)	\$ 5,181,796	\$ 5,012,972
City's Covered Payroll	\$ 6,008,393	\$ 5,763,929	\$ 5,462,343	\$ 5,340,679
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-20.65%	-12.09%	94.86%	93.86%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	128.23%	115.57%	47.80%	46.33%
<i>Ohio Police and Fire Pension Fund (OPF)</i>				
City's Proportion of the Net OPEB Liability	0.1649065%	0.1567589%	0.1571912%	0.1558740%
City's Proportionate Share of the Net OPEB Liability	\$ 1,807,518	\$ 1,660,886	\$ 1,552,697	\$ 1,419,472
City's Covered Payroll	\$ 4,078,907	\$ 3,923,232	\$ 3,585,069	\$ 3,471,004
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	44.31%	42.33%	43.31%	40.90%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.86%	45.42%	47.08%	46.57%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

	<u>2018</u>		<u>2017</u>
	0.0400351%		0.0380020%
\$	4,347,514	\$	3,838,331
\$	5,670,757	\$	4,989,825
	76.67%		76.92%
	54.14%		54.04%
	0.1606510%		0.1483620%
\$	9,102,238	\$	7,042,410
\$	3,445,910	\$	3,138,985
	264.15%		224.35%
	14.13%		15.96%

See accompanying notes to the required supplementary information.

City of New Philadelphia
Tuscarawas County, Ohio
Required Supplementary Information
Schedule of the City's Contributions - OPEB
Last Ten Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<i>Ohio Public Employees' Retirement System (OPERS)</i>				
Contractually Required Contribution	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Contractually Required Contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll (1)	\$ 6,410,171	\$ 6,008,393	\$ 5,763,929	\$ 5,462,343
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
<i>Ohio Police and Fire Pension Fund (OPF)</i>				
Contractually Required Contribution	\$ 21,454	\$ 20,395	\$ 19,616	\$ 17,925
Contributions in Relation to the Contractually Required Contribution	<u>(21,454)</u>	<u>(20,395)</u>	<u>(19,616)</u>	<u>(17,925)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 4,290,783	\$ 4,078,907	\$ 3,923,232	\$ 3,585,069
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%

(n/a) Beginning in 2016, OPERS used one trust fund as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented.

(1) The OPEB plan includes the members from the traditional plan, the combined plan and the member directed plan.

See accompanying notes to the required supplementary information.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ -	\$ 54,176	\$ 99,797	n/a	n/a	n/a
<u>-</u>	<u>(54,176)</u>	<u>(99,797)</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
\$ 5,340,679	\$ 5,670,757	\$ 4,989,825	n/a	n/a	n/a
0.00%	0.96%	2.00%	n/a	n/a	n/a
\$ 17,355	\$ 17,230	\$ 15,695	\$ 14,844	\$ 174,031	\$ 173,471
<u>(17,355)</u>	<u>(17,230)</u>	<u>(15,695)</u>	<u>(14,844)</u>	<u>(174,031)</u>	<u>(173,471)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,471,004	\$ 3,445,910	\$ 3,138,985	\$ 2,968,896	\$ 2,894,854	\$ 2,140,640
0.50%	0.50%	0.50%	0.50%	6.00%	8.10%

See accompanying notes to the required supplementary information.

City of New Philadelphia
Tuscarawas County, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2022

NOTE 1 - NET PENSION LIABILITY

Changes in Assumptions – OPERS

Amounts reported incorporate changes in discount rate used in calculating the total pension liability as follows:

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Discount Rate	6.90%	7.20%	7.20%	7.50%	8.00%

Calendar year 2017 reflects an adjustment of the rates of withdrawal, disability, retirement and mortality to more closely reflect actual experience. The expectation of retired life mortality was based on RP-2014 Healthy Annuitant mortality table and RP-2014 Disabled mortality table. Wage inflation rate was also reduced from 3.25 percent to 2.75 percent.

Changes in Benefit Terms – OPERS

In October 2020, the OPERS Board adopted a change in COLA for post-January 7, 2013 retirees, changing it from 1.40 percent simple through 2020 then 2.15 simple to 0.5 percent simple through 2021 then 2.15 percent simple.

In October 2019, the OPERS Board adopted a change in COLA for post-January 7, 2013 retirees, changing it from 3.00 percent simple through 2018 then 2.15 simple to 1.4 percent simple through 2020 then 2.15 percent simple.

Changes in Assumptions – OP&F

For 2021, the single discount rate changed from 8.00 percent to 7.50 percent.

For 2018, the single discount rate changed from 8.25 percent to 8.00 percent.

Changes in Benefit Terms – OP&F

No significant changes in benefit terms.

City of New Philadelphia
Tuscarawas County, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2022

NOTE 2 - NET OPEB LIABILITY (ASSET)

Changes in Assumptions - OPERS

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented as follows:

<u>Assumption</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Discount Rate	6.00%	6.00%	3.16%	3.96%	3.85%	4.23%
Municipal Bond Rate	1.84%	2.00%	2.75%	3.71%	3.31%	n/a
Health Care Cost Trend Rate	5.50%	8.50%	10.50%	10.00%	7.50%	n/a

For calendar year 2019, the investment rate of return decreased from 6.50 percent to 6.00 percent.

Changes in Benefit Terms – OPERS

For calendar year 2022, the cost of living adjustments decreased from 2.20 percent simple to 2.05 percent simple.

For calendar year 2021, the cost of living adjustments decreased from 3.00 percent simple to 2.20 percent simple.

Changes in Assumptions – OP&F

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented as follows:

<u>Assumption</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Discount Rate	2.84%	2.96%	3.56%	4.66%	3.24%	3.79%
Municipal Bond Rate	2.05%	2.12%	2.75%	4.13%	3.16%	n/a

Changes in Benefit Terms – OP&F

Beginning January 1, 2019 OP&F changed its retiree health care model to a stipend-based health care model. 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.

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*

To the Members of Council
City of New Philadelphia
Tuscarawas County, Ohio
150 East High Avenue
New Philadelphia, Ohio 44663

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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of New Philadelphia, Tuscarawas County, Ohio (the City) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated November 1, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’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 entity’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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying *Schedule of Findings and Questioned Costs* as items 2022-001 and 2022-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying Corrective Action Plan. The City's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 entity'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rea & Associates, Inc.

Rea & Associates, Inc.
New Philadelphia, Ohio
November 1, 2023

**Independent Auditor’s Report on Compliance for Each Major Federal Program and
Report on Internal Control over Compliance Required by the Uniform Guidance**

To the Members of Council
City of New Philadelphia
Tuscarawas County, Ohio
150 East High Avenue
New Philadelphia, Ohio 44663

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of New Philadelphia’s, Tuscarawas County, Ohio (the “City”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City’s major federal programs for the year ended December 31, 2022. The City’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City’s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Rea & Associates, Inc.

Rea & Associates, Inc.
New Philadelphia, Ohio
November 1, 2023

CITY OF NEW PHILADELPHIA
Tuscarawas County, Ohio
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Disbursements
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>Passed through Ohio Department of Development</i>				
Community Development Block Grant	14.228	A-F-21-2CU-1	86,011	0
Community Development Block Grant	14.228	A-C-18-2CU-1	2,150	0
Community Development Block Grant	14.228	A-C-21-2CU-1	103,306	0
Total Community Development Block Grant			<u>191,467</u>	<u>0</u>
HOME Investment Partnerships Program	14.239	A-C-18-2CU-2	400	0
HOME Investment Partnerships Program	14.239	A-C-21-2CU-2	74,742	0
Total HOME Investment Partnerships Program			<u>75,142</u>	<u>0</u>
Total U.S. Department of Housing and Urban Development			<u>266,609</u>	<u>0</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
<i>Direct Award:</i>				
Staffing for Adequate Fire and Emergency Response	97.083	EMW-2017-FH-00168	1,420	0
Staffing for Adequate Fire and Emergency Response	97.083	EMW-2019-FF-01790	261,951	0
Total Staffing for Adequate Fire and Emergency Response			<u>263,371</u>	<u>0</u>
Total U.S. Department of Homeland Security			<u>263,371</u>	<u>0</u>
U.S. DEPARTMENT OF THE TREASURY				
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027	N/A	406,214	0
Total U.S. Department of the Treasury			<u>406,214</u>	<u>0</u>
U.S. DEPARTMENT OF THE TRANSPORTATION				
<i>Direct Award:</i>				
COVID-19: Airport Improvement Program	20.106	3-39-0060-016-2020	93,495	0
Airport Improvement Program	20.106	3-39-0060-018-2021	78,841	0
Airport Improvement Program	20.106	3-39-0060-020-2022	13,500	0
Total Airport Improvement Program			<u>185,836</u>	<u>0</u>
<i>Passed through Ohio Department of Transportation:</i>				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	PID 106667	48,193	0
Total Highway Planning and Construction Cluster			<u>48,193</u>	<u>0</u>
Total U.S. Department of Transportation			<u>234,029</u>	<u>0</u>
U.S. DEPARTMENT OF JUSTICE				
<i>Passed through Ohio Attorney General</i>				
Crime Victim Assistance	16.575	2022-VOCA-134719769	20,163	0
Crime Victim Assistance	16.575	2023-VOCA-135113975	6,991	0
Total Crime Victim Assistance			<u>27,154</u>	<u>0</u>
Total U.S. Department of Justice			<u>27,154</u>	<u>0</u>
Total Expenditures of Federal Awards			<u>\$ 1,197,377</u>	<u>\$ -</u>

The accompanying notes are an integral part of this Schedule.

**CITY OF NEW PHILADELPHIA
TUSCARAWAS COUNTY, OHIO**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(B)(6)
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of New Philadelphia (the “City’s”) under programs of the federal government for the year ended December 31, 2022. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D – MATCHING REQUIREMENTS

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded program. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

**CITY OF NEW PHILADELPHIA
TUSCARAWAS COUNTY, OHIO**
Schedule of Findings & Questioned Costs
2 CFR Section 200.515
December 31, 2022

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	None Reported
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	None Reported
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list): Staffing for Adequate Fire and Emergency Response COVID-19: Coronavirus State and Local Fiscal Recovery Funds	ALN 97.083 ALN 21.027
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	No

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

FINDING NUMBER 2022-001

Material Weakness – Bank Reconciliations

Criteria: Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

**CITY OF NEW PHILADELPHIA
TUSCARAWAS COUNTY, OHIO**
Schedule of Findings & Questioned Costs
2 CFR Section 200.515
December 31, 2022
(Continued)

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

Material Weakness – Bank Reconciliations (Continued)

The reconciliation of cash (bank) balances to accounting system records (book) to the accounting system is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection.

The City Treasurer is responsible for reconciling the book (fund) balance to the total bank balance on a monthly basis, and City Council is responsible for reviewing the reconciliations and related support.

Condition: Monthly bank to book reconciliations were not prepared or reviewed in a timely manner for each month of 2022. The City contracted with an accounting firm to prepare their monthly bank to book reconciliations, however the reconciliations were not performed on a timely basis.

Effect: Failure to reconcile monthly increases the possibility that the City will not be able to identify, assemble, analyze, classify, and record its transactions correctly or to document compliance with finance related legal and contractual requirements. Further, the lack of accurate monthly reconciliations increases the risk of theft/fraud over the cash cycle and could lead to inaccurate reporting in the annual financial statements.

Recommendation: The City should prepare monthly bank to book cash reconciliations, which include all bank accounts and all fund balances, on a timely basis. Variances should be investigated, documented and corrected. In addition, the City Council should review the monthly cash reconciliations including the related support (such as reconciling items) and monthly financial reports and document the reviews.

Officials' Response: See Corrective Action Plan.

Material Weakness – Financial Reporting

Criteria: The AICPA establishes auditing standards generally accepted in the United States that certified public accountants and government auditors must follow in conducting audits of state and local governments. AU-C 265 establishes standards, responsibilities, and guidance for auditors during a financial statement audit engagement for identifying and evaluating a client's internal control over financial reporting. This standard requires the audit to report in writing to management and the governing body any control deficiencies found during the audit that are considered significant deficiencies and/or material weaknesses. To this end, AU-C 265 lists specific control deficiencies that should be regarded as at least a significant deficiency and a strong indicator of a material weakness in internal control.

Condition: During audit testing, it was noted that certain contracts payable and on-behalf grant payments were not properly recorded for one ongoing capital project in the Water Fund.

Context: An audit adjustment was proposed to increase non-depreciable capital assets (construction in progress) by \$384,906, increase contracts payable by \$296,465, increase intergovernmental revenues by \$270,765 and intergovernmental receivables by \$182,324. The financial statements have been corrected for these issues.

**CITY OF NEW PHILADELPHIA
TUSCARAWAS COUNTY, OHIO**
Schedule of Findings & Questioned Costs
2 CFR Section 200.515
December 31, 2022
(Continued)

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

Material Weakness – Financial Reporting (Continued)

Cause: There was one OPWC grant in which on-behalf grant activity had not been recorded by the City.

Effect: The audit adjustment described above was necessary to properly present the financial statements in accordance with generally accepted accounting principles (GAAP).

Recommendation: We recommend the City implement procedures to ensure all grants are properly accounted for both on their cash basis ledgers as well as on the financial statements presented for audit.

Officials' Response: See Corrective Action Plan.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None Noted.



City of New Philadelphia

Beth Gundy, Auditor

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City of New Philadelphia

Tuscarawas County, Ohio

Corrective Action Plan

2 CFR Section 200.511(c)

For the Fiscal Year Ended December 31, 2022

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2022-001	The City is currently in the process of implementing procedures to ensure monthly bank reconciliations are prepared in a timely manner. The City has already implemented several procedures that will make the reconciliation process less cumbersome such as reconciliations of subsidiary ledgers to the City's financial system and recording NSF checks on a monthly basis.	12/31/2023	Beth Gundy, City Auditor
2022-002	The City will implement procedures to ensure all grant activity is properly accounted for, both on the cash basis ledgers as well as the financial statements. There will also be additional procedures put in place to ensure the Auditor's office is made aware of all grants that have on-behalf activities.	12/31/2023	Beth Gundy, City Auditor



City of New Philadelphia

Beth Gundy, Auditor

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City of New Philadelphia
Tuscarawas County, Ohio
Summary Schedule of Prior Audit Findings
December 31, 2022

Finding Number	Finding Summary	Status	Additional Information
2021-001	Material Weakness – Bank Reconciliation	Not Corrected	Due to the timing of the prior audit, the City did not have time to implement procedures in 2022.
2021-002	Significant Deficiency – Outside Department Reconciliations	Fully Corrected	N/A

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OHIO AUDITOR OF STATE KEITH FABER



CITY OF NEW PHILADELPHIA

TUSCARAWAS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 12/21/2023

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

This report is a matter of public record and is available online at
www.ohioauditor.gov