

New Philadelphia City Health District Tuscarawas County, Ohio

Financial Statements

For the Year Ended
December 31, 2023



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**NEW PHILADELPHIA CITY HEALTH DISTRICT
TUSCARAWAS COUNTY, OHIO**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

TABLE OF CONTENTS

	<u>PAGE</u>
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances – All Governmental Fund Types	3
Notes to the Financial Statements	4

No assurance is provided on these financial statements.

New Philadelphia City Health District
Tuscarawas County, Ohio
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2023

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Charges for Services	\$ 69,496	\$ -	\$ 69,496
Fines, Licenses and Permits	-	75,876	75,876
Intergovernmental:			
City of New Philadelphia	56,278	95,776	152,054
Grants	10,307	186,309	196,616
Miscellaneous	10,133	-	10,133
<i>Total Cash Receipts</i>	<u>146,214</u>	<u>357,961</u>	<u>504,175</u>
Cash Disbursements			
Current:			
Health:			
Personal Services	386,192	324,055	710,247
Materials and Supplies	12,985	22,535	35,520
Contractual Services	34,315	10,218	44,533
<i>Total Cash Disbursements</i>	<u>433,492</u>	<u>356,808</u>	<u>790,300</u>
<i>Net Change in Fund Cash Balances</i>	(287,278)	1,153	(286,125)
<i>Fund Cash Balances, January 1</i>	<u>295,875</u>	<u>(18,605)</u>	<u>277,270</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 8,597</u>	<u>\$ (17,452)</u>	<u>\$ (8,855)</u>

See accompanying notes to the financial statements.

No assurance is provided on these financial statements.

New Philadelphia City Health District
Tuscarawas County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

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 Board is operating by a board with all members being appointed by the City. The City provides funding to the Board, thus the City can impose will on the Board, and the Board imposes a financial burden to the City. Therefore, the Board is considered a discretely presented component unit of the City of New Philadelphia.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The District's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types organized on a fund type basis.

Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District had the following significant Special Revenue Funds:

Environmental Health Fund This fund accounts for a variety of environmental health services, the largest program being food service inspections.

HIV Prevention Grant Fund This fund accounts for grant monies received to operate the District's HIV counseling, testing and referral program.

CARES Act Fund This fund accounts for federal assistance monies received under the Coronavirus Relief Fund program to support the District's response to the COVID-19 pandemic.

Workforce Development This fund accounts for grant monies received to implement and assure the provision of the workforce grant program for staffing and technical services.

New Philadelphia City Health District
Tuscarawas County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2023

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

Budgetary Process

The Ohio Revised Code requires the District to budget each fund annually.

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, object level of control, and appropriations may not exceed estimated resources. The District Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

Encumbrances The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2023 budgetary activity appears in Note 4.

Capital Assets

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

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

New Philadelphia City Health District
Tuscarawas County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2023

Nonspendable The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Restricted Fund balance is *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.

Committed The Board can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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

The District 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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 9.

Note 3 – Compliance

Contrary to Ohio law, at December 31, 2023, the HIV Grant fund, CARES Act fund, and workforce development fund had cash deficit balances of \$840, \$9,115, and \$7,607, respectively.

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2023, follows:

Fund Type	2023 Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	\$ 153,278	\$ 146,214	\$ (7,064)
Special Revenue	406,185	357,961	(48,224)
Total	\$ 559,463	\$ 504,175	\$ (55,288)

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New Philadelphia City Health District
Tuscarawas County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2023

2023 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 473,940	\$ 435,698	\$ 38,242
Special Revenue	393,936	359,495	34,441
Total	<u>\$ 867,876</u>	<u>\$ 795,193</u>	<u>\$ 72,683</u>

Note 5 – Deposits 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.

Note 6 – Risk Management

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 the following risks:

- General liability and casualty
- Public official’s liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

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

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

Note 7 – Defined Benefit Pension Plan

The District’s employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the District contributed an amount equaling 14 percent of participants’ gross salaries. The District has paid all contributions required through December 31, 2023.

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New Philadelphia City Health District
Tuscarawas County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 8 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

Note 9 – Fund Balance

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of these amounts were as follows:

	General	Special Revenue	Total
Outstanding Encumbrances	\$ 2,206	\$ 2,687	\$ 4,893

The fund balance of special revenue funds is either restricted or committed. These restricted and committed amounts in the special revenue funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 10 – 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.