

OHIO AUDITOR OF STATE
KEITH FABER



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July 28, 2023

Wayne N. Bastin
Bastin & Company, LLC
4358 McKeever Pike
Williamsburg, Ohio 45176

Dear Mr. Bastin:

A desk review of the audit report has been performed for Hamilton Township, Warren County, for the year ended December 31, 2022. Based on the desk review, this report is acceptable and requires no modifications.

We will certify this audit report. As a reminder, the final invoice for this project must be submitted to the Auditor of State for approval no later than 90 days after the release of the report. If you have any questions or concerns, please contact me at (614) 466-3597.

Sincerely,

KEITH FABER
Auditor of State

A handwritten signature in cursive script that reads "Brad Blake".

Brad Blake
Director of Quality Assurance

cc: Cristal R. Jones, Chief Auditor
Kurt Weber, Fiscal Officer, Hamilton Township

Bastin & Company, LLC

Certified Public Accountants

June 14, 2023

Hamilton Township
Warren County
7780 South State Route 48
Mainville, Ohio 45039

To the Board of Trustees:

We have audited the modified cash basis financial statements of Hamilton Township for the year ended December 31, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated May 9, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Hamilton Township are described in Note 2 to the financial statements.

We noted no transactions entered into by the Township during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no significant or sensitive estimates that we believe affect the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 14, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Trustees of Hamilton Township and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Bastin & Company, L L C

Williamsburg, Ohio

HAMILTON TOWNSHIP
WARREN COUNTY, OHIO

REGULAR AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2022

HAMILTON TOWNSHIP
WARREN COUNTY

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Bastin & Company, LLC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Hamilton Township
Warren County
7780 South State Route 48
Maineville, Ohio 45039

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinions

We have audited the modified cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hamilton Township, Warren County, Ohio (the Township), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Township'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 modified cash-basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township, as of December 31, 2022, and the respective changes in modified cash-basis financial position thereof for the year then ended in accordance with the modified cash-basis of accounting described in Note 2.

Basis for Opinions

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

Emphasis of Matters

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 2, and for determining that the modified cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *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 Township'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 Township'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.

Supplementary Information

Our audit was conducted to opine on the financial statements as a whole that collectively comprise the Township's basic financial statements.

The budgetary comparison schedules for the General, Police, Fire and EMS, Road and Bridge and ARPA funds are presented for purposes of additional analysis and are not a required part of the 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 to 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, this schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

We applied no procedures to management's discussion & analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on it.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2023, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township'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 Township's internal control over financial reporting and compliance.

Bastin & Company, L L C

Williamsburg, Ohio
June 14, 2023

Hamilton Township
Warren County, Ohio
Management's Discussion and Analysis
Unaudited

This discussion and analysis of Hamilton Township (the Township's) financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2022, (within the limitations of the Township's modified cash basis of accounting).

The intent of this discussion and analysis is to look at the Township's financial performance as a whole; readers should also review the financial statements and notes to the basic financial statements to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2022 are as follows:

- The Township's general receipts are primarily property taxes and other local taxes. General receipts represent \$11,763,466 or 78 percent, of the total cash received for governmental activities during the year.
- The Township had \$12,987,552 in disbursements; only \$3,284,542 of these disbursements were offset by program specific charges for services and sales, grants and contributions.
- Net position of governmental activities increased \$2,060,456, or approximately 13 percent.

Using the Basic Financial Statements

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

Report Components

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

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

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

Hamilton Township
Warren County, Ohio
Management's Discussion and Analysis
Unaudited

Basis of Accounting

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

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

Reporting the Township as a Whole

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

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

The statement of net position and the statement of activities are comprised of governmental activities only.

Reporting the Township's Most Significant Funds

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

Hamilton Township
Warren County, Ohio
Management's Discussion and Analysis
Unaudited

Governmental Funds - The Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented in the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, Police Fund, Fire and EMS Fund, Road and Bridge Fund, and ARPA Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Township as a Whole

Table 1 provides a summary of the Township's net position for 2022 and 2021 on the modified cash basis:

(Table 1)
Net Position

	Governmental Activities		
	2022	2021	Change
Assets			
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 17,756,070	\$ 15,695,614	\$ 2,060,456
Net Position			
Restricted for:			
Roads and Bridges	\$ 4,565,241	\$ 3,939,993	\$ 625,248
Health	2,588,296	1,355,000	1,233,296
Police Protection	3,608,104	3,451,461	156,643
Fire and EMS Services	4,095,925	4,239,657	(143,732)
Street Lighting	45,319	54,242	(8,923)
Unrestricted	2,853,185	2,655,261	197,924
Total Net Position	\$ 17,756,070	\$ 15,695,614	\$ 2,060,456

As mentioned previously, net position of governmental activities increased \$2,060,456, or approximately 13 percent, during 2022. The increase in net position in 2022 was due to the Township receiving increased receipts in 2022, primarily resources from the federal government to assist with mitigating the ongoing impact of the COVID-19 Pandemic (in connection with American Rescue Plan Act, ARPA) as well as receiving increased property taxes connected to the County's completion of the triennial property tax revaluation. Additionally, the Township continues to maintain a structurally balanced budget where revenues continually outpace expenses, which also contributed to the increase in net position.

Hamilton Township
Warren County, Ohio
Management's Discussion and Analysis
Unaudited

Table 2 reflects the changes in net position on a modified cash basis in 2022 and 2021.

(Table 2)
Change in Net Position

	Governmental Activities	
	2022	2021
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$ 1,552,046	\$ 1,343,723
Operating Grants and Contributions	1,732,496	1,745,681
Total Program Receipts	3,284,542	3,089,404
General Revenues:		
Property and Other Local Taxes	10,201,495	9,663,292
Grants and Entitlements not Restricted to Specific Programs	1,415,292	1,302,787
Sale of Capital Assets	12,000	30,600
Earnings on Investments	60,872	35,806
Miscellaneous	73,807	91,595
Total General Receipts	11,763,466	11,124,080
Total Receipts	15,048,008	14,213,484
Disbursements:		
Current		
General Government	1,186,840	936,758
Public Safety	8,308,608	7,052,294
Public Works	2,779,968	2,369,752
Public Health	70,137	760,702
Conservation-Recreation	317,774	93,250
Debt Service		
Principal	218,070	213,070
Interest and Fiscal Charges	106,155	113,075
Total Disbursements	12,987,552	11,538,901
Change in Net Position	2,060,456	2,674,583
Net Position at Beginning of Year	15,695,614	13,021,031
Net Position at End of Year	\$17,756,070	\$15,695,614

Program receipts represent only 22% of total receipts during 2022 and 2021 and are primarily comprised of restricted intergovernmental receipts such as state grants, zoning permits and inspection fees, cell tower fees, fines and forfeitures and charges for emergency medical services provided by the fire department. In 2022, program receipts continued to be elevated above historical norms as the Township received its

Hamilton Township
Warren County, Ohio
Management's Discussion and Analysis
Unaudited

second tranche of ARPA funds of \$1,253,481 that are reported as operating grants and contributions. These grant funds are to be used in connection with broad requirements of the American Rescue Plan Act.

General receipts represent 78% of the Township's total receipts during 2022 and 2021. Property and other local taxes comprised 87% of general receipts for 2022 and 2021 and were higher in 2022 as continued development within the Township, and the completion of the of the triennial property tax revaluation, resulted in increased property tax receipts. Grants and entitlements not restricted to specific programs make up 9% of total receipts for 2022 and 2021 and include revenue from the State of Ohio (i.e., Local Government Funds, Homestead and Rollback allocation, etc.).

Disbursements for general government represent the overhead costs of running the Township and the support services provided for other government activities. These include the costs associated with providing Township administration, accounting, and planning & zoning.

Public safety represents the costs of police and fire protection and emergency medical services, which makes up 64% and 61% of the total disbursements for 2022 and 2021, respectively, and were higher in 2022 than in 2021 as the Township has been working to provided a higher level of Fire and EMS services to Township residents. Public Works includes the costs for the Road & Bridge Fund as well as the lighting districts and makes up 21% of the total disbursements for 2022 and 2021. Public health includes the cost to maintain the Township's Cemetery and the cost of responding to and mitigating the effects of the ongoing COVID-19 pandemic, and accordingly, public health expenses were significantly more in 2021 than in 2022. Conservation-Recreation includes the personnel and maintenance costs for all the Township's parks.

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for the protection and safety of the residents, both police and fire, which account for \$8,308,608 and \$7,052,294, or 64% and 61% of all governmental disbursements for 2022 and 2021, respectively. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The Net (Disbursements) Receipts column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement.

Hamilton Township
Warren County, Ohio
Management's Discussion and Analysis
Unaudited

A comparison between the total cost of services and the net cost of services for 2022 and 2021 is presented in Table 3.

(Table 3)
 Governmental Activities

	<u>Total Cost of Services 2022</u>	<u>Net Cost of Services 2022</u>	<u>Total Cost of Services 2021</u>	<u>Net Cost of Services 2021</u>
Current				
General Government	\$ 1,186,840	\$ 1,057,884	\$ 936,758	\$ 801,863
Public Safety	8,308,608	7,292,626	7,052,294	6,257,600
Public Works	2,779,968	1,950,991	2,369,752	1,556,438
Public Health	70,137	(1,225,839)	760,702	(574,623)
Conservation-Recreation	317,774	303,123	93,250	82,074
Debt Service				
Principal	218,070	218,070	213,070	213,070
Interest and Fiscal Charges	106,155	106,155	113,075	113,075
Total Disbursements	<u>\$ 12,987,552</u>	<u>\$ 9,703,010</u>	<u>\$ 11,538,901</u>	<u>\$ 8,449,497</u>

The dependence upon property tax and intergovernmental receipts is apparent as 75% and 73% of governmental activities are supported through these general receipts for 2022 and 2021, respectively.

The Township's Funds

Information about the Township's major funds is reported on the Statement of Assets and Fund Balances – Modified Cash Basis and the Statement of Receipts, Disbursements and Changes in Fund Balances – Modified Cash Basis. Total governmental funds had receipts of \$15,036,008 in 2022, while total disbursements were \$12,987,552.

The fund balance of the General Fund increased \$197,924 in 2022 as a result of the General Fund having a structurally balanced budget where revenues generally outpace expenses, which has been the case for some time.

General Fund Budgeting Highlights

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

The General Fund's final budgeted disbursements were \$1,972,299 while actual disbursements came in at \$1,880,322, which put the Township's disbursements under budget by 5%.

The General Fund's final budgeted receipts were \$1,571,745 while actual receipts came in at \$1,789,782, which resulted in a positive budget variance of 18%.

Hamilton Township
Warren County, Ohio
Management's Discussion and Analysis
Unaudited

Overall, the Township ended the year with \$373,014 more in the General Fund than what was estimated in the final budget.

Capital Assets and Debt Administration

Capital Assets - The Township maintains inventory records on the Township's capital equipment and performs routine updates. The Township does not report non-cash assets on the financial statements.

Debt - At December 31, 2022, the Township's outstanding debt totaled \$2,975,666. For further information regarding the Township's debt, refer to Note 8 to the basic financial statements.

Current Issues

The challenge for all townships is to provide quality services to the public while staying within the restrictions imposed by limited funding. The Township's financial condition improved during 2022. The Township intends to maintain this positive financial condition momentum by carefully monitoring the activity in all of the Township's funds and by taking actions necessary to keep our funds, and the Township as a whole, on stable financial ground.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to the Fiscal Office at 7780 South State Route 48, Hamilton Township, Ohio 45039.

Hamilton Township
Warren County, Ohio
Statement of Net Position - Modified Cash Basis
December, 31, 2022

	Governmental Activities
Assets	
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 17,756,070
<i>Total Assets</i>	\$ 17,756,070
Net Position	
Restricted for:	
Roads and Bridges	\$ 4,565,241
Health	2,588,296
Police Protection	3,608,104
Fire and EMS Services	4,095,925
Street Lighting	45,319
Unrestricted	2,853,185
<i>Total Net Position</i>	\$ 17,756,070

See accompanying notes to the basic financial statements

Hamilton Township
Warren County, Ohio
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2022

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities					
Current:					
General Government	\$ 1,186,840	\$ 128,456	\$ 500	\$ -	\$ (1,057,884)
Public Safety	8,308,608	972,514	43,468	-	(7,292,626)
Public Works	2,779,968	393,930	435,047	-	(1,950,991)
Public Health	70,137	42,495	1,253,481	-	1,225,839
Conservation-Recreation	317,774	14,651	-	-	(303,123)
Debt Service:					
Principal Retirement	218,070	-	-	-	(218,070)
Interest and Fiscal Charges	106,155	-	-	-	(106,155)
<i>Total Governmental Activities</i>	<u>\$ 12,987,552</u>	<u>\$ 1,552,046</u>	<u>\$ 1,732,496</u>	<u>\$ -</u>	<u>(9,703,010)</u>

General Receipts:	
Property and Other Taxes Levied for:	
General Purposes	1,037,316
Public Safety	6,824,659
Public Works	2,339,520
Grants and Entitlements not Restricted to Specific Programs	1,415,292
Sale of Capital Assets	12,000
Earnings on Investments	60,872
Miscellaneous	73,807
Total General Receipts	<u>11,763,466</u>
<i>Change in Net Position</i>	2,060,456
<i>Net Position Beginning of Year</i>	<u>15,695,614</u>
<i>Net Position End of Year</i>	<u>\$ 17,756,070</u>

See accompanying notes to the basic financial statements

Hamilton Township
Warren County, Ohio
Statement of Assets and Fund Balances - Modified Cash Basis
Governmental Funds
December 31, 2022

	General Fund	Police Fund	Fire and EMS Fund	Road and Bridge Fund	ARPA Fund	Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 2,853,185	\$ 3,580,562	\$ 3,632,237	\$ 2,158,843	\$ 2,478,662	\$ 3,052,581	\$ 17,756,070
Total Assets	\$ 2,853,185	\$ 3,580,562	\$ 3,632,237	\$ 2,158,843	\$ 2,478,662	\$ 3,052,581	\$ 17,756,070
Fund Balances							
Restricted							
Roads and Bridges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,406,398	\$ 2,406,398
Health	-	-	-	-	2,478,662	109,634	2,588,296
Police Protection	-	3,580,562	-	-	-	27,542	3,608,104
Fire and EMS Services	-	-	3,632,237	-	-	463,688	4,095,925
Street Lighting	-	-	-	-	-	45,319	45,319
Total Restricted	-	3,580,562	3,632,237	-	2,478,662	3,052,581	12,744,042
Committed							
Roads and Bridges	-	-	-	2,158,843	-	-	2,158,843
Total Committed	-	-	-	2,158,843	-	-	2,158,843
Assigned							
Following Year's Budget	385,863	-	-	-	-	-	385,863
Encumbrances	349,077	-	-	-	-	-	349,077
Total Assigned	734,940	-	-	-	-	-	734,940
Unassigned (Deficit)	2,118,245	-	-	-	-	-	2,118,245
Total Fund Balances	\$ 2,853,185	\$ 3,580,562	\$ 3,632,237	\$ 2,158,843	\$ 2,478,662	\$ 3,052,581	\$ 17,756,070

See accompanying notes to the basic financial statements

Hamilton Township
Warren County, Ohio
Statement of Receipts, Disbursements and Changes in Fund Balances - Modified Cash Basis
Governmental Funds
For the Year Ended December 31, 2022

	General Fund	Police Fund	Fire and EMS Fund	Road and Bridge Fund	ARPA Fund	Other Governmental Funds	Total Governmental Funds
Receipts							
Property and Other Local Taxes	\$ 1,037,316	\$ 3,206,865	\$ 3,617,794	\$ 1,170,254	\$ -	\$ 1,169,266	\$ 10,201,495
Charges for Services	24,909	234,576	-	-	-	612,598	872,083
Licenses, Permits and Fees	226,226	-	1,325	-	-	29,895	257,446
Fines and Forfeitures	-	39,186	-	-	-	7,489	46,675
Intergovernmental	440,090	340,627	368,172	166,725	1,253,481	448,895	3,017,990
Special Assessments	-	-	-	-	-	381,529	381,529
Earnings on Investments	36,050	-	88,926	24,303	-	24,822	60,872
Miscellaneous	25,191	36,905	88,926	24,303	-	22,593	197,918
Total Receipts	1,789,782	3,858,159	4,076,217	1,361,282	1,253,481	2,697,087	15,036,008
Disbursements							
Current:							
General Government	1,044,735	-	-	-	-	-	1,044,735
Public Safety	-	3,610,487	3,838,788	-	-	523,723	7,972,998
Public Works	-	-	-	960,857	-	1,647,377	2,608,234
Health	21,932	-	-	-	-	48,205	70,137
Conservation-Recreation	299,403	-	-	-	18,371	-	317,774
Capital Outlay	142,105	42,839	244,324	96,485	-	123,696	649,449
Debt Service:							
Principal Retirement	23,070	-	-	-	-	195,000	218,070
Interest and Fiscal Charges	-	-	-	-	-	106,155	106,155
Total Disbursements	1,531,245	3,653,326	4,083,112	1,057,342	18,371	2,644,156	12,987,552
Excess of Receipts Over (Under) Disbursements	258,537	204,833	(6,895)	303,940	1,235,110	52,931	2,048,456
Other Financing Sources (Uses)							
Sale of Capital Assets	-	12,000	-	-	-	-	12,000
Advances In	63,000	-	-	-	-	63,000	126,000
Advances Out	(63,000)	-	-	-	-	(63,000)	(126,000)
Transfers In	-	-	-	-	-	301,155	301,155
Transfers Out	(60,613)	(60,612)	(179,930)	-	-	-	(301,155)
Total Other Financing Sources (Uses)	(60,613)	(48,612)	(179,930)	-	-	301,155	12,000
Net Change in Fund Balances	197,924	156,221	(186,825)	303,940	1,235,110	354,086	2,060,456
Fund Balances Beginning of Year	2,655,261	3,424,341	3,819,062	1,854,903	1,243,552	2,698,495	15,695,614
Fund Balances End of Year	\$ 2,853,185	\$ 3,580,562	\$ 3,632,237	\$ 2,158,843	\$ 2,478,662	\$ 3,052,581	\$ 17,756,070

See accompanying notes to the basic financial statements

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

Hamilton Township, Warren County, Ohio (the Township), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, police and fire protection, emergency medical services, and cemetery maintenance.

Public Entity Risk Pool

The Township participates in a public entity risk pool. Note 5 to the financial statements provide additional information for this entity.

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

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

Government-Wide Financial Statements The statement of net position and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net position presents the cash and investment balances of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that are required to be used to support a

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a modified cash basis or draws from the Township's general receipts.

Fund Financial Statements During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental 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.

Fund Accounting

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are all categorized as governmental funds.

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

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

Police Fund: This fund accounts for proceeds from property taxes and other cash receipts restricted for police department operations and protection services.

Fire and EMS Fund: This fund accounts for proceeds from property taxes and other cash receipts restricted for fire department and life squad protection and emergency services.

Road and Bridge Fund: This fund accounts for proceeds from property taxes and other cash receipts restricted for road and bridge construction and maintenance.

ARPA Fund: This fund accounts for receipts received from the Federal Government to be used in accordance with The American Rescue Plan Act.

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

Basis of Accounting

The Township's financial statements are prepared using the modified cash basis of accounting. Receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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

Cash and Investments

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

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

During 2022, the Township invested in nonnegotiable certificates of deposit, U.S. Treasury Bills, U.S. Agency Notes and a money market mutual fund. The nonnegotiable certificates of deposit, U.S. Treasury Bills and U.S. Agency Notes are reported at cost. The Township's money market mutual fund investment is recorded at the amount reported by U.S. Bank on December 31, 2022.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2022 were \$36,050.

Inventory and Prepaid Items

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

Capital Assets

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

Interfund Receivables/Payables

The Township reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

Accumulated Leave

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

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 6 and 7, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

Long-Term Obligations

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

Leases

For 2022, GASB Statement No. 87, Leases was effective. This GASB pronouncement had no effect on beginning net position/fund balance.

The Township is the lessor/lessee (as defined by GASB 87) in various leases related to buildings, vehicles and other equipment under noncancelable leases. Lease receivables/payables are not reflected under the Township's modified cash basis of accounting. Lease revenue/disbursements are recognized when they are received/paid.

Net Position

Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes resources restricted for maintaining roads and bridges, cemeteries, police, fire and EMS, and street lighting.

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

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.

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Township Trustees. Those committed amounts cannot be used for any other purpose unless the Township Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Township Trustees, 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 Township for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute. State Statute authorizes the Township Fiscal Officer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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

The Township 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.

Internal Activity

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – Deposits and Investments

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

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

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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

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

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

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;
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 eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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 Township, 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 clerk/treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$11,975,759 of the Township's bank balance of \$13,955,653 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized.

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

Eligible securities pledged to the Township and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least one hundred five percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments

The fair value of the Township's investments is not materially different than measurement value. As of December 31, 2022, the Township had the following investments:

Investment Type	Measurement Value	Weighted Maturity (In Years)
U.S. Government Agency Notes	\$ 3,236,903	1.37
U.S. Treasury Bills	752,157	1.30
Money Market Mutual Fund	10,810	0.00
Total Investments	\$ 3,999,870	

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

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Credit Risk – The U.S. Government Agency Notes and U.S. Treasury Bills carry ratings of Aaa by Moody’s and AA+ by S&P. The Township has no investment policy dealing with investment credit risk beyond the requirements in state statutes.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Township’s investments are exposed to custodial credit risk as they are uninsured, unregistered, and held by the counterparty’s trust department or agent but not in the Township’s name.

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

Concentration of Credit Risk – The Township places no limit on the amount it may invest in any one issuer. At December 31, 2022, the U.S. Government Agency Notes and U.S Treasury Bills comprised 81% and 19% of the Township’s total investments, respectively.

Note 4 – Property Taxes

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

2022 real property taxes are 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 2023.

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 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 2023 with real property taxes.

The full tax rate for all Township operations for the year ended December 31, 2022, was \$18.68 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2022 property tax receipts were based are as follows:

Real Property Tax Assessed Valuation	\$ 1,023,232,150
Public Utility Personal Property Assessed Valuation	<u>29,730,160</u>
Total	<u>\$ 1,052,962,310</u>

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

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 5 – Risk Management

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker’s Compensation.

Risk Pool Membership

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the Township’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, 2021 (the most recent data available).

Total assets \$34,880,599

Total liabilities \$10,601,444

Self-Insurance

The Township provides optional health insurance for eligible employees through the Jefferson Health Plan (the Plan) which is a claims-servicing, self-insurance pool organized under Ohio Revised Code Chapter 167 for the purpose of establishing and carrying out a cooperative program to administer medical, prescription, vision and dental benefits for employees of the participating members and their eligible dependents. The Plan contracts with third-party administrators to process and pay health, dental, life and vision claims incurred by its members.

The Township is obligated to pay a monthly fee based on an estimate of its share of the Plan’s costs for the fiscal year. Included in this estimate are claims by eligible employees, which are payable by the Township, the Township’s share of the medical, prescription, vision and dental insurance premiums, and its proportionate share of the administrative costs of the Plan. The actual balance of the Township’s account is determined on a monthly basis and such balance is required to meet or exceed the claims that have been incurred but not reported (IBNR) and to maintain adequate reserves or current funding to meet or exceed its claims fluctuation reserve requirements. If the Township is in a deficit position, it has two fiscal years to make up the negative reserve amount or an insufficient IBNR and three fiscal years to make up insufficient claims fluctuation reserves.

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

The Township may withdraw from the Plan with as much notice as is possible for the termination, allowing the Plan time to determine any withdrawal balance owed to or by the Township. Any outstanding reserve balances are held by the Plan for a maximum period of six months to satisfy the payment of claims incurred before termination. The Township would then have the option to pay all claims incurred prior to the termination of membership so that any reserves could be released sooner. If the Township would be found to be in a deficit position and wishing to leave the Plan, it would be required to repay its deficit in full within 90 days of the effective withdrawal date. Additionally, such terminating member will be required to pay any claims incurred prior to termination notification.

The Township joined the Plan on September 1, 2016 and amounts paid to the Plan during 2022, 2021 and 2020 totaled \$1,097,644, \$831,508, and \$986,304, respectively.

Note 6 – Defined Benefit Pension Plan

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
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	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	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
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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.

Hamilton Township
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Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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

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

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

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2022 Statutory Maximum Contribution Rates			
Employer	14.0%	18.1%	18.1%
Employee (3)	10.0%	(1)	(2)
2022 Actual Contribution Rates			
Employer:			
Pension (4)	14.0%	18.1%	18.1%
Post-employment Health Care Benefits (4)	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>
Total Employer	<u>14.0%</u>	<u>18.1%</u>	<u>18.1%</u>
Employee	<u>10.0%</u>	<u>12.0%</u>	<u>13.0%</u>

- (1) This rate is determined by OPERS' Board and has no maximum rate established by ORC.
- (2) This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.
- (3) Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
- (4) These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Township's contractually required contribution was \$512,126 for 2022.

Plan Description – Ohio Police & Fire Pension Fund (OPF)

Plan Description – Township full-time firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF 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. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF 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 OPF may retire and receive a lifetime monthly pension. OPF 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.

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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 OPF's ACFR referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

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

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

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

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.

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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%

Employer contribution rates are expressed as a percentage of covered payroll. The Township's contractually required contribution to OPF was \$480,517 for 2022.

Note 7 - Postemployment Benefits

Ohio Public Employees Retirement System

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (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 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.

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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

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

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

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

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Township's contractually required contribution was \$0 for the year 2022.

Ohio Police and Fire Pension Fund

Plan Description – The Township contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined postemployment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. 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.

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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

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

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

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

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

The Township's contractually required contribution to OPF was \$10,307 for 2022.

Note 8 – Debt

A summary of the Township's long-term debt activity for the year ended December 31, 2022, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation:					
Series 2011 Bonds - 2% to 4%	\$ 555,000	\$ -	\$(100,000)	\$ 455,000	\$ 95,000
Series 2018 Bonds - 3.80%	2,235,000	-	(95,000)	2,140,000	100,000
OPWC Loan Payable - 0%	403,736	-	(23,070)	380,666	23,070
Total Governmental Activities	<u>\$ 3,193,736</u>	<u>\$ -</u>	<u>\$(218,070)</u>	<u>\$ 2,975,666</u>	<u>\$ 218,070</u>

The general obligation bonds and OPWC loan payable are supported by the full faith and credit of the Township and are payable from unvoted property tax receipts to the extent that other resources are not available to meet annual principal and interest payments.

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

The following is a summary of the Township's future annual debt service requirements:

	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	95,000	17,725	100,000	81,320
2024	95,000	14,400	105,000	77,520
2025	90,000	10,600	105,000	73,530
2026	90,000	7,000	110,000	69,540
2027	85,000	3,400	115,000	65,360
2028-2032	-	-	650,000	257,450
2033-2037	-	-	780,000	124,450
2038	-	-	175,000	6,650
Total	<u>\$ 455,000</u>	<u>\$ 53,125</u>	<u>\$ 2,140,000</u>	<u>\$ 755,820</u>

OPWC Loan Payable

	<u>Principal</u>	<u>Interest</u>
2023	23,070	-
2024	23,070	-
2025	23,070	-
2026	23,070	-
2027	23,070	-
2028-2032	115,350	-
2033-2037	115,350	-
2038	34,616	-
Total	<u>\$ 380,666</u>	<u>\$ -</u>

The Ohio Revised Code provides that net general obligation debt of the Township, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Township. The Revised Code further provides that total voted and unvoted net debt of the Township less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation. The effects of the debt limitations at December 31, 2022, were an overall debt margin of approximately \$111,000,000 and an unvoted debt margin of approximately \$58,000,000.

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 9 – Interfund Activity

Transfers

During 2022, the following transfers were made:

Transfer from Fund	Transfer to Fund	Amount
General Fund	Bond Retirement Fund	\$ 60,613
Police Fund	Bond Retirement Fund	60,612
Fire and EMS Special Levy Fund	Fire Station 76 Capital Project Fund	179,930
		\$ 301,155

The General Fund transferred \$60,613 to the Bond Retirement Fund to provide resources for current year debt service.

The Police Fund transferred \$60,612 to the Bond Retirement Fund for current year debt service related to the police department’s pro-rata use of the Township’s administration building.

The Fire and EMS Special Levy Fund transferred \$179,930 to the Fire Station 76 Capital Project Fund to provide resources for debt service payments for Fire Station 76.

Advances

During 2022, the General Fund advanced out \$63,000 to the Lighting District Special Revenue Fund to provide resources for current operating expenses. Also during 2022, the Lighting District Special Revenue Fund repaid this advance of \$63,000 to the General Fund.

Note 10 – Contingent Liabilities

The Township is defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, they believe the resolution of these matters will not materially adversely affect the Township’s financial condition.

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal, state and local governments. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 11 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2022, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

Supplementary Information

Hamilton Township
Warren County, Ohio
Schedule of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 946,965	\$ 946,965	\$ 1,037,316	\$ 90,351
Charges for Services	17,500	17,500	24,909	7,409
Licenses, Permits and Fees	225,494	225,494	226,226	732
Intergovernmental	326,786	326,786	440,090	113,304
Interest	40,000	40,000	36,050	(3,950)
Other	15,000	15,000	25,191	10,191
<i>Total Receipts</i>	<u>1,571,745</u>	<u>1,571,745</u>	<u>1,789,782</u>	<u>218,037</u>
Disbursements				
Current				
General Government				
Administration				
Personal Services	357,052	412,630	401,306	11,324
Other	773,460	832,015	785,980	46,035
Zoning				
Personal Services	126,000	63,000	52,618	10,382
Other	191,015	217,015	205,619	11,396
Health				
Other	21,932	21,932	21,932	-
Conservation and Recreation				
Personal Services	25,200	37,700	29,278	8,422
Other	363,006	364,937	360,519	4,418
Debt Service				
Principal Retirement	23,070	23,070	23,070	-
<i>Total Disbursements</i>	<u>1,880,735</u>	<u>1,972,299</u>	<u>1,880,322</u>	<u>91,977</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(308,990)</u>	<u>(400,554)</u>	<u>(90,540)</u>	<u>310,014</u>
Other Financing Sources (Uses)				
Advances In	-	-	63,000	63,000
Advances Out	-	(63,000)	(63,000)	-
Transfers Out	(60,613)	(60,613)	(60,613)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(60,613)</u>	<u>(123,613)</u>	<u>(60,613)</u>	<u>63,000</u>
<i>Net Change in Fund Balance</i>	(369,603)	(524,167)	(151,153)	373,014
<i>Fund Balance at Beginning of Year</i>	2,392,427	2,392,427	2,392,427	-
<i>Prior Year Encumbrances</i>	262,834	262,834	262,834	-
<i>Fund Balance at End of Year</i>	<u>\$ 2,285,658</u>	<u>\$ 2,131,094</u>	<u>\$ 2,504,108</u>	<u>\$ 373,014</u>

Hamilton Township
Warren County, Ohio
Schedule of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Police Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 3,055,348	\$ 3,055,348	\$ 3,206,865	\$ 151,517
Charges for Services	218,343	218,343	234,576	16,233
Fines and Forfeitures	22,000	22,000	39,186	17,186
Intergovernmental	346,041	346,041	340,627	(5,414)
Other	53,200	53,200	36,905	(16,295)
<i>Total Receipts</i>	<u>3,694,932</u>	<u>3,694,932</u>	<u>3,858,159</u>	<u>163,227</u>
Disbursements				
Current				
Public Safety				
Police Protection				
Personal Services	2,124,828	2,192,579	2,133,790	58,789
Other	1,628,555	1,712,580	1,703,239	9,341
<i>Total Disbursements</i>	<u>3,753,383</u>	<u>3,905,159</u>	<u>3,837,029</u>	<u>68,130</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(58,451)</u>	<u>(210,227)</u>	<u>21,130</u>	<u>231,357</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	12,000	12,000
Transfers Out	(60,613)	(60,613)	(60,612)	1
<i>Total Other Financing Sources (Uses)</i>	<u>(60,613)</u>	<u>(60,613)</u>	<u>(48,612)</u>	<u>12,001</u>
<i>Net Change in Fund Balance</i>	<u>(119,064)</u>	<u>(270,840)</u>	<u>(27,482)</u>	<u>243,358</u>
<i>Fund Balance at Beginning of Year</i>	3,196,233	3,196,233	3,196,233	-
<i>Prior Year Encumbrances</i>	<u>228,108</u>	<u>228,108</u>	<u>228,108</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 3,305,277</u>	<u>\$ 3,153,501</u>	<u>\$ 3,396,859</u>	<u>\$ 243,358</u>

Hamilton Township
Warren County, Ohio
Schedule of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Fire and EMS Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 3,410,086	\$ 3,410,086	\$ 3,617,794	\$ 207,708
Licenses, Permits and Fees	2,500	2,500	1,325	(1,175)
Intergovernmental	354,914	354,914	368,172	13,258
Other	134,900	134,900	88,926	(45,974)
<i>Total Receipts</i>	<u>3,902,400</u>	<u>3,902,400</u>	<u>4,076,217</u>	<u>173,817</u>
Disbursements				
Current				
Public Safety				
Fire and EMS Services				
Personal Services	2,250,078	2,350,078	2,326,625	23,453
Other	1,517,849	1,593,586	1,573,071	20,515
Capital Outlay	-	654,223	654,223	-
<i>Total Disbursements</i>	<u>3,767,927</u>	<u>4,597,887</u>	<u>4,553,919</u>	<u>43,968</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>134,473</u>	<u>(695,487)</u>	<u>(477,702)</u>	<u>217,785</u>
Other Financing Sources (Uses)				
Transfers Out	(179,930)	(179,930)	(179,930)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(179,930)</u>	<u>(179,930)</u>	<u>(179,930)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(45,457)	(875,417)	(657,632)	217,785
<i>Fund Balance at Beginning of Year</i>	3,601,184	3,601,184	3,601,184	-
<i>Prior Year Encumbrances</i>	<u>217,878</u>	<u>217,878</u>	<u>217,878</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 3,773,605</u>	<u>\$ 2,943,645</u>	<u>\$ 3,161,430</u>	<u>\$ 217,785</u>

Hamilton Township
Warren County, Ohio
Schedule of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Road and Bridge Fund
For the Year Ended December 31, 2022

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 1,076,489	\$ 1,076,489	\$ 1,170,254	\$ 93,765
Intergovernmental	164,011	164,011	166,725	2,714
Other	19,200	19,200	24,303	5,103
<i>Total Receipts</i>	<u>1,259,700</u>	<u>1,259,700</u>	<u>1,361,282</u>	<u>101,582</u>
Disbursements				
Current				
Public Works				
Roads and Bridges				
Personal Services	747,602	766,726	608,852	157,874
Other	627,828	643,797	623,335	20,462
Capital Outlay	97,000	97,000	96,485	515
<i>Total Disbursements</i>	<u>1,472,430</u>	<u>1,507,523</u>	<u>1,328,672</u>	<u>178,851</u>
<i>Net Change in Fund Balance</i>	(212,730)	(247,823)	32,610	280,433
<i>Fund Balance at Beginning of Year</i>	1,695,453	1,695,453	1,695,453	-
<i>Prior Year Encumbrances</i>	<u>159,450</u>	<u>159,450</u>	<u>159,450</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 1,642,173</u>	<u>\$ 1,607,080</u>	<u>\$ 1,887,513</u>	<u>\$ 280,433</u>

Hamilton Township
Warren County, Ohio
Schedule of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
ARPA Fund
For the Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	2,487,104	1,253,481	1,253,481	-
<i>Total Receipts</i>	<u>2,487,104</u>	<u>1,253,481</u>	<u>1,253,481</u>	-
Disbursements				
Current				
Conservation-Recreation				
Other	1,243,552	83,331	83,331	-
<i>Total Disbursements</i>	<u>1,243,552</u>	<u>83,331</u>	<u>83,331</u>	-
<i>Net Change in Fund Balance</i>	1,243,552	1,170,150	1,170,150	-
<i>Fund Balance at Beginning of Year</i>	<u>1,243,552</u>	<u>1,243,552</u>	<u>1,243,552</u>	-
<i>Fund Balance at End of Year</i>	<u>\$ 2,487,104</u>	<u>\$ 2,413,702</u>	<u>\$ 2,413,702</u>	<u>\$ -</u>

Hamilton Township
Warren County, Ohio
Notes to Supplementary Information
December 31, 2022

Note 1 – Budgetary Process

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

The appropriations ordinance is the Township’s authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, function, department, and object level for all funds.

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

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

Note 2 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Schedule of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the General, Police, Fire and EMS, Road and Bridge, and ARPA Funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the modified cash basis are outstanding year-end encumbrances, which are treated as disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (modified cash basis). The following table summarizes the adjustments necessary to reconcile the modified cash basis statements to the budgetary basis schedules.

	General	Police	Fire & EMS	Road and Bridge	ARPA
Change in Fund Balance - Cash Basis	\$ 197,924	\$ 156,221	\$ (186,825)	\$ 303,940	\$1,235,110
Encumbrances	<u>(349,077)</u>	<u>(183,703)</u>	<u>(470,807)</u>	<u>(271,330)</u>	<u>(64,960)</u>
Change in Fund Balance - Budgetary Basis	<u>\$ (151,153)</u>	<u>\$ (27,482)</u>	<u>\$ (657,632)</u>	<u>\$ 32,610</u>	<u>\$1,170,150</u>

Bastin & Company, LLC

Certified Public Accountants

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

Hamilton Township
Warren County
7780 South State Route 48
Maineville, Ohio 45039

To the Board of Trustees:

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 modified cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hamilton Township, Warren County, (the Township) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated June 14, 2023, wherein we noted the Township uses a special purpose framework other than generally accepted accounting principles.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township'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 Township's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township'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*.

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

Bastin & Company, LLC

Williamsburg, Ohio
June 14, 2023