



OHIO AUDITOR OF STATE
KEITH FABER



HAMILTON TOWNSHIP
WARREN COUNTY
DECEMBER 31, 2023

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Management's Discussion and Analysis	5
Financial Statements for the Year Ended December 31, 2023:	
Government-wide Financial Statements:	
Statement of Net Position-Modified Cash Basis	12
Statement of Activities – Modified Cash Basis.....	13
Fund Financial Statements:	
Statement of Assets and Fund Balances – Modified Cash Basis Governmental Funds	14
Statement of Receipts, Disbursements and Changes in Fund Balances – Modified Cash Basis Governmental Funds	15
Notes to the Basic Financial Statements	16
Supplementary Information:	
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual – Budget Basis General Fund.....	40
Police Fund.....	41
Fire and EMS Fund	42
Road and Bridge Fund	43
ARPA Fund.....	44
Notes to Supplementary Information.....	45
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	47

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

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 the Hamilton Township, Warren County, Ohio (the Township), as of and for the year ended December 31, 2023, 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, 2023, 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 – Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 for the purpose of forming opinions on the financial statements 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 is 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 in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the management's discussion & analysis but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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 January 13, 2025, 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.



Keith Faber
Auditor of State
Columbus, Ohio
January 13, 2025

This page intentionally left blank.

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, 2023, (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 2023 are as follows:

- The Township's general receipts are primarily property taxes and other local taxes. General receipts represent \$12,465,940 or 77 percent, of the total cash received for governmental activities during the year.
- The Township had \$14,682,029 in disbursements; only \$3,774,552 of these disbursements were offset by program specific charges for services and sales, grants and contributions.
- Net position of governmental activities increased \$1,558,463, or approximately 9 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 2023, 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 2023 and 2022 on the modified cash basis:

(Table 1)
Net Position

	Governmental Activities		
	2023	2022	Change
Assets			
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 19,314,533	\$ 17,756,070	\$ 1,558,463
Net Position			
Restricted for:			
Roads and Bridges	\$ 5,081,210	\$ 4,565,241	\$ 515,969
Health	2,590,698	2,588,296	2,402
Police Protection	3,751,514	3,608,104	143,410
Fire and EMS Services	4,531,540	4,095,925	435,615
Street Lighting	20,676	45,319	(24,643)
Conservation-Recreation	62,623	-	62,623
TIF Purposes	901,560	-	901,560
Unrestricted	2,374,712	2,853,185	(478,473)
Total Net Position	\$ 19,314,533	\$ 17,756,070	\$ 1,558,463

As mentioned previously, net position of governmental activities increased \$1,558,463, or approximately 9 percent, during 2023. The increase in net position in 2023 was due to the Township receiving increased receipts in 2023, primarily charges for services from the Township's new police impound lot and new shared fire tower as well as additional earnings from investments. 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 2023 and 2022.

(Table 2)
Change in Net Position

	Governmental Activities	
	2023	2022
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$ 2,375,393	\$ 1,552,046
Operating Grants and Contributions	511,920	1,732,496
Capital Grants and Contributions	887,239	-
Total Program Receipts	3,774,552	3,284,542
General Revenues:		
Property and Other Local Taxes	10,406,355	10,201,495
Grants and Entitlements not Restricted to Specific Programs	1,378,941	1,415,292
Sale of Capital Assets	0	12,000
Earnings on Investments	657,891	60,872
Miscellaneous	22,753	73,807
Total General Receipts	12,465,940	11,763,466
Total Receipts	16,240,492	15,048,008
Disbursements:		
Current		
General Government	1,306,539	1,186,840
Public Safety	9,250,304	8,308,608
Public Works	3,314,118	2,779,968
Public Health	67,569	70,137
Conservation-Recreation	426,384	317,774
Debt Service		
Principal	218,070	218,070
Interest and Fiscal Charges	99,045	106,155
Total Disbursements	14,682,029	12,987,552
Change in Net Position	1,558,463	2,060,456
Net Position at Beginning of Year	17,756,070	15,695,614
Net Position at End of Year	\$19,314,533	\$17,756,070

Program receipts represent only 23% of total receipts during 2023 and 2022 and are primarily comprised of restricted intergovernmental receipts such as state grants, zoning permits and inspection fees, cell tower fees, fines and forfeitures, charges for emergency medical services provided by the fire department, charges for services related to the police department's impound lot, charges for services provided by the

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

fire department for use of the fire department's fire tower, and intergovernmental payments received from the Warren County Port Authority connected to a development agreement requiring infrastructure improvements to be made near Grandin Road and SR 48.

General receipts represent 77% of the Township's total receipts during 2023 and 2022. Property and other local taxes comprised 83% and 86% of general receipts for 2023 and 2022, respectively, and were slightly higher in 2023 as continued development within the Township resulted in increased property tax receipts. Grants and entitlements not restricted to specific programs make up 8% and 9% of total receipts for 2023 and 2022, respectively, 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 63% and 64% of the total disbursements for 2023 and 2022, respectively, and were higher in 2023 than in 2022 as the Township has been working to provide 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 23% and 21% of the total disbursements for 2023 and 2022, respectively. Public health includes the cost to maintain the Township's Cemetery. 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 \$9,250,304 and \$8,308,608, or 63% and 64% of all governmental disbursements for 2023 and 2022, 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 2023 and 2022 is presented in Table 3.

(Table 3)
 Governmental Activities

	<u>Total Cost of Services 2023</u>	<u>Net Cost of Services 2023</u>	<u>Total Cost of Services 2022</u>	<u>Net Cost of Services 2022</u>
Current				
General Government	\$ 1,306,539	\$ 1,181,668	\$ 1,186,840	\$ 1,057,884
Public Safety	9,250,304	7,429,757	8,308,608	7,292,626
Public Works	3,314,118	1,560,785	2,779,968	1,950,991
Public Health	67,569	21,758	70,137	(1,225,839)
Conservation-Recreation	426,384	396,394	317,774	303,123
Debt Service				
Principal	218,070	218,070	218,070	218,070
Interest and Fiscal Charges	99,045	99,045	106,155	106,155
Total Disbursements	<u>\$ 14,682,029</u>	<u>\$ 10,907,477</u>	<u>\$ 12,987,552</u>	<u>\$ 9,703,010</u>

The dependence upon property tax and intergovernmental receipts is apparent as 74% and 75% of governmental activities are supported through these general receipts for 2023 and 2022, 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 \$16,240,492 in 2023, while total disbursements were \$14,682,029.

The fund balance of the General Fund decreased \$478,473 in 2023 primarily as a result of the General Fund providing support to the Fire and EMS Fund in the amount of \$545,608 through a transfer out, to support the increased level of Fire and EMS services the Township provided in 2023.

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 \$2,320,622 while actual disbursements came in at \$2,077,665, which put the Township's disbursements under budget by 10%.

The General Fund's final budgeted receipts were \$1,721,416 while actual receipts came in at \$2,088,666, which resulted in a positive budget variance of 21%.

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

Overall, the Township ended the year with \$610,207 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, 2023, the Township's outstanding debt totaled \$2,757,596. 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 2023. 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, 2023

	Governmental Activities
Assets	
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 19,314,533
<i>Total Assets</i>	<i>\$ 19,314,533</i>
 Net Position	
Restricted for:	
Roads and Bridges	\$ 5,081,210
Health	2,590,698
Police Protection	3,751,514
Fire and EMS Services	4,531,540
Street Lighting	20,676
TIF Purposes	901,560
Conservation-Recreation	62,623
Unrestricted	2,374,712
<i>Total Net Position</i>	<i>\$ 19,314,533</i>

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, 2023

	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	\$ 1,306,539	\$ 124,871	\$ -	\$ -	\$ (1,181,668)
Public Safety	9,250,304	1,777,323	43,224	-	(7,429,757)
Public Works	3,314,118	408,277	457,817	887,239	(1,560,785)
Public Health	67,569	45,811	-	-	(21,758)
Conservation-Recreation	426,384	19,111	10,879	-	(396,394)
Debt Service:					
Principal Retirement	218,070	-	-	-	(218,070)
Interest and Fiscal Charges	99,045	-	-	-	(99,045)
<i>Total Governmental Activities</i>	<u>\$ 14,682,029</u>	<u>\$ 2,375,393</u>	<u>\$ 511,920</u>	<u>\$ 887,239</u>	<u>(10,907,477)</u>
General Receipts:					
Property and Other Taxes Levied for:					
General Purposes					1,067,262
Public Safety					6,950,596
Public Works					2,388,497
Grants and Entitlements not Restricted to Specific Programs					1,378,941
Earnings on Investments					657,891
Miscellaneous					22,753
Total General Receipts					<u>12,465,940</u>
<i>Change in Net Position</i>					1,558,463
<i>Net Position Beginning of Year</i>					<u>17,756,070</u>
<i>Net Position End of Year</i>					<u>\$ 19,314,533</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, 2023

	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	\$ 2,374,712	\$ 3,716,096	\$ 4,034,138	\$ 2,301,909	\$ 2,470,420	\$ 4,417,258	\$ 19,314,533
<i>Total Assets</i>	<u>\$ 2,374,712</u>	<u>\$ 3,716,096</u>	<u>\$ 4,034,138</u>	<u>\$ 2,301,909</u>	<u>\$ 2,470,420</u>	<u>\$ 4,417,258</u>	<u>\$ 19,314,533</u>
Fund Balances							
Restricted							
Roads and Bridges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,779,301	\$ 2,779,301
Health	-	-	-	-	2,470,420	120,278	2,590,698
Police Protection	-	3,716,096	-	-	-	35,418	3,751,514
Fire and EMS Services	-	-	4,034,138	-	-	497,402	4,531,540
Street Lighting	-	-	-	-	-	20,676	20,676
TIF Purposes	-	-	-	-	-	901,560	901,560
Conservation-Recreation	-	-	-	-	-	62,623	62,623
Total Restricted	<u>-</u>	<u>3,716,096</u>	<u>4,034,138</u>	<u>-</u>	<u>2,470,420</u>	<u>4,417,258</u>	<u>14,637,912</u>
Committed							
Roads and Bridges	-	-	-	2,301,909	-	-	2,301,909
Total Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,301,909</u>	<u>-</u>	<u>-</u>	<u>2,301,909</u>
Assigned							
Following Year's Budget	464,657	-	-	-	-	-	464,657
Encumbrances	347,225	-	-	-	-	-	347,225
Total Assigned	<u>811,882</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>811,882</u>
Unassigned (Deficit)	<u>1,562,830</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,562,830</u>
<i>Total Fund Balances</i>	<u>\$ 2,374,712</u>	<u>\$ 3,716,096</u>	<u>\$ 4,034,138</u>	<u>\$ 2,301,909</u>	<u>\$ 2,470,420</u>	<u>\$ 4,417,258</u>	<u>\$ 19,314,533</u>

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, 2023

	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	\$ 1,067,262	\$ 3,258,021	\$ 3,692,575	\$ 1,249,197	\$ -	\$ 1,139,300	\$ 10,406,355
Charges for Services	29,291	345,649	408	8,550	-	655,981	1,039,879
Licenses, Permits and Fees	201,366	262,117	1,425	-	-	24,611	489,519
Fines and Forfeitures	-	65,752	-	-	-	13,528	79,280
Intergovernmental	379,934	337,774	734,269	106,122	-	1,441,633	2,999,732
Special Assessments	-	-	-	-	-	388,128	388,128
Earnings on Investments	378,702	-	-	-	-	279,189	657,891
Miscellaneous	32,111	33,743	79,630	15,279	-	18,945	179,708
<i>Total Receipts</i>	<u>2,088,666</u>	<u>4,303,056</u>	<u>4,508,307</u>	<u>1,379,148</u>	<u>-</u>	<u>3,961,315</u>	<u>16,240,492</u>
Disbursements							
Current:							
General Government	1,299,943	-	-	-	-	-	1,299,943
Public Safety	-	4,149,071	3,970,233	-	-	565,393	8,684,697
Public Works	-	-	-	1,173,053	-	2,062,766	3,235,819
Health	22,216	-	-	-	-	45,353	67,569
Conservation-Recreation	378,615	-	-	-	8,242	39,527	426,384
Capital Outlay	6,596	5,146	500,461	63,029	-	75,270	650,502
Debt Service:							
Principal Retirement	23,070	-	-	-	-	195,000	218,070
Interest and Fiscal Charges	-	-	-	-	-	99,045	99,045
<i>Total Disbursements</i>	<u>1,730,440</u>	<u>4,154,217</u>	<u>4,470,694</u>	<u>1,236,082</u>	<u>8,242</u>	<u>3,082,354</u>	<u>14,682,029</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>358,226</u>	<u>148,839</u>	<u>37,613</u>	<u>143,066</u>	<u>(8,242)</u>	<u>878,961</u>	<u>1,558,463</u>
Other Financing Sources (Uses)							
Advances In	129,650	-	-	-	-	271,321	400,971
Advances Out	(271,321)	-	-	-	-	(129,650)	(400,971)
Transfers In	-	43,057	545,608	-	-	344,045	932,710
Transfers Out	(695,028)	(56,362)	(181,320)	-	-	-	(932,710)
<i>Total Other Financing Sources (Uses)</i>	<u>(836,699)</u>	<u>(13,305)</u>	<u>364,288</u>	<u>-</u>	<u>-</u>	<u>485,716</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>(478,473)</u>	<u>135,534</u>	<u>401,901</u>	<u>143,066</u>	<u>(8,242)</u>	<u>1,364,677</u>	<u>1,558,463</u>
<i>Fund Balances Beginning of Year</i>	<u>2,853,185</u>	<u>3,580,562</u>	<u>3,632,237</u>	<u>2,158,843</u>	<u>2,478,662</u>	<u>3,052,581</u>	<u>17,756,070</u>
<i>Fund Balances End of Year</i>	<u>\$ 2,374,712</u>	<u>\$ 3,716,096</u>	<u>\$ 4,034,138</u>	<u>\$ 2,301,909</u>	<u>\$ 2,470,420</u>	<u>\$ 4,417,258</u>	<u>\$ 19,314,533</u>

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, 2023

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, 2023

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, 2023

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 2023, the Township invested in nonnegotiable certificates of deposit, U.S. Treasury Notes, U.S. Government Agency Notes, commercial paper, and money market mutual funds. The U.S. Treasury Notes, U.S. Government Agency Notes, and commercial paper are reported at cost. The Township’s money market mutual fund investments are recorded at the amounts reported by the custodians on December 31, 2023.

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 2023 were \$378,702.

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, 2023

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 and Subscription-Based Information Technology Arrangements (SBITA's)

For 2023, GASB Statement No. 96, *Subscription-Based Technology Arrangements*, 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/deferred inflow of resources and intangible right to use asset/lease payable are not reflected under the Township's modified cash basis of accounting. Lease revenue/disbursements are recognized when they are received/paid.

The Township has entered into noncancelable Subscription-Based Information Technology Arrangements (SBITA) contracts (as defined by GASB 96) for several types of software including contracts related to financial systems, scheduling, and various other software. Subscription assets/liabilities are not reflected under the Township's modified cash basis of accounting. Subscription disbursements are recognized when they are paid.

Settlement Monies

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. For 2023, receipts of \$8,224 are reflected as intergovernmental receipts in the OneOhio Special Revenue Fund in the accompanying financial statements.

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.

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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.

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.

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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.

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;

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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.

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, \$2,481,150 of the Township's bank balance of \$14,882,881 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.

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Investments

The fair value of the Township’s investments is not materially different than measurement value. As of December 31, 2023, the Township had the following investments:

Investment Type	Measurement Value	Weighted Maturity (In Years)
U.S. Government Agency Notes	\$ 2,127,123	1.66
U.S. Treasury Notes	618,391	1.36
Commercial Paper	1,739,384	0.30
Money Market Mutual Fund	253,971	0.00
Total Investments	\$ 4,738,869	

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.

Credit Risk – The U.S. Government Agency Notes and U.S. Treasury Notes carry ratings of Aaa by Moody’s and AA+ by S&P. The commercial paper carries ratings of P-1 by Moody’s and A-1 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, 2023, the U.S. Government Agency Notes, U.S Treasury Notes, and Commercial Paper comprised 45%, 13%, and 37% of the Township’s total investments, respectively.

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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 2023 for real and public utility property taxes represents collections of 2022 taxes.

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

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid 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. 2023 public utility property taxes which became a lien December 31, 2022, are levied after October 1, 2023, and are collected in 2024 with real property taxes.

The full tax rate for all Township operations for the year ended December 31, 2023, was \$18.68 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2023 property tax receipts were based are as follows:

Real Property Tax Assessed Valuation	\$ 1,063,896,460
Public Utility Personal Property Assessed Valuation	<u>33,751,080</u>
Total	<u>\$ 1,097,647,540</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, 2023

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, 2023.

Total assets \$33,494,457

Total liabilities \$10,885,549

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, 2023

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 2023, 2022 and 2021 totaled \$1,183,955, \$1,097,644, and \$831,508, 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. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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.

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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

	State and Local		Public Safety	Law Enforcement
	Traditional	Combined		
2023 Statutory Maximum Contribution Rates				
Employer	14.0%	14.0%	18.1%	18.1%
Employee (3)	10.0%	10.0%	(1)	(2)
2023 Actual Contribution Rates				
Employer:				
Pension (4)	14.0%	12.0%	18.1%	18.1%
Post-employment Health Care Benefits (4)	0.0%	2.0%	0.0%	0.0%
Total Employer	<u>14.0%</u>	<u>14.0%</u>	<u>18.1%</u>	<u>18.1%</u>
Employee	<u>10.0%</u>	<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; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Township's contractually required contribution was \$566,129 for 2023.

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.

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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.

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, statutory survivors and annuity beneficiaries. Members participating in the DROP program have separate eligibility requirements related to COLA.

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

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0% 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, 2023

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

	Police	Firefighters
2023 Statutory Maximum Contribution Rates		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
 2023 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 OP&F was \$514,796 for 2023.

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

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

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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

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

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

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

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

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

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

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

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

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

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

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

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

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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

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

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

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

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

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Township's contractually required contribution was \$0 for the year 2023.

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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.

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

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

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

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

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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 \$11,043 for 2023.

Note 8 – Debt

A summary of the Township's long-term debt activity for the year ended December 31, 2023, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation:					
Series 2011 Bonds - 2% to 4%	\$ 455,000	\$ -	\$ (95,000)	\$ 360,000	\$ 95,000
Series 2018 Bonds - 3.80%	2,140,000	-	(100,000)	2,040,000	105,000
OPWC Loan Payable - 0%	380,666	-	(23,070)	357,596	23,070
Total Governmental Activities	<u>\$ 2,975,666</u>	<u>\$ -</u>	<u>\$ (218,070)</u>	<u>\$ 2,757,596</u>	<u>\$ 223,070</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, 2023

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

	Series 2011 Bonds		Series 2018 Bonds	
	Principal	Interest	Principal	Interest
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	-	-	120,000	60,990
2029-2033	-	-	675,000	232,750
2034-2038	-	-	810,000	94,810
Total	\$ 360,000	\$ 35,400	\$ 2,040,000	\$ 674,500

OPWC Loan Payable		
	Principal	Interest
2024	\$ 23,070	\$ -
2025	23,070	-
2026	23,070	-
2027	23,070	-
2028	23,070	-
2029-2033	115,350	-
2034-2038	115,350	-
2039	11,546	-
Total	\$ 357,596	\$ -

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, 2023, were an overall debt margin of approximately \$115,000,000 and an unvoted debt margin of approximately \$60,000,000.

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 9 – Interfund Activity

Transfers

During 2023, the following transfers were made:

<u>Transfer from Fund</u>	<u>Transfer to Fund</u>	<u>Amount</u>
General Fund	Bond Retirement Fund	\$ 56,363
General Fund	Police Fund	43,057
General Fund	Fire and EMS Fund	545,608
General Fund	Natureworks Grant Fund	50,000
Fire and EMS Fund	Fire Station 76 Capital Project Fund	181,320
Police Fund	Bond Retirement Fund	56,362
		<u>\$ 932,710</u>

Transfers were used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; and to use unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Advances

During 2023, the following advances were made:

<u>Advance from Fund</u>	<u>Advance to Fund</u>	<u>Description</u>	<u>Amount</u>
General Fund	Lighting District Fund	Initial Advance	\$129,650
General Fund	Kroger TIF Fund	Initial Advance, Open at Year End	100,000
General Fund	Nature works Grant Fund	Initial Advance, Open at Year End	41,671
Lighting District Fund	General Fund	Repaid Advance	129,650
			<u>\$400,971</u>

Advances were used to provide working capital for operations or projects. Open advances at year end are expected to be repaid within one year.

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, 2023

Note 11 - Pledged Revenue, Cooperative Agreement and Revenue Bonds

In 2023, the Warren County Port Authority (Port Authority) issued Revenue Bonds pursuant to a Trust Indenture between the Port Authority and Huntington Bank National Association, as Trustee (Trustee). Principal and interest on the revenue bonds will be payable solely by the Port Authority from the revenues received pursuant to a cooperative agreement among the Port Authority, the Township, and the Developer. The Revenue Bonds of \$4,300,000 have a final maturity of December 1, 2054 and bear interest at 4.90%. The bonds were issued to pay the costs of certain public improvements constructed for the Developer in accordance with the requirements of a development agreement by and among the Developer, the Port Authority, and the Township. The Bonds are payable from revenues consisting primarily of financing payments as defined in cooperative the agreement. Pursuant to the cooperative agreement, the Port Authority is obligated to make financing payments, solely from the TIF Payments received by the Township, or County Treasurer, on behalf of the Port Authority. The Township has assigned TIF Payments to the Port Authority and directed those to be paid directly to the Trustee on behalf of the Port Authority. As of December 31, 2023, no TIF payments have been received nor have any payments been made to the Port Authority. The revenue bonds were set up as draw bonds, with a maximum issuance amount of \$4,300,000, with \$2,086,732 outstanding at December 31, 2023, including capitalized interest. Principal and interest payments commence by the Port Authority on June 1, 2025, with a final maturity of December 1, 2054. The Township has no financial obligation connected to these Port Authority issued revenue bonds beyond collecting and turning over TIF payments.

Based on the debt maturity schedule, and other fiscal charges connected to the debt issuance, the Township's TIF revenues are pledged to the Port Authority to the extent listed in the table below.

	Principal	Interest	Fiscal Charges	Total Pledged TIF Receipts
2024	\$ -	\$ -	\$ -	\$ -
2025	35,000	210,333	25,024	\$ 270,357
2026	85,000	208,005	24,858	\$ 317,863
2027	90,000	203,840	24,560	\$ 318,400
2028	95,000	199,185	24,228	\$ 318,413
2029-2033	565,000	916,300	115,450	\$ 1,596,750
2034-2038	605,000	772,975	105,213	\$ 1,483,188
2039-2043	670,000	621,320	94,380	\$ 1,385,700
2044-2048	830,000	440,265	81,448	\$ 1,351,713
2049-2053	970,000	219,153	65,654	\$ 1,254,807
2054	355,000	12,985	10,928	\$ 378,913
Total	\$ 4,300,000	\$ 3,804,361	\$ 571,743	\$ 8,676,104

Note 12 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. The Township will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

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, 2023*

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 987,225	\$ 987,225	\$ 1,067,262	\$ 80,037
Charges for Services	21,250	21,250	29,291	8,041
Licenses, Permits and Fees	250,500	250,500	201,366	(49,134)
Intergovernmental	369,279	369,279	379,934	10,655
Interest	40,000	40,000	378,702	338,702
Other	53,162	53,162	32,111	(21,051)
<i>Total Receipts</i>	<u>1,721,416</u>	<u>1,721,416</u>	<u>2,088,666</u>	<u>367,250</u>
Disbursements				
Current				
General Government				
Administration				
Personal Services	434,070	460,916	436,757	24,159
Other	890,260	897,980	748,016	149,964
Zoning				
Personal Services	57,600	65,095	62,315	2,780
Other	246,728	328,430	328,001	429
Health				
Other	22,526	22,526	22,216	310
Conservation and Recreation				
Personal Services	102,868	102,868	88,546	14,322
Other	374,137	419,737	368,744	50,993
Debt Service				
Principal Retirement	23,070	23,070	23,070	-
<i>Total Disbursements</i>	<u>2,151,259</u>	<u>2,320,622</u>	<u>2,077,665</u>	<u>242,957</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(429,843)</u>	<u>(599,206)</u>	<u>11,001</u>	<u>610,207</u>
Other Financing Sources (Uses)				
Advances In	-	129,650	129,650	-
Advances Out	-	(271,321)	(271,321)	-
Transfers Out	(56,363)	(695,028)	(695,028)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(56,363)</u>	<u>(836,699)</u>	<u>(836,699)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(486,206)	(1,435,905)	(825,698)	610,207
<i>Fund Balance at Beginning of Year</i>	2,504,108	2,504,108	2,504,108	-
<i>Prior Year Encumbrances</i>	<u>349,077</u>	<u>349,077</u>	<u>349,077</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 2,366,979</u>	<u>\$ 1,417,280</u>	<u>\$ 2,027,487</u>	<u>\$ 610,207</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, 2023*

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 3,090,348	\$ 3,090,348	\$ 3,258,021	\$ 167,673
Charges for Services	297,076	297,076	345,649	48,573
Licenses, Permits and Fees	42,839	42,839	262,117	219,278
Fines and Forfeitures	22,000	22,000	65,752	43,752
Intergovernmental	341,041	341,041	337,774	(3,267)
Other	53,776	53,776	33,743	(20,033)
<i>Total Receipts</i>	<u>3,847,080</u>	<u>3,847,080</u>	<u>4,303,056</u>	<u>455,976</u>
Disbursements				
Current				
Public Safety				
Police Protection				
Personal Services	2,402,011	2,602,011	2,408,452	193,559
Other	1,622,950	1,902,867	1,833,539	69,328
<i>Total Disbursements</i>	<u>4,024,961</u>	<u>4,504,878</u>	<u>4,241,991</u>	<u>262,887</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(177,881)</u>	<u>(657,798)</u>	<u>61,065</u>	<u>718,863</u>
Other Financing Sources (Uses)				
Transfers In	-	-	43,057	43,057
Transfers Out	(56,363)	(56,363)	(56,362)	1
<i>Total Other Financing Sources (Uses)</i>	<u>(56,363)</u>	<u>(56,363)</u>	<u>(13,305)</u>	<u>43,058</u>
<i>Net Change in Fund Balance</i>	(234,244)	(714,161)	47,760	761,921
<i>Fund Balance at Beginning of Year</i>	3,396,859	3,396,859	3,396,859	-
<i>Prior Year Encumbrances</i>	<u>183,703</u>	<u>183,703</u>	<u>183,703</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 3,346,318</u>	<u>\$ 2,866,401</u>	<u>\$ 3,628,322</u>	<u>\$ 761,921</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, 2023*

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 3,491,086	\$ 3,491,086	\$ 3,692,575	\$ 201,489
Charges for Services	-	-	408	408
Licenses, Permits and Fees	2,500	2,500	1,425	(1,075)
Intergovernmental	708,706	708,706	734,269	25,563
Other	103,120	103,120	79,630	(23,490)
<i>Total Receipts</i>	<u>4,305,412</u>	<u>4,305,412</u>	<u>4,508,307</u>	<u>202,895</u>
Disbursements				
Current				
Public Safety				
Fire and EMS Services				
Personal Services	2,350,000	2,490,000	2,469,083	20,917
Other	1,708,252	2,522,226	2,428,586	93,640
Capital Outlay	453,259	514,163	514,163	-
<i>Total Disbursements</i>	<u>4,511,511</u>	<u>5,526,389</u>	<u>5,411,832</u>	<u>114,557</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(206,099)</u>	<u>(1,220,977)</u>	<u>(903,525)</u>	<u>317,452</u>
Other Financing Sources (Uses)				
Transfers In	-	500,000	545,608	45,608
Transfers Out	(181,320)	(181,320)	(181,320)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(181,320)</u>	<u>318,680</u>	<u>364,288</u>	<u>45,608</u>
<i>Net Change in Fund Balance</i>	(387,419)	(902,297)	(539,237)	363,060
<i>Fund Balance at Beginning of Year</i>	3,161,430	3,161,430	3,161,430	-
<i>Prior Year Encumbrances</i>	<u>470,807</u>	<u>470,807</u>	<u>470,807</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 3,244,818</u>	<u>\$ 2,729,940</u>	<u>\$ 3,093,000</u>	<u>\$ 363,060</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, 2023*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 1,118,500	\$ 1,118,500	\$ 1,249,197	\$ 130,697
Charges for Services	-	-	8,550	8,550
Intergovernmental	172,000	172,000	106,122	(65,878)
Other	22,500	22,500	15,279	(7,221)
<i>Total Receipts</i>	<u>1,313,000</u>	<u>1,313,000</u>	<u>1,379,148</u>	<u>66,148</u>
Disbursements				
Current				
Public Works				
Roads and Bridges				
Personal Services	823,274	823,274	503,652	319,622
Other	664,592	966,667	922,109	44,558
Capital Outlay	70,000	70,000	70,000	-
<i>Total Disbursements</i>	<u>1,557,866</u>	<u>1,859,941</u>	<u>1,495,761</u>	<u>364,180</u>
<i>Net Change in Fund Balance</i>	(244,866)	(546,941)	(116,613)	430,328
<i>Fund Balance at Beginning of Year</i>	1,887,513	1,887,513	1,887,513	-
<i>Prior Year Encumbrances</i>	<u>271,330</u>	<u>271,330</u>	<u>271,330</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 1,913,977</u>	<u>\$ 1,611,902</u>	<u>\$ 2,042,230</u>	<u>\$ 430,328</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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Total Receipts	-	-	-	-
Disbursements				
Current				
General Government				
Other	375,000	-	-	-
Public Safety				
Fire and EMS Services				
Other	-	1,000,000	1,000,000	-
Conservation-Recreation				
Other	-	375,000	375,000	-
<i>Total Disbursements</i>	<u>375,000</u>	<u>1,375,000</u>	<u>1,375,000</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(375,000)	(1,375,000)	(1,375,000)	-
<i>Fund Balance at Beginning of Year</i>	2,413,702	2,413,702	2,413,702	-
<i>Prior Year Encumbrances</i>	<u>64,960</u>	<u>64,960</u>	<u>64,960</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 2,103,662</u>	<u>\$ 1,103,662</u>	<u>\$ 1,103,662</u>	<u>\$ -</u>

Hamilton Township
Warren County, Ohio
Notes to Supplementary Information
December 31, 2023

Note 1 – Budgetary Process

All funds, except custodial 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.

	<u>General</u>	<u>Police</u>	<u>Fire & EMS</u>	<u>Road and Bridge</u>	<u>ARPA</u>
Change in Fund Balance - Cash Basis	\$ (478,473)	\$ 135,534	\$ 401,901	\$ 143,066	\$ (8,242)
Encumbrances	<u>(347,225)</u>	<u>(87,774)</u>	<u>(941,138)</u>	<u>(259,679)</u>	<u>(1,366,758)</u>
Change in Fund Balance - Budgetary Basis	<u>\$ (825,698)</u>	<u>\$ 47,760</u>	<u>\$ (539,237)</u>	<u>\$ (116,613)</u>	<u>\$ (1,375,000)</u>

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

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 the 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, Ohio (the Township) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated January 13, 2025, 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 purpose of expressing our opinions 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.



Keith Faber
Auditor of State
Columbus, Ohio
January 13, 2025

OHIO AUDITOR OF STATE KEITH FABER



HAMILTON TOWNSHIP

WARREN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 1/30/2025

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

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