



PERRY

& Associates CPAs

PASSION *Beyond the Numbers*

**WHITEWATER TOWNSHIP
HAMILTON COUNTY
REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2022 - 2021**

OHIO AUDITOR OF STATE
KEITH FABER



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Board of Trustees
Whitewater Township
6101 Dry Fork Road
Cleves, Ohio 45002

We have reviewed the *Independent Auditor's Report* of Whitewater Township, Hamilton County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2021 through December 31, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Keith Faber
Auditor of State
Columbus, Ohio

August 04, 2023

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WHITEWATER TOWNSHIP
HAMILTON COUNTY

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INDEPENDENT AUDITOR'S REPORT

Whitewater Township
Hamilton County
6101 Dry Fork Road
Cleves, Ohio 45002

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Whitewater Township, Hamilton County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2022 and 2021, or the changes in financial position thereof for the years then ended.

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.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. 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 the financial audit standards in the Comptroller General of the United States' *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.

Other Reporting Required by Government Auditing Standards

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



Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

June 1, 2023

**WHITEWATER TOWNSHIP
HAMILTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2022**

| | General | Special Revenue | Capital Projects | Combined Total |
|---|-------------------|---------------------|---------------------|---------------------|
| Cash Receipts | | | | |
| Property and Other Local Taxes | \$ 489,317 | \$ 1,760,505 | \$ - | \$ 2,249,822 |
| Charges for Services | - | 237,913 | - | 237,913 |
| Licenses, Permits and Fees | 64,089 | - | - | 64,089 |
| Fines and Forfeitures | 4,061 | - | - | 4,061 |
| Intergovernmental | 112,201 | 550,975 | 49,783 | 712,959 |
| Earnings on Investments | 38,203 | 16,477 | - | 54,680 |
| Miscellaneous | 61,123 | 9,115 | - | 70,238 |
| <i>Total Cash Receipts</i> | <u>768,994</u> | <u>2,574,985</u> | <u>49,783</u> | <u>3,393,762</u> |
| Cash Disbursements | | | | |
| Current: | | | | |
| General Government | 566,748 | 27,729 | - | 594,477 |
| Public Safety | - | 1,769,617 | - | 1,769,617 |
| Public Works | 18,584 | 118,890 | - | 137,474 |
| Health | 9,855 | - | - | 9,855 |
| Human Services | 3,681 | - | - | 3,681 |
| Capital Outlay | 99,999 | - | 23,315 | 123,314 |
| Debt Service: | | | | |
| Principal Retirement | - | 71,314 | - | 71,314 |
| Interest and Fiscal Charges | - | 13,558 | - | 13,558 |
| <i>Total Cash Disbursements</i> | <u>698,867</u> | <u>2,001,108</u> | <u>23,315</u> | <u>2,723,290</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>70,127</u> | <u>573,877</u> | <u>26,468</u> | <u>670,472</u> |
| Other Financing Receipts (Disbursements) | | | | |
| Sale of Capital Assets | - | 9,250 | - | 9,250 |
| Advances In | - | - | 18,677 | 18,677 |
| Advances Out | (18,677) | - | - | (18,677) |
| Other Financing Uses | - | (141,893) | - | (141,893) |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>(18,677)</u> | <u>(132,643)</u> | <u>18,677</u> | <u>(132,643)</u> |
| <i>Net Change in Fund Cash Balances</i> | 51,450 | 441,234 | 45,145 | 537,829 |
| <i>Fund Cash Balances, January 1</i> | <u>770,077</u> | <u>3,693,728</u> | <u>3,300</u> | <u>4,467,105</u> |
| <i>Fund Cash Balances, December 31</i> | <u>\$ 821,527</u> | <u>\$ 4,134,962</u> | <u>\$ 48,445</u> | <u>\$ 5,004,934</u> |

The notes to the financial statements are an integral part of this statement.

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

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Whitewater Township, Hamilton County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides general government services, including road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township is a member of the Western Joint Ambulance District. The Western Joint Ambulance District is funded by an independent levy to provide Paramedic Emergency Medical Services, in addition to the services provided by the Township Fire Department.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Township participates in a jointly governed organization, a joint venture, and a public entity risk pool. Notes 6, 11, and 12 to the financial statements provide additional information for these entities. 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

Basis of Presentation

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all organized on a fund type basis.

Fund Accounting

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

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

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

Gas Tax Fund The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Motor Vehicle License Tax Fund - The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

Fire District Fund – This fund receives property tax money to provide fire protection and emergency medical services to Township residents.

Road and Bridge Fund – This fund receives property tax money to pay for constructing, maintaining and repairing Township roads.

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

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project funds:

OPWC Project Fund – The OPWC project fund receives OPWC grant funding for various road projects.

Community Development Block Grant Project Fund – The Community Development Block Grant program funds various improvements to buildings and equipment.

Basis of Accounting

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

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

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

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

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

Encumbrances The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled and reappropriated in the subsequent year.

A summary of 2022 budgetary activity appears in Note 3.

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

Note 2 – Summary of Significant Accounting Policies (Continued)

Deposits and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Money market mutual funds (including STAR Ohio and Star Plus) are recorded at share values the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

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

Accumulated Leave

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

Leases

The Township is the lessor in various leases related to buildings, vehicles, and other equipment, under noncancelable leases. Lease revenue/disbursements are recognized when they are received/paid.

Fund Balance

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

Nonspendable The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

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

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

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

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

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

The 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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2022 follows:

| 2022 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|---------------------|------------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$ 757,907 | \$ 768,994 | \$ 11,087 |
| Special Revenue | 2,558,577 | 2,584,235 | 25,658 |
| Capital Projects | 49,783 | 49,783 | - |
| Total | \$ 3,366,267 | \$ 3,403,012 | \$ 36,745 |

| 2022 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|---------------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$ 1,189,700 | \$ 698,867 | \$ 490,833 |
| Special Revenue | 5,137,671 | 2,001,108 | 3,136,563 |
| Capital Projects | 21,977 | 23,315 | (1,338) |
| Total | \$ 6,349,348 | \$ 2,723,290 | \$ 3,626,058 |

Note 4 – Deposits and Investments

To improve cash management, cash received by the Township is pooled. Monies for all fund are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township's deposit and investment accounts are as follows:

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

Note 4 – Deposits and Investments (Continued)

| | 2022 |
|--|--------------------|
| Demand deposits | \$249,924 |
| Total deposits | 249,924 |
| STAR Ohio | 3,284,275 |
| RedTree Investment Group | 1,470,735 |
| Total investments | 4,755,010 |
| <i>Total carrying amount of deposits and investments held in the Pool (ties to FS)</i> | <i>\$5,004,934</i> |

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the Township is holding \$20,359 in unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through 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.

Investments

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

Note 5 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

The County is responsible for assessing property and for billing, collecting, and distributing all property taxes on behalf of the Township.

Note 6 – Risk Management

Workers' Compensation

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

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

Note 6 – Risk Management (Continued)

Risk Pool Membership

The Township belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2010 (through October 31, 2017), the corridor is for losses paid is between 60% and 70% of casualty premiums earned in the first \$250,000. Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and remain unchanged effective November 1, 2022 and November 1, 2020. OPRM had 769 members as of December 31, 2022.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2021 (the latest information available):

| | |
|-----------------------|---------------------|
| | <u>2021</u> |
| Cash and investments | \$21,777,439 |
| Actuarial liabilities | <u>(15,037,383)</u> |
| Members' Equity | \$ 6,740,056 |

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Note 7– Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Township employees, with the exception of full time fire department personnel, belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2022.

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

Note 7– Defined Benefit Pension Plans (Continued)

Ohio Police and Fire Retirement System

Township certified Fire Fighters belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.5 percent of their wages. The Township contributed to OP&F an amount equal to 24 percent of full-time fire fighters’ wages.. The Township has paid all contributions required through December 31, 2022.

Social Security

Some Township employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2022.

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

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

Note 9 – Debt

Debt outstanding at December 31, 2022, was as follows:

| | Principal | Interest Rate |
|----------------------|------------|---------------|
| 2020 E-One Firetruck | \$ 401,908 | 2.87% |
| Total | \$ 401,908 | |

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

Note 9 – Debt (Continued)

Financed Purchases

The Township has entered into financed purchases agreements for vehicles where ownership of the underlying asset transfers to the Township by the end of the contract. The Township disbursed \$84,873 to pay these costs for the fiscal year ended June 30, 2022.

Amortization

Amortization of the above debt, including interest, is scheduled as follows:

| Year Ending December 31: | Leases |
|-----------------------------|-------------------|
| 2023 | \$ 56,941 |
| 2024 | 56,941 |
| 2025 | 56,941 |
| 2026 | 56,941 |
| 2027 | 56,941 |
| 2028-2030 | 170,823 |
| Total | <u>\$ 455,528</u> |

Note 10 – Contingent Liabilities

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

Note 11 – Joint Ventures

Western Joint Ambulance District

The Western Joint Ambulance District, known locally as West JAD, is a multi-community tiered Paramedic service founded by the community leaders and the local fire chiefs to provide advanced life support to our community residents and visitors in conjunction with the local fire departments and emergency medical services. West JAD was established in November of 1995 and began operations on the street on July 1, 1996. The original communities participating were the Village of Cleves, Crosby, Whitewater and Harrison Townships and the City of Harrison. The District was designed to provide advanced care to all of the patients in the geographic area by sharing services and expenses until each community chose to provide the paramedic level of protection individually.

As of 2016, Whitewater Township and Crosby Township are the only communities participating as members of West JAD. The funding for West JAD comes from a levy approved by the voters of the member communities. The levy set at 2.25 mils, and generates approximately \$347,000 annually.

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

Note 11 – Joint Ventures (Continued)

Western Joint Ambulance District (Continued)

The current organization is managed and governed as follows:

2022 OFFICERS

Chief - Nadine Swift

Captain - Jim Corbin

Medical Director - Dr. Matthew Birkle

2022 BOARD MEMBERS

William Pope - Whitewater Township

Doug Lohman- Crosby Township

Patty McDonald – Whitewater Township

Gwen Lawhorn – At Large

Bruce Downard - Crosby Township

Clerk - Robert Grauvogel

Legal Advisor - William Deters

2022 ADVISORY BOARD

Chief Jason Davis - Crosby Fire Department

Chief Scott Schorsch - Whitewater Fire Department

Note 12 – Jointly Governed Organizations

As set by Ohio Law, ORC Chapter 3701-36 “Local Health Departments”, Whitewater Township is a member of the Hamilton County General Health District. The Health District, DBA: Hamilton County Public Health serves 45 communities located within the County. All of the Townships and Villages which are a part of the Health District, as defined in ORC. 3709.01 “Health Districts”, have a representative to the District Advisory Council, which appoints the 5 members of the Board of Health.

Hamilton County Public Health is governed by a five-member Board of Health and day-to-day functions are carried out by the Health Commissioner. The Board has the authority to adopt rules, regulations and resolutions, which have the same status as law, and to enact policies within Hamilton County Public Health.

Board members are appointed to five-year, overlapping terms and at least one member must be a physician. According to Ohio Revised Code, all appointments to the Board of Health must be made with due regard to equal representation of all parts of the jurisdiction served by Hamilton County Public Health.

In March of each year, the Board reorganizes, electing new officers, and setting the time and location for the next year's meetings.

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

Note 13– Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. The Township had no outstanding encumbrances at December 31, 2022.

The fund balance of special revenue funds is either restricted or committed. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed, we noted that this is \$0. The fund balance of the capital projects funds are restricted, committed, or assigned. In the general fund, outstanding encumbrances are considered assigned.

Note 14 – 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 continues. During 2022, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. The Township's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

**WHITEWATER TOWNSHIP
HAMILTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2021**

| | General | Special Revenue | Capital Projects | Totals (Memorandum Only) |
|---|-------------------|---------------------|---------------------|--------------------------------|
| Cash Receipts | | | | |
| Property and Other Local Taxes | \$ 478,718 | \$ 1,725,324 | \$ - | \$ 2,204,042 |
| Charges for Services | - | 229,178 | - | 229,178 |
| Licenses, Permits and Fees | 64,077 | - | - | 64,077 |
| Fines and Forfeitures | 6,116 | - | - | 6,116 |
| Intergovernmental | 105,520 | 575,682 | 47,929 | 729,131 |
| Earnings on Investments | 13,010 | 6,006 | - | 19,016 |
| Miscellaneous | 89,754 | 34,931 | - | 124,685 |
| <i>Total Cash Receipts</i> | <u>757,195</u> | <u>2,571,121</u> | <u>47,929</u> | <u>3,376,245</u> |
| Cash Disbursements | | | | |
| Current: | | | | |
| General Government | 494,021 | 177,377 | - | 671,398 |
| Public Safety | - | 1,727,596 | - | 1,727,596 |
| Public Works | 21,460 | 96,531 | - | 117,991 |
| Health | 11,306 | - | - | 11,306 |
| Human Services | 710 | - | - | 710 |
| Capital Outlay | - | 21,000 | 70,629 | 91,629 |
| <i>Total Cash Disbursements</i> | <u>527,497</u> | <u>2,022,504</u> | <u>70,629</u> | <u>2,620,630</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>229,698</u> | <u>548,617</u> | <u>(22,700)</u> | <u>755,615</u> |
| Other Financing Receipts (Disbursements) | | | | |
| Advances In | 20,000 | - | 46,000 | 66,000 |
| Advances Out | (46,000) | - | (20,000) | (66,000) |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>(26,000)</u> | <u>-</u> | <u>26,000</u> | <u>-</u> |
| <i>Net Change in Fund Cash Balances</i> | 203,698 | 548,617 | 3,300 | 755,615 |
| <i>Fund Cash Balances, January 1</i> | <u>566,379</u> | <u>3,145,111</u> | <u>-</u> | <u>3,711,490</u> |
| <i>Fund Cash Balances, December 31</i> | <u>\$ 770,077</u> | <u>\$ 3,693,728</u> | <u>\$ 3,300</u> | <u>\$ 4,467,105</u> |

The notes to the financial statements are an integral part of this statement.

Whitewater Township
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Whitewater Township, Hamilton County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides general government services, including road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township is a member of the Western Joint Ambulance District. The Western Joint Ambulance District is funded by an independent levy to provide Paramedic Emergency Medical Services, in addition to the services provided by the Township Fire Department.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Township participates in a jointly governed organization, a joint venture, and a public entity risk pool. Notes 6, 11 and 12 to the financial statements provide additional information for these entities. 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

Basis of Presentation

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

Fund Accounting

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

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

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

Gas Tax Fund The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Road and Bridge Fund – This fund receives property tax money to pay for constructing, maintaining and repairing Township roads.

Fire District Fund – This fund receives property tax money to provide fire protection and emergency medical services to Township residents.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project funds:

OPWC Project Fund – The OPWC project fund receives OPWC grant funding for various road projects.

Whitewater Township
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Community Development Block Grant Project Fund – The Community Development Block Grant program funds various improvements to buildings and equipment.

Basis of Accounting

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

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

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

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

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

Encumbrances The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2021 budgetary activity appears in Note 3.

Deposits and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Money market mutual funds (including STAR Ohio and Star Plus) are recorded at share values the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

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

Whitewater Township
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

Accumulated Leave

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

Fund Balance

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

Nonspendable The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

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

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

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

The 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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

Whitewater Township
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2021 follows:

| 2021 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|---------------------|-------------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$ 593,967 | \$ 757,195 | \$ 163,228 |
| Special Revenue | 2,384,745 | 2,571,121 | 186,376 |
| Capital Projects | 100,000 | 47,929 | (52,071) |
| Total | <u>\$ 3,078,712</u> | <u>\$ 3,376,245</u> | <u>\$ 297,533</u> |

| 2021 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|---------------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$ 763,095 | \$ 527,497 | \$ 235,598 |
| Special Revenue | 4,396,970 | 2,022,504 | 2,374,466 |
| Capital Projects | 100,000 | 70,629 | 29,371 |
| Total | <u>\$ 5,260,065</u> | <u>\$ 2,620,630</u> | <u>\$ 2,639,435</u> |

Note 4 – Deposits and Investments

To improve cash management, cash received by the Township is pooled. Monies for all fund are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township's deposit and investment accounts are as follows:

| | 2021 |
|--|--------------------|
| Demand deposits | \$1,365,608 |
| Total deposits | 1,365,608 |
| STAR Ohio | 2,042,185 |
| RedTree Investment Group | 1,059,312 |
| Total investments | 3,101,497 |
| <i>Total carrying amount of deposits and investments held in the Pool (ties to FS)</i> | <u>\$4,467,105</u> |

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2021, the Township is holding \$16,706 in unremitted employee payroll withholdings.

Whitewater Township
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 4 – Deposits and Investments (Continued)

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through 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.

Investments

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

Note 5 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

The County is responsible for assessing property and for billing, collecting, and distributing all property taxes on behalf of the Township.

Note 6 – Risk Management

Workers' Compensation

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

Risk Pool Membership

The Township belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2010 (through October 31, 2017), the corridor is for losses paid is between 60% and 70% of casualty premiums earned in the first \$250,000. Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and remain unchanged effective November 1, 2021 and November 1, 2020. OPRM had 769 members as of December 31, 2021.

Whitewater Township
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 6 – Risk Management (Continued)

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2021.

| | |
|-----------------------|---------------------|
| | <u>2021</u> |
| Cash and investments | \$21,777,439 |
| Actuarial liabilities | <u>(15,037,383)</u> |
| Members' Equity | \$ 6,740,056 |

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Township employees, with the exception of full time fire department personnel, belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2021.

Ohio Police and Fire Retirement System

Township certified Fire Fighters belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.5 percent of their wages. The Township contributed to OP&F an amount equal to 24 percent of full-time fire fighters' wages.. The Township has paid all contributions required through December 31, 2021.

Social Security

Some Township employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2021.

Whitewater Township
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2021. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Note 9 – Debt

The prior balance of the 2020 E- One Firetruck loan was incorrectly stated in the prior audit report as \$488,955 instead of \$446,047. Debt outstanding at December 31, 2021, was as follows:

| | Principal | Interest Rate |
|----------------------|------------|---------------|
| 2017 Life Squad | \$ 27,175 | 2.75% |
| 2020 E-One Firetruck | 446,047 | 2.87% |
| Total | \$ 473,222 | |

Leases

The Township leases vehicles under noncancelable leases. The Township disbursed \$0 to pay lease costs for the year ended December 31, 2021.

Amortization

Amortization of the above debt, including interest, is scheduled as follows:

| Year Ending | 2017 Squad | 2020 E-One Fire Truck |
|--------------|------------|--------------------------|
| December 31: | | |
| 2022 | \$ 27,932 | \$ 56,941 |
| 2023 | - | 56,941 |
| 2024 | - | 56,941 |
| 2025 | - | 56,941 |
| 2026 | - | 56,941 |
| 2027-2030 | - | 227,764 |
| Total | \$ 27,932 | \$ 512,469 |

Whitewater Township
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 10 – Contingent Liabilities

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

Note 11 – Joint Ventures

Western Joint Ambulance District

The Western Joint Ambulance District, known locally as West JAD, is a multi-community tiered Paramedic service founded by the community leaders and the local fire chiefs to provide advanced life support to our community residents and visitors in conjunction with the local fire departments and emergency medical services. West JAD was established in November of 1995 and began operations on the street on July 1, 1996. The original communities participating were the Village of Cleves, Crosby, Whitewater and Harrison Townships and the City of Harrison. The District was designed to provide advanced care to all of the patients in the geographic area by sharing services and expenses until each community chose to provide the paramedic level of protection individually.

As of 2016, Whitewater Township and Crosby Township are the only communities participating as members of West JAD. The funding for West JAD comes from a levy approved by the voters of the member communities. The levy set at 2.25 mils, and generates approximately \$347,000 annually.

The current organization is managed and governed as follows:

2021 OFFICERS

Chief - Nadine Swift
Captain - Jim Corbin
Medical Director - Dr. Matthew Birkle

2021 BOARD MEMBERS

William Pope - Whitewater Township
Doug Lohman- Crosby Township
Patty McDonald – Whitewater Township
Gwen Lawhorn – At Large
Bruce Downard - Crosby Township
Clerk - Robert Grauvogel
Legal Advisor - William Deters

2021 ADVISORY BOARD

Chief Jason Davis - Crosby Fire Department
Chief Scott Schorsch - Whitewater Fire Department

Whitewater Township
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 12 – Jointly Governed Organizations

As set by Ohio Law, ORC Chapter 3701-36 “Local Health Departments”, Whitewater Township is a member of the Hamilton County General Health District. The Health District, DBA: Hamilton County Public Health serves 45 communities located within the County. All of the Townships and Villages which are a part of the Health District, as defined in ORC. 3709.01 “Health Districts”, have a representative to the District Advisory Council, which appoints the 5 members of the Board of Health.

Hamilton County Public Health is governed by a five-member Board of Health and day-to-day functions are carried out by the Health Commissioner. The Board has the authority to adopt rules, regulations and resolutions, which have the same status as law, and to enact policies within Hamilton County Public Health.

Board members are appointed to five-year, overlapping terms and at least one member must be a physician. According to Ohio Revised Code, all appointments to the Board of Health must be made with due regard to equal representation of all parts of the jurisdiction served by Hamilton County Public Health. In March of each year, the Board reorganizes, electing new officers, and setting the time and location for the next year’s meetings.

Note 13 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. The Township had no outstanding encumbrances at December 31, 2021.

The fund balance of special revenue funds is either restricted or committed. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed, we noted that this is \$0. The fund balance of the capital projects funds are restricted, committed, or assigned. In the general fund, outstanding encumbrances are considered assigned.

Note 14 – 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 continues. During 2021, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The impact on the Township’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. The Township’s investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.



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

Whitewater Township
Hamilton County
6101 Dry Fork Road
Cleves, Ohio 45002

To the Board of Trustees:

We have audited, in accordance the with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of the Whitewater Township, Hamilton County, (the Township) and have issued our report thereon dated June 1, 2023, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2022-001 and 2022-003 that we consider to be material weaknesses.

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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2022-002.

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.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

June 1, 2023

WHITEWATER TOWNSHIP
HAMILTON COUNTY

SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2022 - 2021

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

FINDING NUMBER 2022-001

Material Weakness

Financial Reporting

Accurate financial reporting is the responsibility of the Fiscal Officer and is essential to ensure information provided to the readers of the financial statements is accurate. The following errors with the Township's annual financial report were noted:

- Debt Payments in 2022 were not properly allocated to principal and interest; and
- COVID Subgrant funds were classified as Other Financing Uses rather than General Government disbursements in 2021.

Not posting disbursements accurately resulted in the financial statements requiring reclassifications. The financial statements reflect these reclassifications.

The following reclassification was immaterial to the overall financial statements of the Township for December 31, 2022 and 2021 and were not posted to the financial statements or accounting system:

- Special Assessment Revenue from the County was recorded as Fines in 2022 and 2021.

By not recording transactions properly, the Township is not accurately reporting their financial activity.

To help ensure accuracy and reliability in the financial reporting process, we recommend management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues and disbursements are properly identified and classified on the financial statements.

We also recommend the Fiscal Officer refer to the Ohio Township Handbook for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements.

Officials' Response

We did not receive a response from officials to this finding.

WHITEWATER TOWNSHIP
HAMILTON COUNTY

SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2022-2021

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (CONTINUED)

FINDING NUMBER 2022-002

Noncompliance

Ohio Revised Code Section 5705.41(D) requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required meeting any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Only the subdivision's fiscal officer need sign the certificate. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" certificate - If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant for the payment of the amount due. The taxing authority has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.
2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate – The entity may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. Only one super blanket certificate may be outstanding at a particular time for any one line-item appropriation.

The Township did not properly certify the availability of funds prior to purchase commitment for 30% of the expenditures tested for 2022 and for 33% of the expenditures tested for 2021.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval.

WHITEWATER TOWNSHIP
HAMILTON COUNTY

SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2022-2021

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (CONTINUED)

FINDING NUMBER 2022-002 (Continued)

Noncompliance (Continued)

To improve controls over disbursements and to help reduce the possibility of the Township's funds exceeding budgetary spending limitations, we recommend that the Fiscal Officer certify that the funds are or will be available prior to an obligation being incurred by the Township. When prior certification is not possible, "then and now" certification should be used.

Officials' Response

We did not receive a response from officials to this finding.

FINDING NUMBER 2022-003

Material Weakness – Budgetary Amounts not recorded in accounting system

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; the responsibility includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

In addition, sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Board to make informed decisions regarding budgetary matters.

The Appropriation resolution and subsequent amendments establish the legal spending authority of the Township and the appropriation ledger provides the process by which the Township controls spending, it is therefore necessary the amounts appropriated by the Board are precisely stated and accurately posted to the appropriation ledger.

The original certificate and amendments establish the amounts available for expenditures for the Township and the receipts ledger provides the process by which the Township controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

The Township did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The appropriations (and/or amendments thereof) approved by Board were not properly posted to the accounting system. Additionally, approved Certificate of Estimated Resources (and/or amendments thereof) was not posted to the accounting system.

**WHITEWATER TOWNSHIP
HAMILTON COUNTY**

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2022-2021**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (CONTINUED)**

FINDING NUMBER 2022-003 (Continued)

Material Weakness – Budgetary Amounts not recorded in accounting system (Continued)

At December 31, 2022, the budgeted amounts posted to the Township's accounting ledgers varied from the Certificate of Estimated Resources certified by the County Budget Commission as follows:

| 2022 Funds | Certificate of Estimated Resources | Accounting System | Variance |
|---------------------------------------|------------------------------------|-------------------|-----------|
| General (1000) | \$1,568,451 | \$1,574,927 | \$(6,476) |
| Motor Vehicle License Tax (2011) | 50,851 | 38,215 | 12,636 |
| Gasoline Tax (2021) | 655,719 | 875,027 | (219,308) |
| Road and Bridge (2031) | 190,973 | 225,443 | (34,470) |
| Cemetery (2041) | 19,378 | 23,878 | (4,500) |
| Fire District (2111) | 3,665,132 | 3,910,723 | (245,591) |
| PMVT (2231) | 565,569 | 718,873 | (153,304) |
| Coronavirus Relief Fund (2272) | 454,506 | 428,121 | 26,385 |
| Opioid Settlement (2901) | 628 | - | 628 |
| Miscellaneous Capital Projects (4901) | 53,083 | 81,371 | (28,288) |

In addition, the following conditions related to the footnotes to the financial statements were identified:

- Budgeted vs. Actual Budgetary Basis Expenditures were not disclosed in the footnotes for the General Fund, Special Revenue Funds, and Capital Projects Funds for 2022 or 2021.
- Budgeted Receipts were understated stated by \$598,316 and \$451,543, respectively, for 2022 and 2021.
- Actual Receipts were understated by \$170,031 for 2021.

Failure to accurately post the appropriations and estimated resources to the ledgers could result in overspending and negative cash balances. In addition, this could lead to inaccurate reporting of the budgetary information in the financial statements.

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the Township should post to the ledgers, on a timely basis, estimated resources as certified by the budget commission and appropriations approved by the Board.

The Township should then monitor budget versus actual reports to help ensure amended certificates of resources and appropriations have been properly posted to the ledgers.

Officials' Response

We did not receive a response from officials to this finding.

**WHITEWATER TOWNSHIP
HAMILTON COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

| Finding Number | Finding Summary | Status | Additional Information |
|----------------|---|---------------|------------------------------|
| 2020-001 | Financial Reporting | Not Corrected | Repeated as Finding 2022-001 |
| 2020-002 | Budgetary Amounts not recorded in accounting system | Not Corrected | Repeated as Finding 2022-003 |
| 2020-003 | Ohio Revised Code Section 5705.39 | Corrected | N/A |

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OHIO AUDITOR OF STATE KEITH FABER



WHITEWATER TOWNSHIP

HAMILTON 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 8/17/2023

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

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