

HAMILTON TOWNSHIP
WARREN COUNTY, OHIO

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2021**

HAMILTON TOWNSHIP
WARREN COUNTY

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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, 2021, (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 2021 are as follows:

- The Township's general receipts are primarily property taxes and other local taxes. General receipts represent \$11,124,080 or 78 percent, of the total cash received for governmental activities during the year.
- The Township had \$11,538,901 in disbursements; only \$3,089,404 of these disbursements were offset by program specific charges for services and sales, grants and contributions.
- Net position of governmental activities increased \$2,674,583, or approximately 21 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.

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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 2021, 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.

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Warren County, Ohio
Management's Discussion and Analysis
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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 and Road and Bridge 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 2021 and 2020 on the modified cash basis:

(Table 1)
Net Position

	Governmental Activities		
	2021	2020	Change
Assets			
Equity in Pooled Cash, Cash Equivalents and Investments	<u>\$ 15,695,614</u>	<u>\$ 13,021,031</u>	<u>\$ 2,674,583</u>
Net Position			
Restricted for:			
Roads and Bridges	\$ 3,939,993	\$ 3,167,232	\$ 772,761
Health	1,355,000	757,789	597,211
Police Protection	3,451,461	2,914,985	536,476
Fire and EMS Services	4,239,657	3,851,600	388,057
Street Lighting	54,242	127,280	(73,038)
Unrestricted	<u>2,655,261</u>	<u>2,202,145</u>	<u>453,116</u>
Total Net Position	<u>\$ 15,695,614</u>	<u>\$ 13,021,031</u>	<u>\$ 2,674,583</u>

As mentioned previously, net position of governmental activities increased \$2,674,583, or approximately 21 percent, during 2021. The increase in net position in 2021 was due to the Township receiving increased receipts in 2021, primarily resources from the federal government to assist with mitigating the ongoing impact of the COVID-19 Pandemic, in connection with American Rescue Plan Act (ARPA). Additionally, the Township's disbursements were less in 2021 than in 2020 as the Township was completing the construction of, and payments for, a new fire station, in 2020.

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Table 2 reflects the changes in net position on a modified cash basis in 2021 and 2020.

(Table 2)
Change in Net Position

	Governmental Activities	
	2021	2020
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$ 1,343,723	\$ 1,183,687
Operating Grants and Contributions	1,745,681	1,792,790
Total Program Receipts	<u>3,089,404</u>	<u>2,976,477</u>
General Revenues:		
Property and Other Local Taxes	9,663,292	9,355,223
Grants and Entitlements not Restricted to Specific Programs	1,302,787	1,257,675
Sale of Capital Assets	30,600	463,536
Earnings on Investments	35,806	73,688
Miscellaneous	91,595	296,905
Total General Receipts	<u>11,124,080</u>	<u>11,447,027</u>
Total Receipts	<u>14,213,484</u>	<u>14,423,504</u>
Disbursements:		
Current		
General Government	936,758	850,460
Public Safety	7,052,294	8,240,654
Public Works	2,369,752	2,292,949
Public Health	760,702	707,087
Conservation-Recreation	93,250	172,169
Debt Service		
Principal	213,070	206,535
Interest and Fiscal Charges	113,075	119,645
Total Disbursements	<u>11,538,901</u>	<u>12,589,499</u>
Change in Net Position	2,674,583	1,834,005
Net Position at Beginning of Year	<u>13,021,031</u>	<u>11,187,026</u>
Net Position at End of Year	<u>\$ 15,695,614</u>	<u>\$ 13,021,031</u>

Program receipts represent only 22% and 21% of total receipts during 2021 and 2020, respectively, and are primarily comprised of restricted intergovernmental receipts such as state grants, zoning permits and inspection fees, cell tower fees, fines and forfeitures and charges for emergency medical services provided by the fire department. In 2021, program receipts increased as the Township received ARPA

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funds of \$1,243,552 that are reported as operating grants and contributions. The funds are to be used to mitigate the impact of the ongoing COVID-19 pandemic.

General receipts represent 78% and 79% of the Township's total receipts during 2021 and 2020, respectively. Property and other local taxes comprised 87% and 82% of general receipts for 2021 and 2020, respectively, and were higher in 2021 as continued development within the Township resulted in increased property tax receipts. Grants and entitlements not restricted to specific programs make up 9% of total receipts for 2021 and 2020 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 61% and 65% of the total disbursements for 2021 and 2020, respectively, and were higher in 2020 than in 2021 since in 2020 the Township was completing the construction of a fire station. Public Works includes the costs for the Road & Bridge Fund as well as the lighting districts and makes up 21% and 18% of the total disbursements for 2021 and 2020, respectively. Public health includes the cost to maintain the Township's Cemetery and the cost of responding to and mitigating the effects of the ongoing COVID-19 pandemic, and accordingly, public health expenses were significantly more in 2021 and 2020 than in previous years. 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 \$7,052,294 and \$8,240,654, or 61% and 65% of all governmental disbursements for 2021 and 2020, 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.

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Management's Discussion and Analysis
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A comparison between the total cost of services and the net cost of services for 2021 and 2020 is presented in Table 3.

(Table 3)
Governmental Activities

	<u>Total Cost of Services 2021</u>	<u>Net Cost of Services 2021</u>	<u>Total Cost of Services 2020</u>	<u>Net Cost of Services 2020</u>
Current				
General Government	\$ 936,758	\$ 801,863	\$ 850,460	\$ 771,260
Public Safety	7,052,294	6,257,600	8,240,654	7,500,667
Public Works	2,369,752	1,556,438	2,292,949	1,500,145
Public Health	760,702	(574,623)	707,087	(653,984)
Conservation-Recreation	93,250	82,074	172,169	168,754
Debt Service				
Principal	213,070	213,070	206,535	206,535
Interest and Fiscal Charges	113,075	113,075	119,645	119,645
Total Disbursements	<u>\$ 11,538,901</u>	<u>\$ 8,449,497</u>	<u>\$ 12,589,499</u>	<u>\$ 9,613,022</u>

The dependence upon property tax and intergovernmental receipts is apparent as 73% and 76% of governmental activities are supported through these general receipts for 2021 and 2020, 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 \$14,182,884 in 2021, while total disbursements were \$11,538,901.

The fund balance of the General Fund increased \$453,116 from the prior year as property and other local taxes and zoning fees increased while overall expenses remained relatively flat in 2021, compared to 2020.

General Fund Budgeting Highlights

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

The General Fund's final budgeted disbursements were \$1,471,761 while actual disbursements came in at \$1,338,500, which put the Township's disbursements under budget by 9%.

The General Fund's final budgeted receipts were \$1,335,942 while actual receipts came in at \$1,509,145, which resulted in a positive budget variance of 13%.

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Overall, the Township ended the year with \$450,864 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, 2021, the Township's outstanding debt totaled \$3,193,736. 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 remained constant during 2021. The Township intends to maintain this positive financial condition 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, 2021

	Governmental Activities
Assets	
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 15,695,614
<i>Total Assets</i>	<u>\$ 15,695,614</u>
 Net Position	
Restricted for:	
Roads and Bridges	\$ 3,939,993
Health	1,355,000
Police Protection	3,451,461
Fire and EMS Services	4,239,657
Street Lighting	54,242
Unrestricted	<u>2,655,261</u>
<i>Total Net Position</i>	<u>\$ 15,695,614</u>

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, 2021

		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	\$ 936,758	\$ 134,895	\$ -	\$ -	\$ (801,863)
Public Safety	7,052,294	745,542	49,152	-	(6,257,600)
Public Works	2,369,752	379,347	433,967	-	(1,556,438)
Public Health	760,702	72,963	1,262,362	-	574,623
Conservation-Recreation	93,250	10,976	200	-	(82,074)
Debt Service:					
Principal Retirement	213,070	-	-	-	(213,070)
Interest and Fiscal Charges	113,075	-	-	-	(113,075)
<i>Total Governmental Activities</i>	<u>\$ 11,538,901</u>	<u>\$ 1,343,723</u>	<u>\$ 1,745,681</u>	<u>\$ -</u>	<u>(8,449,497)</u>

General Receipts:

Property and Other Taxes Levied for:

General Purposes	868,678
Public Safety	6,667,032
Public Works	2,127,582
Grants and Entitlements not Restricted to Specific Programs	1,302,787
Sale of Capital Assets	30,600
Earnings on Investments	35,806
Miscellaneous	91,595

Total General Receipts	<u>11,124,080</u>
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<i>Change in Net Position</i>	2,674,583
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<i>Net Position Beginning of Year</i>	<u>13,021,031</u>
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<i>Net Position End of Year</i>	<u>\$ 15,695,614</u>
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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, 2021

	General Fund	Police Fund	Fire and EMS Fund	Road and Bridge Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 2,655,261	\$ 3,424,341	\$ 3,819,062	\$ 1,854,903	\$ 3,942,047	\$ 15,695,614
<i>Total Assets</i>	<u>\$ 2,655,261</u>	<u>\$ 3,424,341</u>	<u>\$ 3,819,062</u>	<u>\$ 1,854,903</u>	<u>\$ 3,942,047</u>	<u>\$ 15,695,614</u>
Fund Balances						
Restricted						
Roads and Bridges	\$ -	\$ -	\$ -	\$ -	\$ 2,085,090	\$ 2,085,090
Health	-	-	-	-	1,355,000	1,355,000
Police Protection	-	3,424,341	-	-	27,120	3,451,461
Fire and EMS Services	-	-	3,819,062	-	420,595	4,239,657
Street Lighting	-	-	-	-	54,242	54,242
Total Restricted	<u>-</u>	<u>3,424,341</u>	<u>3,819,062</u>	<u>-</u>	<u>3,942,047</u>	<u>11,185,450</u>
Committed						
Roads and Bridges	-	-	-	1,854,903	-	1,854,903
Total Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,854,903</u>	<u>-</u>	<u>1,854,903</u>
Assigned						
Following Year's Budget	328,959	-	-	-	-	328,959
Encumbrances	262,834	-	-	-	-	262,834
Total Assigned	<u>591,793</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>591,793</u>
Unassigned (Deficit)	<u>2,063,468</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,063,468</u>
<i>Total Fund Balances</i>	<u>\$ 2,655,261</u>	<u>\$ 3,424,341</u>	<u>\$ 3,819,062</u>	<u>\$ 1,854,903</u>	<u>\$ 3,942,047</u>	<u>\$ 15,695,614</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, 2021

	General Fund	Police Fund	Fire and EMS Fund	Road and Bridge Fund	Other Governmental Funds	Total Governmental Funds
Receipts						
Property and Other Local Taxes	\$ 868,678	\$ 3,136,445	\$ 3,530,587	\$ 980,358	\$ 1,147,224	\$ 9,663,292
Charges for Services	21,087	191,002	1,320	-	498,885	712,294
Licenses, Permits and Fees	242,934	-	3,100	-	42,563	288,597
Fines and Forfeitures	-	28,929	-	-	280	29,209
Intergovernmental	335,663	331,301	367,263	140,065	1,691,420	2,865,712
Special Assessments	-	-	-	-	369,251	369,251
Earnings on Investments	21,836	-	-	-	25,294	47,130
Miscellaneous	18,947	57,965	96,441	17,812	16,234	207,399
Total Receipts	1,509,145	3,745,642	3,998,711	1,138,235	3,791,151	14,182,884
Disbursements						
Current:						
General Government	892,681	-	-	-	-	892,681
Public Safety	-	3,142,080	3,397,275	-	407,942	6,947,297
Public Works	-	-	-	844,571	1,465,109	2,309,680
Health	22,588	-	-	-	738,114	760,702
Conservation-Recreation	93,250	-	-	-	-	93,250
Capital Outlay	44,077	5,000	-	-	160,069	209,146
Debt Service:						
Principal Retirement	23,070	-	-	-	190,000	213,070
Interest and Fiscal Charges	-	-	-	-	113,075	113,075
Total Disbursements	1,075,666	3,147,080	3,397,275	844,571	3,074,309	11,538,901
Excess of Receipts Over (Under) Disbursements	433,479	598,562	601,436	293,664	716,842	2,643,983
Other Financing Sources (Uses)						
Sale of Capital Assets	20,000	-	-	10,600	-	30,600
Advances In	124,400	-	-	-	62,400	186,800
Advances Out	(62,400)	-	-	-	(124,400)	(186,800)
Transfers In	-	-	-	-	303,075	303,075
Transfers Out	(62,363)	(62,362)	(178,350)	-	-	(303,075)
Total Other Financing Sources (Uses)	19,637	(62,362)	(178,350)	10,600	241,075	30,600
Net Change in Fund Balances	453,116	536,200	423,086	304,264	957,917	2,674,583
Fund Balances Beginning of Year	2,202,145	2,888,141	3,395,976	1,550,639	2,984,130	13,021,031
Fund Balances End of Year	\$ 2,655,261	\$ 3,424,341	\$ 3,819,062	\$ 1,854,903	\$ 3,942,047	\$ 15,695,614

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, 2021

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.

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.

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 and activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental and business-type 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 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.

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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.

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.

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.

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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 2021, the Township invested in nonnegotiable certificates of deposit, U.S. Treasury Bills, U.S. Agency Notes and a money market mutual fund. The nonnegotiable certificates of deposit, U.S. Treasury Bills and U.S. Agency Notes are reported at cost. The Township's money market mutual fund investment is recorded at the amount reported by U.S. Bank on December 31, 2021.

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 2021 were \$21,836.

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.

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.

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.

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Net Position

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

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

Fund Balance

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

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

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

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.

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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.

Interfund Transactions

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;

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3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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, \$12,346,878 of the Township's bank balance of \$14,629,125 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the Township to a successful claim by the FDIC.

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

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

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

Investments

The fair value of the Township's investments is not materially different than measurement value. As of December 31, 2021, the Township had the following investments:

Investment Type	Measurement Value	Investment Maturities (in Years)		
		Less than 1	1-3	3-5
U.S. Government Agency Notes	\$ 1,054,182	\$ 214,557	\$ 314,861	\$ 524,764
U.S. Treasury Bills	134,604	-	134,604	-
Money Market Mutual Fund	5,966	5,966	-	-
Total Investments	<u>\$ 1,194,752</u>	<u>\$ 220,523</u>	<u>\$ 449,465</u>	<u>\$ 524,764</u>

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 Bills carry ratings of Aaa by Moody's and AA+ by S&P. The Township has no investment policy dealing with investment credit risk beyond the requirements in state statutes.

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

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

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Concentration of Credit Risk – The Township places no limit on the amount it may invest in any one issuer. At December 31, 2021, the U.S. Government Agency Notes and U.S Treasury Bills comprised 88% and 11% of the Township's total investments, respectively.

Note 4 – Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Township. Property tax revenue received during 2021 for real and public utility property taxes represents collections of 2020 taxes.

2021 real property taxes are levied after October 1, 2021, on the assessed value as of January 1, 2021, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2021 real property taxes are collected in and intended to finance 2022.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2021 public utility property taxes which became a lien December 31, 2020, are levied after October 1, 2021, and are collected in 2022 with real property taxes.

The full tax rate for all Township operations for the year ended December 31, 2021, was \$18.68 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2021 property tax receipts were based are as follows:

Real Property Tax Assessed Valuation	\$ 999,685,650
Public Utility Personal Property Assessed Valuation	<u>26,488,500</u>
Total	<u>\$ 1,026,174,150</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.

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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, 2020, the most recent information available.

Total assets \$48,584,597

Total liabilities \$12,173,109

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.

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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 2021, 2020 and 2019 totaled \$831,508, \$986,304, and \$921,184, respectively.

Note 6 – Defined Benefit Pension Plan

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – Township employees, other than full-time firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

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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 initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

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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. 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 their benefit (which includes joint and survivor options), 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.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022

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

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2021 Statutory Maximum Contribution Rates			
Employer	14.0%	18.1%	18.1%
Employee (3)	10.0%	(1)	(2)
2021 Actual Contribution Rates			
Employer:			
Pension	14.0%	18.1%	18.1%
Post-employment Health Care Benefits (4)	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>
Total Employer	<u>14.0%</u>	<u>18.1%</u>	<u>18.1%</u>
Employee	<u>10.0%</u>	<u>12.0%</u>	<u>13.0%</u>

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Township's contractually required contribution was \$463,540 for 2021.

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

Plan Description – Township full-time firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see 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 OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

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

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

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

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

	<u>Police</u>	<u>Firefighters</u>
2021 Statutory Maximum Contribution Rates		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
2021 Actual Contribution Rates		
Employer:		
Pension	19.00%	23.50%
Post-employment Health Care Benefits	<u>0.50%</u>	<u>0.50%</u>
Total Employer	<u>19.50%</u>	<u>24.00%</u>
Employee	<u>12.25%</u>	<u>12.25%</u>

Employer contribution rates are expressed as a percentage of covered payroll. The Township's contractually required contribution to OPF was \$451,732 for 2021.

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 postemployment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

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Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

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

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, 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 2021, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2021 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Township's contractually required contribution was \$0 for the year 2021.

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.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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 2021, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The Township's contractually required contribution to OPF was \$9,486 for 2021.

Note 8 – Debt

A summary of the Township's long-term debt activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation:					
Series 2011 Bonds - 2% to 4%	\$ 655,000	\$ -	\$ (100,000)	\$ 555,000	\$ 100,000
Series 2018 Bonds - 3.80%	2,325,000	-	(90,000)	2,235,000	95,000
OPWC Loan Payable - 0%	426,806	-	(23,070)	403,736	23,070
Total Governmental Activities	<u>\$ 3,406,806</u>	<u>\$ -</u>	<u>\$ (213,070)</u>	<u>\$ 3,193,736</u>	<u>\$ 218,070</u>

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

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

	Series 2011 Bonds		Series 2018 Bonds	
	Principal	Interest	Principal	Interest
2022	\$ 100,000	\$ 21,225	\$ 95,000	\$ 84,930
2023	95,000	17,725	100,000	81,320
2024	95,000	14,400	105,000	77,520
2025	90,000	10,600	105,000	73,530
2026	90,000	7,000	110,000	69,540
2027-2031	85,000	3,400	625,000	281,200
2032-2036	-	-	750,000	152,950
2037-2038	-	-	345,000	19,760
Total	<u>\$ 555,000</u>	<u>\$ 74,350</u>	<u>\$ 2,235,000</u>	<u>\$ 840,750</u>

	OPWC Loan Payable	
	Principal	Interest
2022	23,070	-
2023	23,070	-
2024	23,070	-
2025	23,070	-
2026	23,070	-
2027-2031	115,350	-
2032-2036	115,350	-
2037-2038	57,686	-
Total	<u>\$ 403,736</u>	<u>\$ -</u>

The Ohio Revised Code provides that net general obligation debt of the Township, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Township. The Revised Code further provides that total voted and unvoted net debt of the Township less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation. The effects of the debt limitations at December 31, 2021, were an overall debt margin of approximately \$108,000,000 and an unvoted debt margin of approximately \$56,000,000.

Hamilton Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 9 – Interfund Activity

Transfers

During 2021, the following transfers were made:

<u>Transfer from Fund</u>	<u>Transfer to Fund</u>	<u>Amount</u>
General Fund	Bond Retirement Fund	\$ 62,363
Police Fund	Bond Retirement Fund	62,362
Fire and EMS Special Levy Fund	Fire Station 76 Capital Project Fund	178,350
		<u>\$ 303,075</u>

The General Fund transferred \$62,363 to the Bond Retirement Fund to provide resources for current year debt service.

The Police Fund transferred \$62,362 to the Bond Retirement Fund for current year debt service related to the police department's pro-rata use of the Township's administration building.

The Fire and EMS Special Levy Fund transferred \$178,350 to the Fire Station 76 Capital Project Fund to provide resources for debt service payments for Fire Station 76.

Advances

During 2021, the General Fund advanced out \$62,400 to the Lighting District Special Revenue Fund to provide resources for current operating expenses. Also during 2021, the Lighting District Special Revenue Fund repaid this advance of \$62,400 to the General Fund as well as repaid an open advance to the General Fund of \$62,000 that was carried over from the prior 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, 2021

Note 11 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency 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.

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, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 807,764	\$ 807,764	\$ 868,678	\$ 60,914
Charges for Services	17,000	17,000	21,087	4,087
Licenses, Permits and Fees	178,000	178,000	242,934	64,934
Intergovernmental	273,878	273,878	335,663	61,785
Interest	40,000	40,000	21,836	(18,164)
Other	19,300	19,300	18,947	(353)
<i>Total Receipts</i>	<u>1,335,942</u>	<u>1,335,942</u>	<u>1,509,145</u>	<u>173,203</u>
Disbursements				
Current				
General Government				
Administration				
Personal Services	323,160	336,135	331,627	4,508
Other	575,972	660,440	622,307	38,133
Zoning				
Personal Services	73,486	73,486	64,586	8,900
Other	86,560	86,560	81,312	5,248
Health				
Other	22,588	22,588	22,588	-
Conservation and Recreation				
Personal Services	24,864	24,864	17,030	7,834
Other	228,082	233,082	164,445	68,637
Debt Service				
Principal Retirement	34,606	34,606	34,605	1
<i>Total Disbursements</i>	<u>1,369,318</u>	<u>1,471,761</u>	<u>1,338,500</u>	<u>133,261</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(33,376)</u>	<u>(135,819)</u>	<u>170,645</u>	<u>306,464</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	20,000	20,000
Advances In	-	-	124,400	124,400
Advances Out	-	(62,400)	(62,400)	-
Transfers Out	(62,363)	(62,363)	(62,363)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(62,363)</u>	<u>(124,763)</u>	<u>19,637</u>	<u>144,400</u>
<i>Net Change in Fund Balance</i>	<u>(95,739)</u>	<u>(260,582)</u>	<u>190,282</u>	<u>450,864</u>
<i>Fund Balance at Beginning of Year</i>	<u>1,956,979</u>	<u>1,956,979</u>	<u>1,956,979</u>	<u>-</u>
<i>Prior Year Encumbrances</i>	<u>245,166</u>	<u>245,166</u>	<u>245,166</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 2,106,406</u>	<u>\$ 1,941,563</u>	<u>\$ 2,392,427</u>	<u>\$ 450,864</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, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 2,944,819	\$ 2,944,819	\$ 3,136,445	\$ 191,626
Charges for Services	101,277	101,277	191,002	89,725
Fines and Forfeitures	22,000	22,000	28,929	6,929
Intergovernmental	291,031	291,031	331,301	40,270
Other	53,200	53,200	57,965	4,765
<i>Total Receipts</i>	<u>3,412,327</u>	<u>3,412,327</u>	<u>3,745,642</u>	<u>333,315</u>
Disbursements				
Current				
Public Safety				
Police Protection				
Personal Services	2,012,748	2,013,448	1,810,727	202,721
Other	1,276,652	1,575,731	1,564,461	11,270
<i>Total Disbursements</i>	<u>3,289,400</u>	<u>3,589,179</u>	<u>3,375,188</u>	<u>213,991</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>122,927</u>	<u>(176,852)</u>	<u>370,454</u>	<u>547,306</u>
Other Financing Sources (Uses)				
Transfers Out	(62,363)	(62,363)	(62,362)	1
<i>Total Other Financing Sources (Uses)</i>	<u>(62,363)</u>	<u>(62,363)</u>	<u>(62,362)</u>	<u>1</u>
<i>Net Change in Fund Balance</i>	60,564	(239,215)	308,092	547,307
<i>Fund Balance at Beginning of Year</i>	2,718,667	2,718,667	2,718,667	-
<i>Prior Year Encumbrances</i>	169,474	169,474	169,474	-
<i>Fund Balance at End of Year</i>	<u>\$ 2,948,705</u>	<u>\$ 2,648,926</u>	<u>\$ 3,196,233</u>	<u>\$ 547,307</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, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 3,303,982	\$ 3,303,982	\$ 3,530,587	\$ 226,605
Charges for Services	-	-	1,320	1,320
Licenses, Permits and Fees	1,000	1,000	3,100	2,100
Intergovernmental	335,618	335,618	367,263	31,645
Other	104,000	104,000	96,441	(7,559)
<i>Total Receipts</i>	<u>3,744,600</u>	<u>3,744,600</u>	<u>3,998,711</u>	<u>254,111</u>
Disbursements				
Current				
Public Safety				
Fire and EMS Services				
Personal Services	2,101,668	2,172,319	2,008,864	163,455
Other	1,601,142	1,643,943	1,606,289	37,654
<i>Total Disbursements</i>	<u>3,702,810</u>	<u>3,816,262</u>	<u>3,615,153</u>	<u>201,109</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>41,790</u>	<u>(71,662)</u>	<u>383,558</u>	<u>455,220</u>
Other Financing Sources (Uses)				
Transfers Out	(178,350)	(178,350)	(178,350)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(178,350)</u>	<u>(178,350)</u>	<u>(178,350)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	<u>(136,560)</u>	<u>(250,012)</u>	<u>205,208</u>	<u>455,220</u>
<i>Fund Balance at Beginning of Year</i>	<u>2,971,031</u>	<u>2,971,031</u>	<u>2,971,031</u>	<u>-</u>
<i>Prior Year Encumbrances</i>	<u>424,945</u>	<u>424,945</u>	<u>424,945</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 3,259,416</u>	<u>\$ 3,145,964</u>	<u>\$ 3,601,184</u>	<u>\$ 455,220</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, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 913,995	\$ 913,995	\$ 980,358	\$ 66,363
Intergovernmental	129,955	129,955	140,065	10,110
Other	18,800	18,800	17,812	(988)
<i>Total Receipts</i>	<u>1,062,750</u>	<u>1,062,750</u>	<u>1,138,235</u>	<u>75,485</u>
Disbursements				
Current				
Public Works				
Roads and Bridges				
Personal Services	595,245	595,245	467,720	127,525
Other	393,241	545,651	536,301	9,350
<i>Total Disbursements</i>	<u>988,486</u>	<u>1,140,896</u>	<u>1,004,021</u>	<u>136,875</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>74,264</u>	<u>(78,146)</u>	<u>134,214</u>	<u>212,360</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	10,600	10,600
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>10,600</u>	<u>10,600</u>
<i>Net Change in Fund Balance</i>	<u>74,264</u>	<u>(78,146)</u>	<u>144,814</u>	<u>222,960</u>
<i>Fund Balance at Beginning of Year</i>	<u>1,442,484</u>	<u>1,442,484</u>	<u>1,442,484</u>	<u>-</u>
<i>Prior Year Encumbrances</i>	<u>108,155</u>	<u>108,155</u>	<u>108,155</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 1,624,903</u>	<u>\$ 1,472,493</u>	<u>\$ 1,695,453</u>	<u>\$ 222,960</u>

Hamilton Township
Warren County, Ohio
Notes to Supplementary Information
December 31, 2021

Note 1 – Budgetary Process

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

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

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

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

Note 2 – Budgetary Basis of Accounting

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

	General	Police	Fire & EMS	Road and Bridge
Change in Fund Balance - Cash Basis	\$ 453,116	\$ 536,200	\$ 423,086	\$ 304,264
Encumbrances	(262,834)	(228,108)	(217,878)	(159,450)
Change in Fund Balance - Budgetary Basis	<u>\$ 190,282</u>	<u>\$ 308,092</u>	<u>\$ 205,208</u>	<u>\$ 144,814</u>

HAMILTON TOWNSHIP
WARREN COUNTY, OHIO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	CFDA Number	Pass-Through Entity Number or Grant Year	Passed Through to Subrecipients	Federal Expenditures
<u>U.S. DEPARTMENT OF TREASURY</u>				
Passed Through Ohio Office of Budget and Management: Coronavirus Relief Fund - Local Government Assistance Program	21.019	2021	-	688,347
Total U.S. Department of Treasury			-	688,347
Total			\$ -	\$ 688,347

CFDA - Catalog of Federal Domestic Assistance

The accompanying notes to this schedule are an integral part of this schedule.

**HAMILTON TOWNSHIP
WARREN COUNTY, OHIO**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2021**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Hamilton Township, Warren County, Ohio (the Township) under programs of the federal government for the year ended December 31, 2021. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Township, it is not intended to and does not present the financial position or changes in net position of the Township.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

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

NOTE D - MATCHING REQUIREMENTS

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

Hamilton Township
Warren County, Ohio
Changes in Fund Balances, Governmental Funds
Last Five Years
(Cash Basis of Accounting)

	2021	2020	2019	2018	2017
Revenues					
Property and Other Local Taxes	\$ 9,663,292	\$ 9,355,223	\$ 7,412,576	\$ 6,110,234	\$ 5,964,836
Charges for Services	712,294	626,266	596,137	488,240	458,740
Licenses, Permits and Fees	288,597	216,441	219,718	189,027	198,468
Fines and Forfeitures	29,209	23,931	28,172	31,390	24,911
Intergovernmental	2,865,712	2,884,585	1,477,004	1,349,433	1,320,955
Special Assessments	369,251	364,061	371,118	371,424	358,516
Earnings on Investments	47,130	74,773	134,568	39,179	24,343
Miscellaneous	207,399	414,688	233,780	211,452	175,822
<i>Total Revenues</i>	<u>14,182,884</u>	<u>13,959,968</u>	<u>10,473,073</u>	<u>8,790,379</u>	<u>8,526,591</u>
Expenditures					
Current:					
General Government	936,758	850,460	972,229	826,054	639,978
Public Safety	7,052,294	8,240,654	8,912,619	5,628,258	4,817,208
Public Works	2,369,752	2,292,949	2,267,017	1,776,766	1,864,726
Health	760,702	707,087	68,102	40,187	45,907
Conservation-Recreation	93,250	172,169	53,583	43,359	146,677
Debt Service:					
Principal Retirement	213,070	206,535	213,070	133,070	133,070
Interest and Fiscal Charges	113,075	119,645	126,025	82,158	38,725
<i>Total Expenditures</i>	<u>11,538,901</u>	<u>12,589,499</u>	<u>12,612,645</u>	<u>8,529,852</u>	<u>7,686,291</u>
<i>Excess of Revenues Over (Under)</i> <i>Expenditures</i>	<u>2,643,983</u>	<u>1,370,469</u>	<u>(2,139,572)</u>	<u>260,527</u>	<u>840,300</u>
Other Financing Sources					
Sale of Capital Assets	30,600	463,536	7,700	9,000	85,600
Sale of Bonds	-	-	-	2,500,000	-
<i>Total Other Financing Sources</i>	<u>30,600</u>	<u>463,536</u>	<u>7,700</u>	<u>2,509,000</u>	<u>85,600</u>
<i>Net Change in Fund Balances</i>	<u>2,674,583</u>	<u>1,834,005</u>	<u>(2,131,872)</u>	<u>2,769,527</u>	<u>925,900</u>
<i>Fund Balances Beginning of Year</i>	<u>13,021,031</u>	<u>11,187,026</u>	<u>13,318,898</u>	<u>10,549,371</u>	<u>9,623,471</u>
<i>Fund Balances End of Year</i>	<u>\$ 15,695,614</u>	<u>\$ 13,021,031</u>	<u>\$ 11,187,026</u>	<u>\$ 13,318,898</u>	<u>\$ 10,549,371</u>