

ORANGE TOWNSHIP

DELAWARE COUNTY, OHIO

REGULAR AUDIT

**FOR THE YEARS ENDED
DECEMBER 31, 2024 & 2023**



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

Board of Trustees
Orange Township
1680 E Orange Rd
Lewis Center, Ohio 43035

We have reviewed the *Independent Auditor's Report* of Orange Township, Delaware County, prepared by Julian & Grube, Inc., for the audit period January 1, 2023 through December 31, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

August 09, 2025

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**ORANGE TOWNSHIP
DELAWARE COUNTY, OHIO**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1 - 3
Combined Statement of Receipts, Disbursements and Changes in Fund Balances - (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2024.....	4
Statement of Additions, Deductions and Changes in Fund Balance - (Regulatory Cash Basis) - Fiduciary Fund - For the Year Ended December 31, 2024.....	5
Notes to the Financial Statements For the Year Ended December 31, 2024	6 - 17
Combined Statement of Receipts, Disbursements and Changes in Fund Balances - (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2023.....	18
Statement of Additions, Deductions and Changes in Fund Balance - (Regulatory Cash Basis) - Fiduciary Fund - For the Year Ended December 31, 2023.....	19
Notes to the Financial Statements For the Year Ended December 31, 2023	20 - 30
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	31 - 32

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Independent Auditor's Report

Orange Township
Delaware County
1680 E Orange Rd
Lewis Center, Ohio 43035

To the Members of the Board of Trustees:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of Orange Township, Delaware County, Ohio, which comprises the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type combined total of Orange Township, as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) as described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" section of our report, the accompanying financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Orange Township, as of December 31, 2024 and 2023, or changes in financial position thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of Orange Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Orange Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Orange Township's ability to continue as a going concern for a reasonable period of time.

Orange Township
Delaware County
Independent Auditor's Report

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2025 on our consideration of Orange Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Orange Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Orange Township's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
May 27, 2025

Orange Township
Delaware County, Ohio
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2024

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Permanent	
Cash Receipts					
Property and Other Local Taxes	\$ 4,028,850	\$ 13,492,193	\$ -	\$ -	\$ 17,521,043
Charges for Services	-	1,155,323	-	-	1,155,323
Licenses, Permits and Fees	161,057	47,817	-	-	208,874
Intergovernmental	507,965	1,804,594	893,378	-	3,205,937
Earnings on Investments	1,478,156	82,550	-	222	1,560,928
Miscellaneous	85,103	1,138,568	90,508	-	1,314,179
<i>Total Cash Receipts</i>	<u>6,261,131</u>	<u>17,721,045</u>	<u>983,886</u>	<u>222</u>	<u>24,966,284</u>
Cash Disbursements					
Current:					
General Government	2,535,647	-	-	-	2,535,647
Public Safety	-	10,941,543	-	-	10,941,543
Public Works	810,956	198,652	-	-	1,009,608
Health	-	13,788	-	-	13,788
Human Services	-	-	1,071	-	1,071
Conservation-Recreation	-	1,180,511	-	-	1,180,511
Capital Outlay	156,635	3,948,037	1,038,286	-	5,142,958
<i>Total Cash Disbursements</i>	<u>3,503,238</u>	<u>16,282,531</u>	<u>1,039,357</u>	<u>-</u>	<u>20,825,126</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>2,757,893</u>	<u>1,438,514</u>	<u>(55,471)</u>	<u>222</u>	<u>4,141,158</u>
Other Financing Receipts (Disbursements)					
Advances In	784,430	-	784,431	-	1,568,861
Advances Out	(784,430)	-	(784,431)	-	(1,568,861)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	<u>2,757,893</u>	<u>1,438,514</u>	<u>(55,471)</u>	<u>222</u>	<u>4,141,158</u>
<i>Fund Cash Balances, January 1, restated</i>	<u>9,622,512</u>	<u>16,253,917</u>	<u>301,949</u>	<u>4,109</u>	<u>26,182,487</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 12,380,405</u>	<u>\$ 17,692,431</u>	<u>\$ 246,478</u>	<u>\$ 4,331</u>	<u>\$ 30,323,645</u>

See accompanying notes to the financial statements

Orange Township
Delaware County, Ohio
Statement of Additions, Deductions
and Changes in Fund Balance (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2024

	<u>Custodial Fund</u>
Additions	
Other Amounts Collected for Distribution	<u>\$ 443,522</u>
<i>Total Additions</i>	<u>443,522</u>
Deductions	
Other Distributions	<u>443,522</u>
<i>Total Deductions</i>	<u>443,522</u>
<i>Net Change in Fund Cash Balance</i>	-
<i>Fund Cash Balance, January 1</i>	<u>-</u>
<i>Fund Cash Balance, December 31</i>	<u><u>\$ -</u></u>

See accompanying notes to the financial statements

Orange Township
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Orange Township, Delaware County, Ohio (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, conservation and recreation services, cemetery maintenance, fire protection, and emergency medical services. The Township contracts with the Delaware County Sheriff's department to provide security of persons and property.

Jointly Governed Organization and Public Entity Risk Pool

The Township participates in a Jointly Governed Organization and a Public Entity Risk Pool. Notes 6 and 13 to the financial statements provide additional information for these entities.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

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

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

Special Fire Levy Fund - This fund receives property taxes for providing fire and emergency medical services to the Township.

Orange Township
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Road Levy Fund - This fund receives property taxes that are used for road maintenance and improvements. This fund also includes transfers from the Township's General Fund used for the same purpose.

Parks & Recreation Fund - This fund receives property taxes that are used for providing parks and recreation services.

American Rescue Plan Fund - This fund received money as part of Federal COVID relief through the American Rescue Plan Act. The Township accepted these funds and is using the standard allowance for revenue loss as allowed by the US Treasury guidance.

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

Public Works Commission Projects – This fund is used to account for revenues and expenditures related to Ohio Public Works Commission (OPWC) projects.

Veterans Memorial Grant Project – This fund is used to account for revenues and expenditures related to the Veterans Memorial Grant Project.

ODNR Clean Ohio Trails Grant Projects - This fund is used to account for revenues and expenditures related to the ODNR Clean Ohio Trails Grant Projects.

Recreation Trails Grant Projects - This fund is used to account for revenues and expenditures related to the Recreation Trails Grant Projects.

Delaware County TID Grant Projects - This fund is used to account for revenues and expenditures related to the Delaware County TID Grant Projects.

Community Trails Improvement Grant Projects - This fund is used to account for revenues and expenditures related to the Community Trails Improvement Grant Projects.

Delaware County RGAP Grant Projects - This fund is used to account for revenues and expenditures related to the Delaware County RGAP Grant Projects.

Creekside TIF Projects - This fund is used to account for revenues and expenditures related to the Creekside TIF Projects.

County TIF Projects - This fund is used to account for revenues and expenditures related to the County TIF Projects.

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Township had the following significant permanent fund:

Cemetery Bequest Fund – This fund receives interest earned on the nonexpendable corpus. These earnings are used for the general maintenance and upkeep of the Township's cemetery.

Orange Township
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria. Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Township's custodial fund accounts for Property Assessed Clean Energy (PACE) collections and distributions.

Basis of Accounting

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

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

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial funds) be budgeted annually.

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

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

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

A summary of 2024 budgetary activity appears in Note 3.

Deposits and Investments

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

Orange Township
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2024

During 2024, investments were limited to negotiable and non-negotiable certificate of deposits (CDs), a U.S. Government money market mutual fund, Federal Agency Securities (Federal Home Loan Bank Bonds and Federal Home Loan Mortgage Corporation Bonds), Commercial Paper, and the State Treasury Asset Reserve of Ohio (STAR Ohio). The Township values investments in negotiable and non-negotiable CDs and Federal Agency Securities at cost. Money market mutual funds are recorded at share values the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

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

Accumulated Leave

Township employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Leases

The Township is the lessee in a lease (as defined by GASB 87) related to a vehicle under noncancelable leases. Lease revenue/disbursements are recognized when they are received/paid.

Settlement Monies

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. For 2024, distributions of \$42,579 are reflected as in the Opioid Settlement Special Revenue Fund in the accompanying financial statements.

Fund Balance

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

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

Orange Township
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2024

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

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

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

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

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2024 follows:

2024 Budgeted vs. Actual Receipts			
Fund Type	Budgeted	Actual	Variance
	Receipts	Receipts	
General	\$5,139,427	\$7,045,561	\$1,906,134
Special Revenue	16,622,756	17,721,045	1,098,289
Capital Projects	1,889,481	1,768,317	(121,164)
Permanent	25	222	197
Total	<u>\$23,651,689</u>	<u>\$26,535,145</u>	<u>\$2,883,456</u>

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation	Budgetary	Variance
	Authority	Expenditures	
General	\$6,834,959	\$4,342,126	\$2,492,833
Special Revenue	20,872,695	16,453,087	4,419,608
Capital Projects	1,185,579	1,838,288	(652,709)
Total	<u>\$28,893,233</u>	<u>\$22,633,501</u>	<u>\$6,259,732</u>

Orange Township
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 4 – Deposits and Investments

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

	<u>2024</u>
<i>Cash Management Pool:</i>	
Demand deposits	\$558,740
Non-Negotiable Certificates of Deposit	<u>3,419</u>
Total deposits	<u>562,159</u>
 Commercial Paper	 1,447,902
Negotiable Certificates of Deposit	4,960,000
Federal Agency Securities	1,950,627
U.S. Government Money Market Mutual Fund	3,437,365
STAR Ohio	<u>17,965,592</u>
Total investments	<u>29,761,486</u>
<i>Total carrying amount of deposits and investments held in the Pool</i>	<u><u>\$30,323,645</u></u>

The Township does not use a separate payroll clearing account. The disbursements included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2024, the Township is holding \$0 in unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments

The Federal Reserve holds the Township's Federal Agency Securities in book-entry form in the name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities.

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

Orange Township
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 5 – Property Taxes

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

Public utilities are also taxed on personal and real property located within the Township.

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

Note 6 – Risk Management

Workers' Compensation

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

Commercial Insurance

Risk Pool Membership

The (local entity) 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 (local entity's) policy. The Pool covers the following risks:

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

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

	<u>2023</u>
Cash and investments	\$ 33,494,457
Actuarial liabilities	\$ 10,885,549

Orange Township
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2024.

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Township contributed to OP&F an amount equal to 24% of full-time fire fighters' wages. The Township has paid all contributions required through December 31, 2024.

Social Security

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

Employees contributed 6.2% of their gross salaries. The Township contributed an amount equal to 6.2% of participants' gross salaries. The Township has paid all contributions required through December 31, 2024.

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2024, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

Orange Township
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 9 – Debt

Debt outstanding at December 31, 2024, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Financed Purchase	\$1,721,361	5.06%
Cooperative Purchasing Agreement	1,050,000	0.00%
Total	<u>\$2,771,361</u>	

Financed Purchase

The Township has entered into a financed purchase agreement for vehicles/equipment where ownership of the underlying asset transfers to the Township by the end of the contract.

The financed purchase was signed in December 2022 and was for a fire department ladder truck. The financed purchase is a 7-year financed purchase with the first payment due April 1, 2025, and the last payment due April 1, 2031. Total amount financed is \$1,721,361 at an interest rate of 5.06%.

Amortization

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

<u>Year Ending December 31:</u>	<u>Finance Purchased</u>
2025	\$ 318,542
2026	318,542
2027	318,542
2028	318,542
2029	318,542
2030-2031	637,081
Total	<u>\$ 2,229,791</u>

In addition to the financed purchase described above, the Township has entered into a Cooperative Project Agreement with Delaware County and Berlin Township for Improvements to Shanahan Road.

The agreement was signed in October 2023 and was for 2.834 miles of roads improvement. The agreement is for the Township to contribute \$1,050,000 over 7 years at \$150,000 per year. There is no interest due on this arrangement. The first payment is due June 30, 2025, and the last payment on June 30, 2031.

Orange Township
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Schedule of Contributions

Year Ending December 31:	Cooperative Agreement Payments
2025	\$ 150,000
2026	150,000
2027	150,000
2028	150,000
2029	150,000
2030-2031	300,000
Total	<u>\$ 1,050,000</u>

Note 10 – Construction and Contractual Commitments

The Township has the following major construction projects in progress:

1. Bale Kenyon Phase 2- \$3.1M with \$500K from Ohio Public Works Commission and \$750K Delaware County TID and \$150K Delaware County RGAP
2. North Road Park project with total cost of approximately \$1.513M

Note 11 – Contingent Liabilities

The Township is a defendant in one lawsuit. The lawsuit is covered by insurance, which caps the Township's financial liability. Although management cannot presently determine the outcome of the suit, management believes that 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 government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 12 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the un-expendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Capital Projects	Permanent	Total
Nonspendable:					
Unclaimed Monies	\$ 5,834	\$ -	\$ -	\$ -	\$ 5,834
Corpus	-	-	-	3,679	3,679
Outstanding Encumbrances	<u>54,458</u>	<u>170,556</u>	<u>14,500</u>	<u>-</u>	<u>239,514</u>
Total	<u>\$ 60,292</u>	<u>\$ 170,556</u>	<u>\$ 14,500</u>	<u>\$ 3,679</u>	<u>\$ 249,027</u>

Orange Township
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2024

The fund balance of special revenue funds is either restricted or committed. The fund balance of capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the non-spendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, capital projects, and permanent funds including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 13 – Jointly Governed Organization

The Township participates in and receives income tax sharing compensation through a Joint Economic Development District:

Evans Farm Joint Economic Development District (JEDD) – The JEDD is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District was formed in accordance with Ohio Revised Code (ORC) Sections 715.72 through 715.81 as a result of an agreement between Orange Township, the Village of Shawnee Hills, and Concord Township entered into during 2020. The District's purpose is to promote and facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the District, the municipality, and the Township. The JEDD levies a 1.00 percent income tax.

The JEDD Board of Directors consists of five members, one member representing the Village to serve a term of one year, one member representing both Orange and Concord to serve a term of two years, one member representing the owners of businesses located within the District to serve a term of three years, one member representing the persons working within the District to serve a term of four years, and one member selected by the other members to serve a term of four years as chairperson of the Board. After service of an initial term, terms for each member shall be for four years. A member may be reappointed to the Board, but no member shall serve more than two consecutive terms on the Board. The JEDD 1 operates on a calendar year basis. The term of the contract shall be for fifty (50) years, provided however, that if both parties agree in writing, said contract may be terminated after twenty-five (25) years. Additionally, such contract shall automatically renew for two (2) additional twenty-five (25) year terms, unless either party provides written notice of termination not later than two (2) years prior to the expiration of the original term or each additional term.

As part of the contract forming the JEDD, the Townships and Village provide certain services to the JEDD. Orange Township furnishes all usual and customary governmental services furnished by the Township to the other territories of the Township, including, but not limited to fire protection and EMS services, road construction and maintenance, administration of zoning, maintenance of township roads, snow removal, and general administration. The Village and Concord Township, pursuant to the JEDD agreement, furnishes services set forth in the agreement and engages in activities to promote, complement and benefit economic development in the JEDD. The Townships and the Village may provide additional services as allowed by law as the Township and/or Village and the Board deem appropriate and agree to.

Orange Township
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2024

From the gross revenue, paid in the following order of priority:

1. 5.00% to the JEDD Board
2. 3.00% to the Village of Shawnee Hills, to cover expenses related to the administration of the income tax (currently through the Regional Income Tax Agency (RITA)).
3. Repay the Contracting Parties the costs they incurred to establish or defend the existence of the District, if any, until paid in full, pro rata based on such costs.
4. Repay the Delaware County Finance Authority the costs it incurred to establish or defend the existence of the District, until paid in full, pro rata based on such costs.

From the net revenue:

5. 10.00% to the Village of Shawnee Hills
6. 32.50% to the Board Improvement Account
7. 5.00% to Concord Township
8. 32.50% to Orange Township
9. 20.00% to the Delaware County Finance Authority

During 2024, the township received \$24,513 under the JEDD contract, which is included in the General Fund.

Note 14 – Restatement of Fund Cash Balance

The Township increased their beginning fund cash position at January 1, 2024 in the special revenue fund type due to properly voiding old outstanding checks in a subsequent year. The effect of the adjustment on beginning fund cash balance is reflected in the chart below.

	12/31/2023		1/1/2024
	As Previously		As Restated
	Reported	Correction	
Governmental Funds			
Special Revenue Funds	\$ 16,252,377	\$ 1,540	\$ 16,253,917
Total Governmental Funds	<u>\$ 16,252,377</u>	<u>\$ 1,540</u>	<u>\$ 16,253,917</u>

Orange Township
Delaware County, Ohio
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2023

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Permanent	
Cash Receipts					
Property and Other Local Taxes	\$ 3,168,101	\$ 10,303,415	\$ -	\$ -	\$ 13,471,516
Charges for Services	-	1,064,462	-	-	1,064,462
Licenses, Permits and Fees	254,701	73,038	-	-	327,739
Intergovernmental	420,743	1,723,543	1,026,393	-	3,170,679
Earnings on Investments	1,209,838	60,642	12	183	1,270,675
Payments in Lieu of Taxes	-	-	568,000	-	568,000
Miscellaneous	42,811	322,250	137,888	-	502,949
<i>Total Cash Receipts</i>	<u>5,096,194</u>	<u>13,547,350</u>	<u>1,732,293</u>	<u>183</u>	<u>20,376,020</u>
Cash Disbursements					
Current:					
General Government	2,572,887	-	-	-	2,572,887
Public Safety	-	9,791,547	-	-	9,791,547
Public Works	714,064	116,232	-	-	830,296
Health	-	4,195	-	-	4,195
Human Services	-	-	616	-	616
Conservation-Recreation	-	1,074,084	-	-	1,074,084
Capital Outlay	86,249	4,995,486	1,582,207	-	6,663,942
<i>Total Cash Disbursements</i>	<u>3,373,200</u>	<u>15,981,544</u>	<u>1,582,823</u>	<u>-</u>	<u>20,937,567</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,722,994</u>	<u>(2,434,194)</u>	<u>149,470</u>	<u>183</u>	<u>(561,547)</u>
Other Financing Receipts (Disbursements)					
Transfers In	-	-	27,698	-	27,698
Transfers Out	(27,698)	-	-	-	(27,698)
Advances In	875,000	-	875,000	-	1,750,000
Advances Out	(875,000)	-	(875,000)	-	(1,750,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(27,698)</u>	<u>-</u>	<u>27,698</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	<u>1,695,296</u>	<u>(2,434,194)</u>	<u>177,168</u>	<u>183</u>	<u>(561,547)</u>
<i>Fund Cash Balances, January 1</i>	<u>7,927,216</u>	<u>18,686,571</u>	<u>124,781</u>	<u>3,926</u>	<u>26,742,494</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 9,622,512</u>	<u>\$ 16,252,377</u>	<u>\$ 301,949</u>	<u>\$ 4,109</u>	<u>\$ 26,180,947</u>

See accompanying notes to the financial statements

Orange Township
Delaware County, Ohio
Statement of Additions, Deductions
and Changes in Fund Balance (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2023

	<u>Custodial Fund</u>
Additions	
Other Amounts Collected for Distribution	<u>\$ 210,195</u>
<i>Total Additions</i>	<u>210,195</u>
Deductions	
Other Distributions	<u>210,195</u>
<i>Total Deductions</i>	<u>210,195</u>
<i>Net Change in Fund Cash Balance</i>	-
<i>Fund Cash Balance, January 1</i>	<u>-</u>
<i>Fund Cash Balance, December 31</i>	<u><u>\$ -</u></u>

See accompanying notes to the financial statements

Orange Township
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Orange Township, Delaware County, Ohio (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, conservation and recreation services, cemetery maintenance, fire protection, and emergency medical services. The Township contracts with the Delaware County Sheriff's department to provide security of persons and property.

Jointly Governed Organization

The Township participates in a Jointly Governed Organization. Note 13 to the financial statements provides additional information for this entity.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

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

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

Orange Township
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Special Fire Levy Fund - This fund receives property taxes for providing fire and emergency medical services to the Township.

Road Levy Fund - This fund receives property taxes that are used for road maintenance and improvements. This fund also includes transfers from the Township's General Fund used for the same purpose.

Parks & Recreation Fund - This fund receives property taxes that are used for providing parks and recreation services.

American Rescue Plan Fund - This fund received money as part of Federal COVID relief through the American Rescue Plan Act. The Township accepted these funds and is using the standard allowance for revenue loss as allowed by the US Treasury guidance.

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

Public Works Commission Projects – This fund is used to account for revenues and expenditures related to Ohio Public Works Commission (OPWC) projects.

Veterans Memorial Grant Project – This fund is used to account for revenues and expenditures related to the Veterans Memorial Grant Project.

County TIF Projects - This fund is used to account for revenues and expenditures related to the County TIF Projects.

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Township had the following significant permanent fund:

Cemetery Bequest Fund – This fund receives interest earned on the nonexpendable corpus. These earnings are used for the general maintenance and upkeep of the Township's cemetery.

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria. Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Township's custodial fund accounts for Property Assessed Clean Energy (PACE) collections and distributions.

Orange Township
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Basis of Accounting

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

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

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial funds) be budgeted annually.

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

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

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

A summary of 2023 budgetary activity appears in Note 3.

Deposits and Investments

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

During 2023, investments were limited to negotiable and non-negotiable certificate of deposits (CDs), a U.S. Government money market mutual fund, Federal Agency Securities (Federal Home Loan Bank Bonds and Federal Farm Credit Bank Bonds), Commercial Paper, and the State Treasury Asset Reserve of Ohio (STAR Ohio). The Township values investments in negotiable and non-negotiable CDs and Federal Agency Securities as cost. Money market mutual funds are recorded at share values the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Orange Township
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Capital Assets

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

Accumulated Leave

Township employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Leases

The Township is the lessee in a lease (as defined by GASB 87) related to an aerial ladder truck for the Township fire department under a noncancelable lease. Lease revenue/disbursements are recognized when they are received/paid.

Settlement Monies

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. For 2023, distributions of \$20,608 are reflected in the Opioid Settlement Special Revenue Fund in the accompanying financial statements.

Fund Balance

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

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

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

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

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

Orange Township
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balances is included in Note 12.

Note 3 – Budgetary Activity

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

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted	Actual	Variance
	Receipts	Receipts	
General	\$3,901,151	\$5,971,194	\$2,070,043
Special Revenue	12,965,898	13,547,350	581,452
Capital Projects	2,713,100	2,634,991	(78,109)
Permanent	25	183	158
Total	<u>\$19,580,174</u>	<u>\$22,153,718</u>	<u>\$2,573,544</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation	Budgetary	Variance
	Authority	Expenditures	
General	\$5,255,188	\$4,497,714	\$757,474
Special Revenue	20,991,136	18,010,778	2,980,358
Capital Projects	2,708,128	3,295,353	(587,225)
Total	<u>\$28,954,452</u>	<u>\$25,803,845</u>	<u>\$3,150,607</u>

Note 4 – Deposits and Investments

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

Orange Township
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2023

	2023
<i>Cash Management Pool:</i>	
Demand deposits	\$1,515,639
Non-Negotiable Certificates of Deposit	3,276
Total deposits	<u>1,518,915</u>
Commercial Paper	2,885,212
Negotiable Certificates of Deposit	2,094,000
Federal Agency Securities	2,020,000
U.S. Government Money Market Mutual Fund	4,212,746
STAR Ohio	<u>13,450,074</u>
Total investments	<u>24,662,032</u>
<i>Total carrying amount of deposits and investments held in the Pool</i>	<u><u>\$26,180,947</u></u>

The Township does not use a separate payroll clearing account. The disbursements included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the Township is holding \$0 in unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments

The Federal Reserve holds the Township's Federal Agency Securities (Federal Home Loan Bank Bonds and Federal Farm Credit Bank Bonds) in book-entry form by, in the name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities.

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

Note 5 – Property Taxes

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

Public utilities are also taxed on personal and real property located within the Township.

Orange Township
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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

Note 6 – Risk Management

Workers' Compensation

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

Commercial Insurance

The Township has obtained commercial insurance through Rhinehart-Walters-Danner & Associates for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Township contributed to OP&F an amount equal to 24% of full-time fire fighters' wages. The Township has paid all contributions required through December 31, 2023.

Social Security

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

Employees contributed 6.2% of their gross salaries. The Township contributed an amount equal to 6.2% of participants' gross salaries. The Township has paid all contributions required through December 31, 2023.

Orange Township
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

Note 9 – Debt

The Debt outstanding at December 31, 2023, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Financed Purchase	\$1,721,361	5.06%
Cooperative Purchasing Agreement	<u>1,050,000</u>	0.00%
Total	<u><u>\$2,771,361</u></u>	

Financed Purchase

The Township has entered into a financed purchase agreement for vehicles/equipment where ownership of the underlying asset transfers to the Township by the end of the contract.

The financed purchase was signed in December 2022 and was for a fire department ladder truck. The financed purchase is a 7-year financed purchase with the first payment due April 1, 2025, and the last payment due April 1, 2031. Total amount financed is \$1,721,361 at an interest rate of 5.06%.

Amortization

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

<u>Year Ending</u> <u>December 31:</u>	<u>Finance</u> <u>Purchased</u>
2024	\$ -
2025	318,542
2026	318,542
2027	318,542
2028	318,542
2029-2031	<u>955,623</u>
Total	<u><u>\$ 2,229,791</u></u>

Orange Township
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2023

In addition to the lease described above, the Township has entered into a Cooperative Project Agreement with Delaware County and Berlin Township for Improvements to Shanahan Road.

The agreement was signed in October 2023 and was for 2.834 miles of roads improvement. The agreement is for the Township to contribute \$1,050,000 over 7 years at \$150,000 per year. There is no interest due on this arrangement. The first payment is due June 30, 2025, and the last payment on June 30, 2031.

Schedule of Contributions:

Year Ending December 31:	Cooperative Agreement Payments
2024	\$ -
2025	150,000
2026	150,000
2027	150,000
2028	150,000
2029-2031	450,000
Total	<u>\$ 1,050,000</u>

Note 10 – Construction and Contractual Commitments

The Township has the following major construction projects in progress:

1. Bale Kenyon Rd – Phase 1: \$3.3M Budget with \$500,000 from Ohio Public Works Commission and \$700,000 from County.
2. Veterans Memorial \$600,000 with \$400,000 from Cultural Project Cooperative, \$50,000 Orange Township and \$150,000 donations
3. Bale Kenyon Phase 2- \$3.1M

Note 11 – Contingent Liabilities

The Township is defendant in two lawsuits. One lawsuit is covered by insurance, which caps the Township's financial liability. Although management cannot presently determine the outcome of the other suit, management believes that 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 government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 12 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the un-expendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Orange Township
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Fund Balances	General	Special Revenue	Capital Projects	Permanent	Total
Nonspendable:					
Unclaimed Monies	\$ 5,834	\$ -	\$ -	\$ -	\$ 5,834
Corpus	-	-	-	3,679	3,679
Outstanding Encumbrances	221,816	2,029,234	837,530	-	3,088,580
Total	<u>\$ 227,650</u>	<u>\$ 2,029,234</u>	<u>\$ 837,530</u>	<u>\$ 3,679</u>	<u>\$ 3,098,093</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the non-spendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, capital projects, and permanent funds including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 13 – Jointly Governed Organization

The Township participates in and receives income tax sharing compensation through a Joint Economic Development District:

Evans Farm Joint Economic Development District (JEDD) – The JEDD is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District was formed in accordance with Ohio Revised Code (ORC) Sections 715.72 through 715.81 as a result of an agreement between Orange Township, the Village of Shawnee Hills, and Concord Township entered into during 2020. The District’s purpose is to promote and facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the District, the municipality, and the Township. The JEDD levies a 1.00 percent income tax.

The JEDD Board of Directors consists of five members, one member representing the Village to serve a term of one year, one member representing both Orange and Concord to serve a term of two years, one member representing the owners of businesses located within the District to serve a term of three years, one member representing the persons working within the District to serve a term of four years, and one member selected by the other members to serve a term of four years as chairperson of the Board. After service of an initial term, terms for each member shall be for four years. A member may be reappointed to the Board, but no member shall serve more than two consecutive terms on the Board. The JEDD 1 operates on a calendar year basis. The term of the contract shall be for fifty (50) years, provided however, that if both parties agree in writing, said contract may be terminated after twenty-five (25) years. Additionally, such contract shall automatically renew for two (2) additional twenty-five (25) year terms, unless either party provides written notice of termination not later than two (2) years prior to the expiration of the original term or each additional term.

As part of the contract forming the JEDD, the Townships and Village provide certain services to the JEDD. Orange Township furnishes all usual and customary governmental services furnished by the Township to the other territories of the Township, including, but not limited to fire protection and EMS services, road construction and maintenance, administration of zoning, maintenance of township roads, snow removal, and general administration. The Village and Concord Township, pursuant to the JEDD agreement, furnishes services set forth in the agreement and engages in activities to promote, complement and benefit economic development in the JEDD. The Townships and the Village may provide additional services as allowed by law as the Township and/or Village and the Board deem appropriate and agree to.

Orange Township
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2023

From the gross revenue, paid in the following order of priority:

1. 5.00% to the JEDD Board
2. 3.00% to the Village of Shawnee Hills, to cover expenses related to the administration of the income tax (currently through the Regional Income Tax Agency (RITA)).
3. Repay the Contracting Parties the costs they incurred to establish or defend the existence of the District, if any, until paid in full, pro rata based on such costs.
4. Repay the Delaware County Finance Authority the costs it incurred to establish or defend the existence of the District, until paid in full, pro rata based on such costs.

From the net revenue:

5. 10.00% to the Village of Shawnee Hills
6. 32.50% to the Board Improvement Account
7. 5.00% to Concord Township
8. 32.50% to Orange Township
9. 20.00% to the Delaware County Finance Authority

During 2023, the township received \$6,635 under the JEDD contract, which is included in the General Fund.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

Orange Township
Delaware County
1680 E Orange Rd
Lewis Center, Ohio 43035

To the Members of the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2024, and 2023 and the related notes to the financial statements of Orange Township, Delaware County, Ohio, and have issued our report thereon dated May 27, 2025, wherein we noted Orange Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Orange Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Orange Township's internal control. Accordingly, we do not express an opinion on the effectiveness of Orange Township's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Orange Township's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Orange Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Orange Township

Delaware County

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Orange Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Orange Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.

May 27, 2025

OHIO AUDITOR OF STATE KEITH FABER



ORANGE TOWNSHIP

DELAWARE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 8/21/2025

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

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