



PERRY

& Associates CPAs

PASSION *Beyond the Numbers*

**WASHINGTON TOWNSHIP
MONTGOMERY COUNTY**

**REGULAR AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2023**



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

Board of Trustees
Washington Township
8200 McEwen Road
Dayton, OH 45458

We have reviewed the *Independent Auditor's Report* of Washington Township, Montgomery County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2023 through December 31, 2023. 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. Washington Township is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

December 12, 2024

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**Washington Township
Montgomery County**

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Montgomery County

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INDEPENDENT AUDITOR'S REPORT

Washington Township
Montgomery County
8200 McEwen Road
Dayton, Ohio 45458

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinions

We have audited the modified cash-basis financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the **Washington Township**, Montgomery County, Ohio (the Township), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective modified cash-basis financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Township, as of December 31, 2023, and the respective changes in modified cash-basis financial position and where applicable cash flows thereof and the respective budgetary comparison for the General, Road and Bridge, Police, and Fire Funds for the year then ended in accordance with the modified cash-basis of accounting described in Note 2C.

Basis for Opinions

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

Emphasis of Matter - Accounting Basis

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2024, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township's internal control over financial reporting and compliance.



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

October 18, 2024

Washington Township, Montgomery County
Management's Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited

This discussion and analysis of Washington Township's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2023, within the limitations of the Township's modified cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2023 are as follows:

Net position of Township activities decreased \$5,447,504 or 10.23% from the prior year. For only the governmental funds, the decrease was \$4,230,259. The fund most affected by this decrease in net position was the Fire Fund. Its net position decreased by \$3,100,754. The Fire funds revenue increased by \$319,419. Overall, the Fire Funds expenses increased by \$4,187,302 of which 3,523,576 is related to capital purchases, mainly the construction costs for a new fire station. Operating expenses were also up by \$663,726. The operating expense increase is mainly related to salaries & benefits as we continue to hire more full-time firefighters. The Road & Bridge Funds' net position decreased by \$538,481. The Road & Bridge funds revenue increased by \$39,647. The Road & Bridge Funds operating expenses increased by \$726,607 and the capital expense increased by \$5,161. The operating expense is related to an increase in infrastructure repairs, such as street, curb and sidewalk repairs throughout the Township. The capital expense increase of \$5,161 was minimal. The General Funds net position decreased by \$174,695. The General Funds revenues increased by \$558,505 which is related to interest income from investments. The General Funds operating expenses decreased by \$25,382 while the General Funds capital expense increase by \$889,067. This increase in capital expense is related to new computer hardware, building improvements and park improvements at the Recreation Center complex. The Police Funds change in net position was a minimal increase of \$47,110. Overall, the Police Funds revenue increased by \$144,186 while their overall expenses increased by \$136,351. The increase in expense is mostly related to an increase in contract payments to the County (360,000) for policing services to the Township. All other government funds combined decreased their net position by \$463,439.

The Township's lone business activity, Recreation Fund, had a decrease in its net position of \$1,191,260, a 30.19 percent decrease from the prior year. This decrease in net position is directly related to the influx of Local Fiscal Recovery Fund (LFRF) monies received in 2022 and the cost of the expansion and remodel of the Fitness Center in 2023. Overall, the Recreation Fund operating revenues increased by \$337,877, while revenue other than property taxes, decreased \$531,858. This decrease was due to an influx of LFRF money in 2022 versus 2023. Expenses increased overall by \$1,436,372. Of this, operating and capital expenses increased by \$722,644 and \$713,728 respectively. Operating Expense increase is related to the increase in the starting minimum wage due to staffing shortages. This caused an increase in wage and benefits of \$540,259 over the prior year. Capital expense increase is related mainly to the Fitness Center expansion and remodel. The Recreation Fund also made its last \$50,000 payment back to the General Fund for an advance made to the Recreation Fund in 2017.

Washington Township, Montgomery County
Management's Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited

Highlights (Continued)

The Township's general receipts are primarily property taxes. In 2023, the Township received \$28,577,618 in property and other local taxes. These receipts represent 71.78 percent of the total cash received for Township activities during the year. Compared to 2022, property tax receipts for 2023 increased by \$629,350 or 2.26 percent. This increase is due to an increase in property tax values and new construction in the Township.

The township has a contract with GovDeals, Incorporated, to dispose of surplus items via internet auctions. The total received in 2023 for auctions and sales was \$55,341. This is a \$21,028 decrease from the previous year.

In December 2012, the Township approved a three percent hotel lodging tax effective March 1, 2013. There are currently five hotels within the Township. Total received in 2023 from the hotel tax was \$252,201, which is an increase of \$41,271 or 19.57 percent when compared to 2022.

In the spring of 2019, Ohio passed the 2-year transportation bill that included an increase in the gasoline tax. The tax increase took effect on July 1, 2019. The township received \$19,717 more revenue in 2023 when compared to 2022.

The Township's tax base for 2023 increased \$34,811,490 to \$2,185,957,460, which is an increase of 0.0162 or 0.2 percent over 2022.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement 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 on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose or fund. 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 township-wide and fund financial statements, and provide expanded explanation and detail regarding the information reported in the statements.

Washington Township, Montgomery County
Management's Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited

Using the Basic Financial Statements (continued)

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 generally accepted accounting principles. Under the Township's modified cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

Using the Basic Financial Statements (Continued)

As a result of using the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (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 well the Township financially performed during 2023, within the limitations of modified cash basis accounting. The statement of net position presents the pooled cash and investment balances of the governmental and business-type activities of the Township at year-end. The statement of activities compares cash disbursements with program receipts for each Township program and business-type activity. 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 Township function or business-type activity 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 revenue sources such as property taxes.

In the statement of net position and the statement of activities, we divide the Township into two types of activities:

Governmental activities. Most of the Township's basic services are reported here, including general government, police, fire, and public works. Property taxes and intergovernmental receipts finance most of these activities. Benefits provided through Township activities are not necessarily paid for by the people receiving them.

Washington Township, Montgomery County
Management's Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited

Reporting the Township as a Whole (continued)

Business-type activity. The Township has one business-type activity, the Recreation Department. Business-type activities are generally financed by a fee charged to the customers receiving the service and by property taxes.

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 split into three categories: governmental, proprietary and fiduciary.

Governmental Funds - Most of the Township's activities are reported in governmental funds. The governmental funds 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 used to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) are combined and presented in total in a single column. The Township's major funds are the General Fund, Road & Bridge Fund, Police Fund and Fire Fund. The Fire Fund services residents of the unincorporated Township as well as the City of Centerville, excluding that portion of the city within Greene County. Therefore, both residents (township & city) pay for the fire levies that support the fire fund. The Road & Bridge Fund and the Police Fund services residents of the unincorporated Township only. Only Township residents pay for the levies that support the Road & Bridge and Police Funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Proprietary Funds – When the Township charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as an enterprise fund. The Township has one enterprise fund, the Recreation Department. Residents of both the unincorporated Township and City of Centerville, excluding that portion of the city within Greene County, pay for the recreation levy. When the services are provided to other departments of the Township, the service is reported as an internal service fund. The Township has one internal service fund, vehicle maintenance, to account for maintenance and repair of all Township vehicles and for some maintenance and repairs to Township equipment and buildings.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. Fiduciary funds are not reflected on the township-wide financial statements because the resources of these funds are not available to support the Township's programs. The Township has two fiduciary funds, a cemetery bequest fund for the decoration of four graves in the Centerville Cemetery that the Township maintains and a custodial fund for flexible benefit accounts for full time Township employees.

Washington Township, Montgomery County
Management's Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited

The Township as a Whole

Table 1 provides a summary of the Township's net position for 2023 compared to 2022 on a modified cash basis:

| (Table 1) | | | | | | |
|---------------------------|-------------------------|---------------------|--------------------------|--------------------|---------------------|---------------------|
| Net Position | | | | | | |
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Assets | | | | | | |
| Cash and Cash Equivalents | \$ 129,146 | \$ 412,375 | \$ 129,146 | \$ 412,356 | \$ 258,292 | \$ 824,731 |
| Investments | 44,960,004 | 48,933,018 | 2,624,851 | 3,532,901 | 47,584,855 | 52,465,919 |
| Total Assets | <u>45,089,150</u> | <u>49,345,393</u> | <u>2,753,997</u> | <u>3,945,257</u> | <u>47,843,147</u> | <u>53,290,650</u> |
| Net Assets | | | | | | |
| Restricted for: | | | | | | |
| Special Revenue | 32,067,800 | 36,123,364 | - | - | 32,067,800 | 36,123,364 |
| Recreation | - | - | 2,753,997 | 3,945,257 | 2,753,997 | 3,945,257 |
| Unrestricted | 13,021,350 | 13,222,029 | - | - | 13,021,350 | 13,222,029 |
| Total Net Assets | <u>\$45,089,150</u> | <u>\$49,345,393</u> | <u>\$2,753,997</u> | <u>\$3,945,257</u> | <u>\$47,843,147</u> | <u>\$53,290,650</u> |

As mentioned previously, the net position of Township's activities decreased \$5,447,506 or 10.23 percent during 2023. The primary reasons contributing to the overall increase in cash balances are as follows:

- The Fire Fund's net position decreased \$3,100,754 due mainly to an increase in capital expense related to the construction of a new fire station.
- The Road & Bridge Fund's net position decreased \$538,481 mainly due to an increase in infrastructure repair spending.
- The General Fund's net position decreased \$174,695. Though there was an increase in interest income, this was offset by increases in capital purchases and infrastructure improvements.
- The Police Fund's net position increased \$47,110, which was minimal.
- The Recreation Fund's net position decreased \$1,191,260. This decrease is related to the influx of Local Fiscal Recovery monies in 2022 and the expansion / remodel of the fitness center.

Table 2 reflects the changes in net position on a modified cash basis for 2023 and 2022 for governmental activities, business type activities and total primary government.

Washington Township, Montgomery County
Management's Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited

| The Township as a Whole (Continued) | | | | | | |
|---|---------------|---------------|---------------|--------------|---------------|---------------|
| (Table 2) | | | | | | |
| Changes in Net Assets | | | | | | |
| | Governmental | | Business Type | | Total | |
| | Activities | | Activities | | | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Receipts: | | | | | | |
| Program Receipts: | | | | | | |
| Charges for Services and Sales | \$ 2,602,589 | \$ 2,622,438 | \$ 1,663,945 | \$ 1,262,646 | \$ 4,266,534 | \$ 3,885,084 |
| Operating Grants and Contributions | 3,206,320 | 3,781,564 | 103,301 | 1,487,145 | 3,309,621 | 5,268,709 |
| Total Program Receipts | 5,808,909 | 6,404,002 | 1,767,246 | 2,749,791 | 7,576,155 | 9,153,793 |
| General Receipts: | | | | | | |
| Property and Other Local Taxes | 26,663,262 | 26,198,171 | 1,914,356 | 1,891,783 | 28,577,618 | 28,089,954 |
| Grants and Entitlements Not Restricted to Specific Programs | 540,200 | 570,824 | - | - | 540,200 | 570,824 |
| Sale of Capital Assets | 50,658 | 73,072 | 7,033 | 8,430 | 57,691 | 81,502 |
| Interest | 1,040,219 | 509,582 | - | - | 1,040,219 | 509,582 |
| Miscellaneous | 448,472 | 302,500 | 706,693 | 254,609 | 1,155,165 | 557,109 |
| Total General Receipts | 28,742,811 | 27,654,149 | 2,628,082 | 2,154,822 | 31,370,893 | 29,808,971 |
| Total Receipts | 34,551,720 | 34,058,151 | 4,395,328 | 4,904,613 | 38,947,048 | 38,962,764 |
| Disbursements: | | | | | | |
| General Government | 2,148,429 | 2,160,171 | - | - | 2,148,429 | 2,160,171 |
| Police | 5,226,313 | 4,916,329 | - | - | 5,226,313 | 4,916,329 |
| Fire | 15,410,982 | 14,737,285 | - | - | 15,410,982 | 14,737,285 |
| Public Works | 6,325,508 | 5,666,000 | - | - | 6,325,508 | 5,666,000 |
| Health | 245,775 | 217,585 | - | - | 245,775 | 217,585 |
| Conservation Recreation | 112,099 | 103,045 | - | - | 112,099 | 103,045 |
| Other | 440,717 | - | - | - | 440,717 | - |
| Capital Outlay | 8,777,880 | 4,484,858 | - | - | 8,777,880 | 4,484,858 |
| Principal Loan Payment | 162,106 | 307,641 | - | - | 162,106 | 307,641 |
| Interest and Fiscal Charges | 8,155 | 15,483 | - | - | 8,155 | 15,483 |
| Recreation Center | - | - | 5,536,588 | 4,100,216 | 5,536,588 | 4,100,216 |
| Total Disbursements | 38,857,964 | 32,608,397 | 5,536,588 | 4,100,216 | 44,394,552 | 36,708,613 |
| Excess (Deficiency) Before Transfers | (4,306,244) | 1,449,754 | (1,141,260) | 804,397 | (5,447,504) | 2,254,151 |
| Advances | 50,000 | 50,000 | (50,000) | (50,000) | - | - |
| Increase (Decrease) in Net Assets | (4,256,244) | 1,499,754 | (1,191,260) | 754,397 | (5,447,504) | 2,254,151 |
| Net Assets, January 1 | 49,345,394 | 47,845,639 | 3,945,257 | 3,190,860 | 53,290,651 | 51,036,499 |
| Net Assets, December 31 | \$ 45,089,150 | \$ 49,345,393 | \$ 2,753,997 | \$ 3,945,257 | \$ 47,843,147 | \$ 53,290,650 |

Washington Township, Montgomery County
Management's Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited

The Township as a Whole (Continued)

Program receipts represent only 17 percent of total governmental activities' receipts and are primarily comprised of restricted intergovernmental receipts, such as motor vehicle license, permissive and gas tax money; building permits and inspection fees; fines; franchise fees; EMS receipts for medic transports; and rollback and homestead exemption dollars received from the State for the Road and Bridge, Police, and Fire funds.

Program receipts for business-type activities equals 40 percent of the total business activity receipts and represents receipts collected at the Recreation Center and Town Hall Theater for memberships, participation programs or classes, theater tickets, walk-in fees and rollback and homestead exemption dollars received from the State for the Recreation Fund. The percentage stayed at 40 percent in 2023 from 2022 but did increase from 37 percent in 2021. This increase from 2021 is due to the Recreation Center continuing to return to normal operations and pre-covid programming levels, along with less Local Fiscal Recovery Fund monies used to offset revenue losses.

General receipts represent 83 percent of the total governmental activities' receipts and 60 percent of the business-type activities total receipts. Of these amounts, 93 percent represent property taxes for the governmental activities and 73 percent represent property taxes for the business-type activities. For the remainder of the governmental activities, the majority of general receipts include interest, rentals, miscellaneous reimbursements and local government funds, which are in the general fund and received from the State of Ohio.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for other Township activities. These include the costs of the Board of Trustees, Fiscal Officer, administration department, finance department, zoning department, IT department, human resources department and the internal service fund. We try to limit these costs since they do not represent direct services to residents.

Police and Fire are the costs for providing these services; Public Works is the cost of maintaining roads; Health is the cost of running and maintaining six cemeteries; Conservation-Recreation is the support cost the Administration, Finance and Human Resource Departments provide to the Recreation Center; and Capital Outlay includes payments made in 2023 for street and sidewalk construction, improvement of sites (building and parking lots), the purchase of new vehicles and equipment, protective fire clothing, new office, machinery and communication equipment, firefighting equipment, computer hardware and software and capital improvements. Principal loan repayment includes payments on loans issued for the ESID (Energy Special Improvement District) program. ESID's consist of acquiring, constructing, equipping, improving and installing energy efficiency improvements on properties. ESID's are also assessed to the property owners through their property taxes.

Washington Township, Montgomery County
Management's Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited

Governmental Activities

If you look at the Statement of Activities (page 13), 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 four largest program disbursements for governmental activities are Fire, Capital Outlay, Police and Public Works, which account for 37, 26, 15 and 14 percent of all governmental disbursements, respectively. General Government disbursements also represent a significant cost at 5 percent. All other activities make up one percent or less of Township disbursements, individually. The next three columns of the Statement entitled Program Cash 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. A comparison between the total cost of services and the net cost is presented in Table 3 below.

| (Table 3) | | | | |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental Activities | | | | |
| | Total Cost | Net Cost | Total Cost | Net Cost |
| | of Services | of Services | of Services | of Services |
| | 2023 | 2023 | 2022 | 2022 |
| General Government | \$ 2,148,429 | \$ 1,783,307 | \$ 2,160,171 | \$ 1,780,223 |
| Police | 5,226,313 | 4,858,257 | 4,916,329 | 4,550,440 |
| Fire | 15,410,982 | 12,116,196 | 14,737,285 | 11,556,759 |
| Public Works | 6,325,508 | 4,581,496 | 5,666,000 | 3,675,988 |
| Health | 245,775 | 208,900 | 217,585 | 181,265 |
| Conservation-Recreation | 112,099 | 112,099 | 103,045 | 103,045 |
| Other | 440,717 | 440,659 | - | (451,307) |
| Capital Outlay | 8,777,880 | 8,777,880 | 4,484,858 | 4,484,858 |
| Principal Loan Payment | 162,106 | 162,106 | 307,641 | 307,641 |
| Interest and Fiscal Charges | 8,155 | 8,155 | 15,483 | 15,483 |
| Total Expenses | <u>\$ 38,857,964</u> | <u>\$ 33,049,055</u> | <u>\$ 32,608,397</u> | <u>\$ 26,204,395</u> |

The dependence upon property tax receipts is apparent as 85 percent of Township governmental activities are supported through general receipts.

Business-type Activities

The Recreation Center operation of the Township routinely reports receipts and cash disbursements that are relatively equal. For the Recreation Center, program receipts cover 40 percent of these activities while general receipts cover 60 percent. This percentage discrepancy for 2023 is related to the Covid-19 pandemic as the Recreation Center continues to return to normal operations and pre-covid programming levels.

Washington Township, Montgomery County
Management's Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited

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 funds are the General, Road and Bridge, Police and Fire Funds.

During 2023, the Township amended its budget for the General, Road & Bridge, Police and Fire funds, among others, to be in line with the County Amended Certificate of Resources. Final budgeted receipts were above original budgeted receipts due to a increase in property tax receipts. The County only certifies 95% of the property tax they estimate the township will receive while the Township budgets 99% of what we estimate to receive. Actual receipts for the General, Road and Bridge, Police, and Fire funds were \$357,798 or 0.0078 percent over final budgeted receipts.

Final disbursements for the four major funds were budgeted at \$47,322,48 while actual disbursements, including encumbrances, were \$42,359,824.

Debt Administration

Debt

At December 31, 2023, the Township's outstanding debt was zero. For further information regarding the Township's debt, refer to Note 9 of 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 and, in some cases, shrinking funding. We rely heavily on property taxes, so it is imperative that we continue to enhance our property tax base while maintaining an attractive mix of residential, commercial and green space property. The Township is primarily a residential community. The township's tax base increased by 0.0162 (1.62 percent) in 2023.

Due to the State budget cuts made in 2011, the general fund was running a yearly deficit. Over the past several years, the deficit has been eliminated. The average surplus over the last five years (2019-2023) is \$128,144. The average surplus over the last ten years (2014-2023) is 110,461. In 2023, management made a commitment to invest in the Recreation Complex with building and park improvements over the next several years. In 2023, the General Fund spent \$159,483 towards building and park improvements. In 2024, the General Fund budgeted \$2,736,090 and almost \$1,500,000 in 2025. Along with this commitment, management and staff will continue to monitor expenses to reduce costs, and to look for ways to increase revenue.

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 Sam Braun, Finance Director, Washington Township, 8200 McEwen Road, Dayton, Ohio 45458.

Washington Township, Montgomery County*Statement of Net Position - Modified Cash Basis**December 31, 2023*

| | Governmental Activities | Business - Type Activities | Total |
|--|----------------------------|-------------------------------|----------------------|
| Assets | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 129,146 | \$ 129,146 | \$ 258,292 |
| Investments | 44,960,004 | 2,624,851 | 47,584,855 |
| <i>Total Assets</i> | <u>\$ 45,089,150</u> | <u>\$ 2,753,997</u> | <u>\$ 47,843,147</u> |
| Net Assets | | | |
| Restricted for: | | | |
| Road & Bridge Projects | \$ 8,441,248 | \$ - | \$ 8,441,248 |
| Police | 3,937,311 | - | 3,937,311 |
| Fire | 17,905,341 | - | 17,905,341 |
| Other Programs | 1,783,900 | - | 1,783,900 |
| Recreation | - | 2,753,997 | 2,753,997 |
| Unrestricted | 13,021,350 | - | 13,021,350 |
| <i>Total Net Position</i> | <u>\$ 45,089,150</u> | <u>\$ 2,753,997</u> | <u>\$ 47,843,147</u> |

See accompanying notes to the basic financial statements

Washington Township, Montgomery County
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2023

| | Program Cash Receipts | | | | Net (Disbursements) Receipts and Changes in Net Assets | | |
|---|-----------------------|--------------------------------|--|----------------------------------|--|--------------------------|----------------------|
| | Cash Disbursements | Charges for Services and Sales | Operating Grants, Contributions and Interest | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| Governmental Activities | | | | | | | |
| General Government | \$ 2,148,429 | \$ 365,122 | \$ - | \$ - | \$ (1,783,307) | \$ - | \$ (1,783,307) |
| Police | 5,226,313 | 19,718 | 348,338 | - | (4,858,257) | - | (4,858,257) |
| Fire | 15,410,982 | 1,966,417 | 1,328,369 | - | (12,116,196) | - | (12,116,196) |
| Public Works | 6,325,508 | 214,457 | 1,529,555 | - | (4,581,496) | - | (4,581,496) |
| Health | 245,775 | 36,875 | - | - | (208,900) | - | (208,900) |
| Conservation-Recreation | 112,099 | - | - | - | (112,099) | - | (112,099) |
| Other | 440,717 | - | 58 | - | (440,659) | - | (440,659) |
| Capital Outlay | 8,777,880 | - | - | - | (8,777,880) | - | (8,777,880) |
| Debt Service | 170,261 | - | - | - | (170,261) | - | (170,261) |
| <i>Total Governmental Activities</i> | <i>38,857,964</i> | <i>2,602,589</i> | <i>3,206,320</i> | <i>-</i> | <i>(33,049,055)</i> | <i>-</i> | <i>(33,049,055)</i> |
| Business Type Activity | | | | | | | |
| Recreation Center | 5,536,588 | 1,663,945 | 103,301 | - | - | (3,769,342) | (3,769,342) |
| Total | \$ 44,394,552 | \$ 4,266,534 | \$ 3,309,621 | \$ - | (33,049,055) | (3,769,342) | (36,818,397) |
| General Receipts | | | | | | | |
| Property and Other Local Taxes Levied for: | | | | | | | |
| General Purposes | | | | | 1,606,534 | - | 1,606,534 |
| Road & Bridge | | | | | 5,055,220 | - | 5,055,220 |
| Police | | | | | 4,884,660 | - | 4,884,660 |
| Fire | | | | | 15,116,848 | - | 15,116,848 |
| Recreation | | | | | - | 1,914,356 | 1,914,356 |
| Grants and Entitlements not Restricted to Specific Programs | | | | | 540,200 | - | 540,200 |
| Sale of Capital Assets | | | | | 50,658 | 7,033 | 57,691 |
| Interest | | | | | 1,040,219 | - | 1,040,219 |
| Miscellaneous | | | | | 448,472 | 706,693 | 1,155,165 |
| <i>Total General Receipts</i> | | | | | <i>28,742,811</i> | <i>2,628,082</i> | <i>31,370,893</i> |
| Advances | | | | | 50,000 | (50,000) | - |
| <i>Total General Receipts, Special Item, Transfers and Advances</i> | | | | | <i>28,792,811</i> | <i>2,578,082</i> | <i>31,370,893</i> |
| Change in Net Position | | | | | (4,256,244) | (1,191,260) | (5,447,504) |
| <i>Net Position Beginning of Year</i> | | | | | <i>49,345,394</i> | <i>3,945,257</i> | <i>53,290,651</i> |
| <i>Net Position End of Year</i> | | | | | <i>\$ 45,089,150</i> | <i>\$ 2,753,997</i> | <i>\$ 47,843,147</i> |

See accompanying notes to the basic financial statements

Washington Township, Montgomery County
Statement of Modified Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2023

| | General | Road & Bridge Fund | Police Fund | Fire Fund | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|-----------------------|---------------------|----------------------|--------------------------------|--------------------------------|
| Assets | | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 10,366 | \$ 6,768 | \$ 3,157 | \$ 14,357 | \$ 1,430 | \$ 36,078 |
| Investments | 12,917,916 | 8,434,480 | 3,934,154 | 17,890,984 | 1,782,470 | 44,960,004 |
| <i>Total Assets</i> | <u>\$ 12,928,282</u> | <u>\$ 8,441,248</u> | <u>\$ 3,937,311</u> | <u>\$ 17,905,341</u> | <u>\$ 1,783,900</u> | <u>\$ 44,996,082</u> |
| Fund Balances | | | | | | |
| Nonspendable | \$ - | \$ - | \$ - | \$ - | \$ 27,100 | \$ 27,100 |
| Restricted | - | - | 3,937,311 | 17,905,341 | 1,753,106 | 23,595,758 |
| Committed | - | 8,441,248 | - | - | 3,694 | 8,444,942 |
| Assigned | 5,025,275 | - | - | - | - | 5,025,275 |
| Unassigned (Deficit) | 7,903,007 | - | - | - | - | 7,903,007 |
| <i>Total Fund Balances</i> | <u>\$ 12,928,282</u> | <u>\$ 8,441,248</u> | <u>\$ 3,937,311</u> | <u>\$ 17,905,341</u> | <u>\$ 1,783,900</u> | <u>\$ 44,996,082</u> |

See accompanying notes to the basic financial statements

Washington Township, Montgomery County
*Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities - Modified Cash Basis
December 31, 2023*

| | |
|---|---------------|
| Total Governmental Fund Balances | \$ 44,996,082 |
|---|---------------|

*Amounts reported for governmental activities in the statement of
net assets are different because*

| | |
|--|--------|
| Governmental activities' net assets include the internal service funds' cash and cash equivalents. The proprietary funds' statements include these assets. | 93,068 |
|--|--------|

| | |
|--|---------------|
| <i>Net Position of Governmental Activities</i> | \$ 45,089,150 |
|--|---------------|

See accompanying notes to the basic financial statements

Washington Township, Montgomery County
Statement of Cash Receipts, Disbursements and Changes in Modified-Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

| | General | Road & Bridge Fund | Police Fund | Fire Fund | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|-----------------------|---------------------|----------------------|--------------------------------|--------------------------------|
| Receipts | | | | | | |
| Property and Other Local Taxes | \$ 1,606,534 | \$ 4,851,851 | \$ 4,884,660 | \$ 15,116,848 | \$ 203,369 | \$ 26,663,262 |
| Charges for Services | - | - | - | 1,978,833 | - | 1,978,833 |
| Licenses, Permits and Fees | 357,748 | 7,200 | - | 576 | 36,875 | 402,399 |
| Fines and Forfeitures | 19,718 | - | - | - | - | 19,718 |
| Intergovernmental | 540,200 | 665,509 | 348,338 | 1,328,369 | 729,607 | 3,612,023 |
| Special Assessments | 7,374 | - | - | - | 220,250 | 227,624 |
| Interest | 1,040,219 | - | - | - | 134,497 | 1,174,716 |
| Other | 80,731 | 129,479 | 145,607 | 41,910 | 50,745 | 448,472 |
| <i>Total Receipts</i> | <u>3,652,524</u> | <u>5,654,039</u> | <u>5,378,605</u> | <u>18,466,536</u> | <u>1,375,343</u> | <u>34,527,047</u> |
| Disbursements | | | | | | |
| Current: | | | | | | |
| General Government | 2,148,429 | - | - | - | - | 2,148,429 |
| Police | - | - | 5,226,313 | - | - | 5,226,313 |
| Fire | 130,878 | - | - | 15,280,104 | - | 15,410,982 |
| Public Works | 43,594 | 5,169,867 | - | - | 1,112,047 | 6,325,508 |
| Health | 185,966 | - | - | - | 59,809 | 245,775 |
| Conservation-Recreation | 112,099 | - | - | - | - | 112,099 |
| Other | - | - | - | - | 440,717 | 440,717 |
| Capital Outlay | 1,269,023 | 1,028,648 | 125,202 | 6,298,004 | 57,003 | 8,777,880 |
| Debt Service: | | | | | | |
| Principal Loan Payment | - | - | - | - | 162,106 | 162,106 |
| Interest and Fiscal Charges | - | - | - | - | 8,155 | 8,155 |
| <i>Total Disbursements</i> | <u>3,889,989</u> | <u>6,198,515</u> | <u>5,351,515</u> | <u>21,578,108</u> | <u>1,839,837</u> | <u>38,857,964</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>(237,465)</u> | <u>(544,476)</u> | <u>27,090</u> | <u>(3,111,572)</u> | <u>(464,494)</u> | <u>(4,330,917)</u> |
| Other Financing Sources (Uses) | | | | | | |
| Sale of Capital Assets | 12,770 | 5,995 | 20,020 | 10,818 | 1,055 | 50,658 |
| Advances In | 50,000 | - | - | - | - | 50,000 |
| <i>Total Other Financing Sources (Uses)</i> | <u>62,770</u> | <u>5,995</u> | <u>20,020</u> | <u>10,818</u> | <u>1,055</u> | <u>100,658</u> |
| <i>Net Change in Fund Balances</i> | <u>(174,695)</u> | <u>(538,481)</u> | <u>47,110</u> | <u>(3,100,754)</u> | <u>(463,439)</u> | <u>(4,230,259)</u> |
| <i>Fund Balances Beginning of Year</i> | <u>13,102,977</u> | <u>8,979,729</u> | <u>3,890,201</u> | <u>21,006,095</u> | <u>2,247,339</u> | <u>49,226,341</u> |
| <i>Fund Balances End of Year</i> | <u>\$ 12,928,282</u> | <u>\$ 8,441,248</u> | <u>\$ 3,937,311</u> | <u>\$ 17,905,341</u> | <u>\$ 1,783,900</u> | <u>\$ 44,996,082</u> |

See accompanying notes to the basic financial statements

Washington Township, Montgomery County

Reconciliation of the Statement of Cash Receipts, Disbursements and Changes in Modified-Cash Basis

Fund Balances of Governmental Funds to the Statement of Activities - Modified-Cash Basis

For the Year Ended December 31, 2023

| | |
|---|-----------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ (4,230,259) |
|---|-----------------------|

***Amounts reported for governmental activities in the
statement of activities are different because***

Internal service funds charge repair and maintenance costs to other funds.

The entity-wide statements eliminate governmental fund expenditures
and related internal service fund charges. Governmental activities
report allocated net internal service fund revenues (expenses).

(25,985)

Change in Net Position of Governmental Activities

\$ (4,256,244)

See accompanying notes to the basic financial statements

Washington Township, Montgomery County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2023

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|---------------------|----------------------|----------------------|-------------------------------|
| | Original | Final | | |
| Receipts | | | | |
| Property and Other Local Taxes | \$ 1,506,302 | \$ 1,554,334 | \$ 1,606,534 | \$ 52,200 |
| Licenses, Permits and Fees | 418,060 | 418,060 | 357,748 | (60,312) |
| Fines and Forfeitures | 20,200 | 20,200 | 19,718 | (482) |
| Intergovernmental | 1,049,104 | 1,081,112 | 540,200 | (540,912) |
| Special Assessments | 7,000 | 7,000 | 7,374 | 374 |
| Interest | 438,698 | 480,000 | 1,040,219 | 560,219 |
| Other | 56,470 | 56,470 | 80,731 | 24,261 |
| <i>Total receipts</i> | <u>3,495,834</u> | <u>3,617,176</u> | <u>3,652,524</u> | <u>35,348</u> |
| Disbursements | | | | |
| Current: | | | | |
| General Government | 2,762,870 | 2,650,667 | 2,393,186 | 257,481 |
| Fire | 144,594 | 147,472 | 130,878 | 16,594 |
| Public Works | 88,540 | 78,500 | 64,339 | 14,161 |
| Health | 198,050 | 203,771 | 186,329 | 17,442 |
| Conservation-Recreation | 109,266 | 116,768 | 112,099 | 4,669 |
| Capital Outlay | 3,467,552 | 3,268,434 | 1,775,942 | 1,492,492 |
| <i>Total Disbursements</i> | <u>6,770,872</u> | <u>6,465,612</u> | <u>4,662,773</u> | <u>1,802,839</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>(3,275,038)</u> | <u>(2,848,436)</u> | <u>(1,010,249)</u> | <u>1,838,187</u> |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | 2,800 | 2,800 | 12,770 | 9,970 |
| Advances In | 50,000 | 50,000 | 50,000 | - |
| <i>Total Other Financing Sources (Uses)</i> | <u>52,800</u> | <u>52,800</u> | <u>62,770</u> | <u>9,970</u> |
| <i>Net Change in Fund Balance</i> | <u>(3,222,238)</u> | <u>(2,795,636)</u> | <u>(947,479)</u> | <u>1,848,157</u> |
| <i>Fund Balance Beginning of Year</i> | <u>12,473,973</u> | <u>12,473,973</u> | <u>12,473,973</u> | |
| Prior Year Encumbrances Appropriated | <u>629,004</u> | <u>629,004</u> | <u>629,004</u> | |
| <i>Fund Balance End of Year</i> | <u>\$ 9,880,739</u> | <u>\$ 10,307,341</u> | <u>\$ 12,155,498</u> | <u>\$ 1,848,157</u> |

See accompanying notes to the basic financial statements

Washington Township, Montgomery County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Road & Bridge Fund
For the Year Ended December 31, 2023

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | |
| Receipts | | | | |
| Property and Other Local Taxes | \$ 4,760,000 | \$ 4,851,851 | \$ 4,851,851 | \$ - |
| Licenses, Permits and Fees | 8,000 | 8,000 | 7,200 | (800) |
| Intergovernmental | 636,337 | 661,705 | 665,509 | 3,804 |
| Other | 12,125 | 12,125 | 129,479 | 117,354 |
| <i>Total receipts</i> | <u>5,416,462</u> | <u>5,533,681</u> | <u>5,654,039</u> | <u>120,358</u> |
| Disbursements | | | | |
| Current: | | | | |
| Public Works | 7,357,792 | 7,269,860 | 6,132,566 | 1,137,294 |
| Capital Outlay | 1,951,242 | 1,924,330 | 1,233,159 | 691,171 |
| <i>Total Disbursements</i> | <u>9,309,034</u> | <u>9,194,190</u> | <u>7,365,725</u> | <u>1,828,465</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>(3,892,572)</u> | <u>(3,660,509)</u> | <u>(1,711,686)</u> | <u>1,948,823</u> |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | 20,375 | 20,424 | 5,995 | (14,429) |
| <i>Total Other Financing Sources (Uses)</i> | <u>20,375</u> | <u>20,424</u> | <u>5,995</u> | <u>(14,429)</u> |
| <i>Net Change in Fund Balance</i> | (3,872,197) | (3,640,085) | (1,705,691) | 1,934,394 |
| <i>Fund Balance Beginning of Year</i> | 7,481,082 | 7,481,082 | 7,481,082 | |
| Prior Year Encumbrances Appropriated | 1,498,647 | 1,498,647 | 1,498,647 | |
| <i>Fund Balance End of Year</i> | <u>\$ 5,107,532</u> | <u>\$ 5,339,644</u> | <u>\$ 7,274,038</u> | <u>\$ 1,934,394</u> |

See accompanying notes to the basic financial statements

Washington Township, Montgomery County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Police Fund
For the Year Ended December 31, 2023

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | |
| Receipts | | | | |
| Property and Other Local Taxes | \$ 4,790,582 | \$ 4,884,660 | \$ 4,884,660 | \$ - |
| Intergovernmental | 295,195 | 296,426 | 348,338 | 51,912 |
| Other | 146,045 | 44,350 | 145,607 | 101,257 |
| <i>Total receipts</i> | <u>5,231,822</u> | <u>5,225,436</u> | <u>5,378,605</u> | <u>153,169</u> |
| Disbursements | | | | |
| Current: | | | | |
| Police | 5,435,267 | 5,406,069 | 5,282,484 | 123,585 |
| Capital Outlay | 620,456 | 559,500 | 184,113 | 375,387 |
| <i>Total Disbursements</i> | <u>6,055,723</u> | <u>5,965,569</u> | <u>5,466,597</u> | <u>498,972</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>(823,901)</u> | <u>(740,133)</u> | <u>(87,992)</u> | <u>652,141</u> |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | 10,000 | 12,000 | 20,020 | 8,020 |
| <i>Total Other Financing Sources (Uses)</i> | <u>10,000</u> | <u>12,000</u> | <u>20,020</u> | <u>8,020</u> |
| <i>Net Change in Fund Balance</i> | <u>(813,901)</u> | <u>(728,133)</u> | <u>(67,972)</u> | <u>660,161</u> |
| <i>Fund Balance Beginning of Year</i> | <u>3,796,364</u> | <u>3,796,364</u> | <u>3,796,364</u> | |
| Prior Year Encumbrances Appropriated | 93,837 | 93,837 | 93,837 | |
| <i>Fund Balance End of Year</i> | <u>\$ 3,076,300</u> | <u>\$ 3,162,068</u> | <u>\$ 3,822,229</u> | <u>\$ 660,161</u> |

See accompanying notes to the basic financial statements

Washington Township, Montgomery County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Fire Fund
For the Year Ended December 31, 2023

| | Budgeted Amounts | | | |
|--|----------------------|----------------------|----------------------|-------------------------------|
| | Original | Final | Actual | Variance with Final Budget |
| Receipts | | | | |
| Property and Other Local Taxes | \$ 15,075,000 | \$ 15,116,849 | \$ 15,116,848 | \$ (1) |
| Charges for Services | 1,949,000 | 1,949,000 | 1,978,833 | 29,833 |
| Licenses, Permits and Fees | 575 | 575 | 576 | 1 |
| Intergovernmental | 1,165,503 | 1,340,468 | 1,328,369 | (12,099) |
| Other | 12,600 | 12,600 | 41,910 | 29,310 |
| <i>Total receipts</i> | <u>18,202,678</u> | <u>18,419,492</u> | <u>18,466,536</u> | <u>47,044</u> |
| Disbursements | | | | |
| Current: | | | | |
| Fire | 16,349,346 | 16,340,317 | 15,562,728 | 777,589 |
| Capital Outlay | 9,751,227 | 9,356,798 | 9,302,001 | 54,797 |
| <i>Total Disbursements</i> | <u>26,100,573</u> | <u>25,697,115</u> | <u>24,864,729</u> | <u>832,386</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>(7,897,895)</u> | <u>(7,277,623)</u> | <u>(6,398,193)</u> | <u>879,430</u> |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | 12,500 | 12,500 | 10,818 | (1,682) |
| <i>Total Other Financing Sources (Uses)</i> | <u>12,500</u> | <u>12,500</u> | <u>10,818</u> | <u>(1,682)</u> |
| <i>Net Change in Fund Balance</i> | (7,885,395) | (7,265,123) | (6,387,375) | 877,748 |
| <i>Fund Balance Beginning of Year</i> | 14,630,649 | 14,630,649 | 14,630,649 | |
| Prior Year Encumbrances Appropriated | 6,375,446 | 6,375,446 | 6,375,446 | |
| <i>Fund Balance End of Year</i> | <u>\$ 13,120,700</u> | <u>\$ 13,740,972</u> | <u>\$ 14,618,720</u> | <u>\$ 877,748</u> |

See accompanying notes to the basic financial statements

Washington Township, Montgomery County
Statement of Fund Net Position - Modified Cash Basis
Proprietary Funds
December 31, 2023

| | Business-Type Activities | | Governmental Activity |
|--|--------------------------|---------------------|-----------------------|
| | Recreation | Total | |
| | Enterprise Fund | Enterprise Funds | Internal Service |
| Assets | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 129,146 | \$ 129,146 | \$ 93,067 |
| Investments | 2,624,851 | 2,624,851 | - |
| <i>Total Assets</i> | <u>\$ 2,753,997</u> | <u>\$ 2,753,997</u> | <u>\$ 93,067</u> |
| Net Assets | | | |
| Restricted for: | | | |
| Recreation | \$ 2,753,997 | \$ 2,753,997 | \$ - |
| Unrestricted | - | - | 93,067 |
| <i>Total Net Position</i> | <u>\$ 2,753,997</u> | <u>\$ 2,753,997</u> | <u>\$ 93,067</u> |

See accompanying notes to the basic financial statements

Washington Township, Montgomery County
*Statement of Cash Receipts,
Disbursements and Changes in Fund Net Position - Modified Cash Basis
Proprietary Funds
For the Year Ended December 31, 2023*

| | Business-Type Activities | | Governmental |
|---|--------------------------|---------------------|------------------|
| | Recreation | Total | Activity |
| | Enterprise Fund | Enterprise Funds | Internal Service |
| Operating Receipts | | | |
| Charges for Services | \$ 1,663,945 | \$ 1,663,945 | \$ 678,275 |
| Property and Other Local Taxes | 1,914,356 | 1,914,356 | - |
| Intergovernmental | 103,301 | 103,301 | 230 |
| Other Operating Receipts | 706,693 | 706,693 | 379 |
| <i>Total Operating Receipts</i> | <u>4,388,295</u> | <u>4,388,295</u> | <u>678,884</u> |
| Operating Disbursements | | | |
| Salaries | 2,424,038 | 2,424,038 | 317,424 |
| Employee Fringe Benefits | 533,366 | 533,366 | 127,447 |
| Purchased Services | 321,227 | 321,227 | - |
| Materials and Supplies | 131,374 | 131,374 | 70,968 |
| Repairs and Maintenance | 139,864 | 139,864 | 182,185 |
| Communication, Printing and Advertising | 180,960 | 180,960 | 953 |
| Capital Outlay | 1,363,310 | 1,363,310 | 5,178 |
| Other | 442,449 | 442,449 | 1,966 |
| <i>Total Operating Disbursements</i> | <u>5,536,588</u> | <u>5,536,588</u> | <u>706,121</u> |
| <i>Operating Income (Loss)</i> | <u>(1,148,293)</u> | <u>(1,148,293)</u> | <u>(27,237)</u> |
| Non-Operating Receipts (Disbursements) | | | |
| Sale of Fixed Assets | 7,033 | 7,033 | 1,252 |
| <i>Total Non-Operating Receipts (Disbursements)</i> | <u>7,033</u> | <u>7,033</u> | <u>1,252</u> |
| <i>Income (Loss) before Transfers and Advances</i> | <u>(1,141,260)</u> | <u>(1,141,260)</u> | <u>(25,985)</u> |
| Advances Out | <u>(50,000)</u> | <u>(50,000)</u> | <u>-</u> |
| <i>Change in Net Assets</i> | <u>(1,191,260)</u> | <u>(1,191,260)</u> | <u>(25,985)</u> |
| <i>Net Position Beginning of Year</i> | <u>3,945,257</u> | <u>3,945,257</u> | <u>119,052</u> |
| <i>Net Position End of Year</i> | <u>\$ 2,753,997</u> | <u>\$ 2,753,997</u> | <u>\$ 93,067</u> |

See accompanying notes to the basic financial statements

Washington Township, Montgomery County
Statement of Fiduciary Net Position - Modified Cash Basis
Fiduciary Funds
December 31, 2023

| | Private Purpose Trust | Custodial |
|--|--------------------------|-----------------|
| Assets | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 1,699 | \$ 2,177 |
| <i>Total Assets</i> | <u>\$ 1,699</u> | <u>\$ 2,177</u> |
| Net Assets | | |
| Held in Trust for Cemetery Bequests: | | |
| Expendable | \$ 1,699 | \$ - |
| Held on Behalf of Township Employees | - | 2,177 |
| <i>Total Net Position</i> | <u>\$ 1,699</u> | <u>\$ 2,177</u> |

See accompanying notes to the basic financial statements

Washington Township, Montgomery County
Statement of Changes in Fiduciary Net Position - Modified Cash Basis
Fiduciary Funds
For the Year Ended December 31, 2023

| | Private Purpose Trust | Custodial |
|--|--------------------------|-----------------|
| Additions | | |
| Contributions | \$ - | \$ 8,103 |
| Interest | 95 | - |
| <i>Total Additions</i> | <u>95</u> | <u>8,103</u> |
| Deductions | | |
| Payments in Accordance with Trust Agreements | 267 | - |
| Other | - | 10,209 |
| <i>Total Deductions</i> | <u>267</u> | <u>10,209</u> |
| Change in Net Assets | (172) | (2,106) |
| Net Position - Beginning of Year | <u>1,871</u> | <u>4,283</u> |
| Net Position - End of Year | <u>\$ 1,699</u> | <u>\$ 2,177</u> |

See accompanying notes to the basic financial statements

Washington Township, Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

Washington Township, Montgomery County, Ohio (the Township), is a body politic and corporate established in 1796 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 Fiscal Officer.

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

A. 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, fire protection, emergency medical services, recreational facilities and cemetery maintenance. The Township contracts with the Montgomery County Sheriff's Office for police protection.

B. Component Units

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and: (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township. Washington Township has no component units.

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a modified cash basis of accounting. This modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the modified cash basis of accounting. Following are the more significant of the Township's accounting policies.

Washington Township, Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (continued)

A. Basis of Presentation

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

1. Township-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, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" receipts and disbursements. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net position presents the cash and investment balances of the governmental and business-type 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 or business-type activity is self-financing on a modified cash basis or draws from the Township's general receipts.

2. 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 and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

Proprietary fund statements distinguish operating transactions from non-operating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of services and administrative costs. The proprietary fund statements report all other receipts and disbursements as non-operating.

Note 2 – Summary of Significant Accounting Policies (continued)

B. 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. Funds are used to segregate resources that are restricted as to use. The funds of the Township are divided into three categories: Governmental, Proprietary and Fiduciary.

1. **Governmental Funds**

The Township classifies funds financed primarily from property taxes, intergovernmental receipts (e.g. rollback and homestead, Local Government Funds), and other non-exchange transactions as governmental funds. The Township's major governmental funds are as follows: General, Road & Bridge, Police and Fire. The General Fund is used to account for all financial resources, except those required to be accounted for 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. The Road & Bridge Fund receives property taxes from two levies for the maintenance and repair of roads and streets, related drainage and right of way functions. The Police Fund receives property taxes from two operating levies in order to provide safety and policing functions. The Fire Fund receives property taxes from three operating levies and fees for ambulance service of residents and non-residents in order to provide fire-related functions plus ambulance and other emergency services.

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

2. **Proprietary Funds**

The Township classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as either enterprise or internal service.

- a. **Enterprise Funds** - Enterprise funds are used to account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user fees. The Township had the following significant Enterprise Fund:

Recreation Fund – This fund is used to account for the Recreation Center's activity. It receives funds primarily through user fees, facility rentals and property taxes.

- b. **Internal Service Fund** – Internal Service funds are used to account for the financing of services provided by one department to other departments of the Township on a cost reimbursement basis. The Township had the following significant Internal Service Fund:

Vehicle Maintenance Fund – This fund receives revenues from other funds for routine maintenance and repairs performed on Township vehicles, equipment and buildings.

Note 2 – Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

3. Fiduciary Funds

Fiduciary funds include pension trust funds, investment trust funds, private purpose trust funds and custodial funds. Trust funds are used to account for assets held under a trust agreement or equivalent agreement that has certain characteristics, for individuals, private organizations, or other governments that are not available to support the Township's own programs. Custodial funds are purely custodial in nature and are used to hold resources for individuals, organizations, or other governments. The Township has the following Fiduciary Funds.

Cemetery Bequest Fund – This fund accounts for monies donated for the decoration of four graves. These funds will be used to maintain the four graves. Investment earnings are used for grave upkeep as specified by the donors.

Flexible Benefit Fund – This fund accounts for monies withheld from employees to reimburse them for medical and childcare expenses.

C. Basis of Accounting

The Township's financial statements are prepared using the modified cash basis of accounting. Except for modifications having substantial support, 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 expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the certificate of estimated resources, and the appropriations resolution, both of which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations resolution 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 object level for all funds.

Note 2 – Summary of Significant Accounting Policies (continued)

D. Budgetary Process (continued)

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.

The appropriations resolution 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 during the year.

E. 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 and Cash Equivalents.”

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, respectively.

During 2023, the Township invested in U.S. Agencies, U. S. Treasury Notes, STAR Ohio and Money Market Funds. The U.S. Agencies and U. S. Treasury Notes are reported at cost.

STAR Ohio (the State Treasury Asset Reserve of Ohio) is an investment pool, managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but has adopted Governmental Accounting Standards Board (GASB) Statement No. 79, “Certain External Investment Pools and Pool Participants”. The Township also has implemented GASB Statement No. 79. The Township measures their investments in STAR Ohio at the net asset value (NAV) per share that is 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.

Washington Township did not invest in STAR Plus in 2023. STAR Plus is a federally insured cash account powered by the Federally Insured Cash Account (FICA) program. STAR Plus enables political subdivisions to generate a competitive yield on cash deposits in a network of carefully selected FDIC-insured banks via a single, convenient account. STAR Plus offers attractive yields with no market or credit risk, weekly liquidity and penalty free withdrawals. All deposits with STAR Plus have full FDIC insurance up to \$50 million per account, with no term commitment on deposits.

Note 2 – Summary of Significant Accounting Policies (continued)

E. Cash and Investments (continued)

For 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees or redemption gates. However, 24-hour notice must be given in advance of all deposits and withdrawals exceeding \$25 million dollars. Star Ohio reserves the right to limit the transaction to \$100 million dollars, requiring the excess amount to be transacted the following business day(s), but only to the \$100-million-dollar limit. All accounts of the participant will be combined for these purposes.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2023 were \$1,040,219, which includes \$748,958 assigned from other Township funds.

F. 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.

G. Interfund Receivables / Payables

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

H. 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.

I. 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 7 and 8, the employer contributions include portions for pension benefits and for post-retirement health care benefits.

J. 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. Note 9 displays a schedule of the Township's current debt obligations. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor capital outlay expenditure is reported at inception. Lease payments are reported when paid.

Note 2 – Summary of Significant Accounting Policies (continued)

K. Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted net position includes resources restricted for the Police, Fire, Road & Bridge, Recreation and Other Government Funds funds.

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

L. Leases and SBITA's

Since Washington Township is an OCBOA modified cash basis preparer, the Township is electing to not make the GASB 96 modifications. Subscription liabilities, if any, will not be recognized on our regulatory or our OCBOA cash basis statements.

M. 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 2028. For 2023, distribution of \$58.58 is reflected as revenue in the OneOhio Special Revenue Fund in the accompanying financial statements. To date, \$10,648.44 has been received by Washington Township.

N. 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:

1. **Non-spendable:** The non-spendable 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 inter-fund loans.
2. **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.
3. **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 specific use by taking the same type of action (resolution) it employed to previously commit those amounts. 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.

Note 2 – Summary of Significant Accounting Policies (continued)

N. Fund Balance (continued)

4. **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.
5. **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.

Note 3 – 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 Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the General, Police, Fire and Road & Bridge funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the modified cash basis is that outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as restricted, committed or assigned fund balances (modified cash basis) and outstanding year end advances are treated as an other financing source or use (budgetary basis) rather than as an interfund receivable or payable (modified cash basis). The encumbrances outstanding at year-end (budgetary basis) amounted to \$772,783 for the General Fund, \$115,082 for the Police Fund, \$3,286,622 for the Fire Fund, and \$1,167,211 for the Road & Bridge Fund. There were no advances made from the General Fund in 2023. The outstanding advances at year-end amounted to \$27,100 for the General Fund.

Note 4 – Deposits and Investments

State Statute classifies monies held by the Township into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township's treasury. Active monies must be maintained either as cash in the Township's 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 Fiscal Officer has 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.

Washington Township, Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 4 – Deposits and Investments (continued)

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but 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. U.S. 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 obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above 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;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (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;
7. The State Treasurer's investment pool (STAR Ohio and STAR Plus);
8. Certain bankers' acceptances (for a period not to exceed 180 days) and commercial paper notes (for a period not to exceed 240 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.

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 investment to the fiscal officer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Washington Township, Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 4 – Deposits and Investments (continued)

A. Deposits

Effective July 1, 2017, the Ohio Pooled Collateral System (OPCS) was implemented by the Office of the Ohio Treasurer of State. Financial institutions have the option of participating in OPCS or collateralizing utilizing the specific pledge method. Township deposits are either (1) insured by the Federal Depositary Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Township, or (3) collateralized by the Ohio Pooled Collateral System (OPCS).

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, the Township's bank balance of \$668,033 was not exposed to custodial credit risk because those deposits were insured and collateralized through participation in the OPCS. The carrying amount of the Township's deposits amounted to \$262,168. Of the Township's \$47,584,855 in investments, zero dollars is covered by the Federal Deposit Insurance Corporation (FDIC), as nothing was held at STAR Plus at year end.

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 be at least one hundred and 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.

B. Investments

As of December 31, 2023, the Township had the following investments:

| | Carrying Value | Maturity (in years) | | | | Concentration of Credit Risk |
|-----------------|-------------------|-----------------------|------------|-----------|-----|---------------------------------|
| | | Less Than One Year | 1-2 | 2-3 | 3-5 | |
| FHLB | \$16,903,854 | 4,960,911 | 9,945,284 | 1,997,659 | | 35.52 |
| US Treas Notes | 12,620,090 | 6,990,394 | 4,664,156 | 965,540 | | 26.52 |
| Fed Farm Cr | 5,683,044 | 790,025 | 4,893,019 | | | 11.94 |
| Fannie Mae | 3,207,384 | 2,209,970 | 997,414 | | | 6.74 |
| Star Ohio | 9,142,881 | 9,142,881 | | | | 19.22 |
| Money Market | 27,602 | 27,602 | | | | 0.06 |
| Total Portfolio | \$47,584,855 | 24,121,783 | 20,499,873 | 2,963,199 | | |

Washington Township, Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 4 – Deposits and Investments (continued)

B. Investments (Continued)

1. 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's investment policy 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, limiting investment portfolio maturities to five years or less.
2. Credit Risk: Money Market Fund carries a rating of AAA by Standard and Poor's, STAR Ohio carries a rating of AAAM by Standard and Poor's and STAR Plus carries a rating of AAAM by Standard and Poor's. The Federal Home Loan Bank Notes and Federal Farm Credit Bank Notes carry a rating of AA+ by Standard and Poor's and AAA by Moody's. The Federal Home Loan Mortgage Corp. (Freddie Mac) Notes and Federal National Mortgage Association (Fannie Mae) Notes carry a rating of AA+ by Standard and Poor's and AAA by Moody's. The US Treasury Notes carry a rating of AA+ by Standard and Poor's and AAA by Moody's. The Township has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio and STAR Plus maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.
3. 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 repurchase agreement, Federal National Mortgage Association Notes, Federal Home Loan Mortgage Corporation Notes, Federal Farm Credit Bank Notes, Federal Home Loan Bank Notes and the US Treasury Notes 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.
4. Concentration of Credit Risk: The Township places no limit on the amount it may invest with any one issuer.

Reconciliation of Cash and Investments to the Statements of Net Position: The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statements of net position as of December 31, 2023.

| <u>Cash and Investments per footnote</u> | |
|--|----------------------|
| Carrying amounts of deposits | \$ 262,168 |
| Investments | 47,584,855 |
| Total | <u>\$ 47,847,023</u> |
| <u>Cash and Investments per Statements of Net Position</u> | |
| Governmental activities | \$ 45,089,150 |
| Business type activities | 2,753,997 |
| Custodial funds | 2,177 |
| Private purpose trust funds | 1,699 |
| Total | <u>\$ 47,847,023</u> |

Washington Township, Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 5 – Property Taxes

A. Property Tax

Property taxes include amounts levied against all real property and public utility real property located in the Township. Real property tax receipts received in 2023 represent the collection of 2022 taxes. Real property taxes received in 2023 were levied after October 1, 2022, on the assessed values as of January 1, 2023, the lien date. Assessed values for real property taxes are established by State Statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31st; if paid semi-annually, the first payment is due February 17th, with the remainder payable by July 14th. Under certain circumstances, State Statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2023 represent the collection of 2022 taxes. Public utility real property taxes received in 2023 became a lien on December 31, 2022, were levied after October 1, 2022, and were collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility personal property is currently assessed at varying percentages of true value.

The full tax rate for all Township operations for the year ended December 31, 2023, was \$19.15 per \$1,000 of assessed value for unincorporated residents. The full tax rate for all operations, (County, School, Township, City, JVS, Library and Park District), was \$131.16 per \$1,000 of assessed value for unincorporated Township residents and \$125.06 per \$1,000 of assessed value for City of Centerville residents. The assessed values of real property and public utility personal property upon which 2023 property tax receipts were based are as follows:

Real Property

| | |
|-------------------------------|-----------------|
| Residential/Agricultural | \$1,788,620,890 |
| Commercial/Industrial/Mineral | 347,132,180 |

Public Utility Property

| | |
|----------------------|-------------------------------|
| Real | - |
| Personal | 50,204,390 |
| Total Assessed Value | <u><u>\$2,185,957,460</u></u> |

Note 5 – Property Taxes (continued)

B. Tax Abatement

For 2023, GASB Statement 77, “Tax Abatement Disclosures” was in effect. This GASB pronouncement had no effect on the beginning net position as reported January 1, 2023.

For purposes of GASB Statement 77, the definition of a tax abatement is: A reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled to and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

For the year ending December 31, 2023, all tax abatements were by the City of Centerville. The City of Centerville is the incorporated part of the Township and the tax abatements affect the Fire, Recreation and General Fund levies. The total market value abated by the City of Centerville is \$142,417,660. Of this total market value, \$34,650,000 is through a TIF. The abated amounts are as follows: Fire Fund \$1,167,569, General Fund \$117,634 and Recreational Fund \$209,026. Total amount abated is \$1,494,229.

Note 6 – Risk Management

The Township has obtained commercial insurance for the following risks:

- Comprehensive property;
- General and professional liability;
- Vehicles;
- Umbrella;
- Cyber liability; and
- Errors and omissions.

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

The Township pays the State Workers’ Compensation System a premium based on a rate per \$100.00 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

The Township is a member of the Ohio Benefits Council (OBC) and participates in a self-funded health insurance pool, the Jefferson Health Plan. A health savings account plan (HSA) is available with the insurance carrier Anthem for full-time employees and elected officials. Life insurance, through Standard Life Insurance Company, and dental, through Superior Dental Care, are also provided to all full-time employees, elected officials and eligible part-time employees.

Note 7 – Defined Benefit Pension Plan

A. Ohio Public Employees Retirement System

Plan Description - The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans:

1. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan.
2. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and (vested) employer contributions plus any investment earnings.
3. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy of this report by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS at the following: 277 East Town Street, Columbus, OH 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members 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 plan as per the reduced benefits adopted by SB 343 (see OPERS ACFR referenced above for additional information, including requirements for reduced and unreduced benefits):

Washington Township, Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 7 – Defined Benefit Pension Plan (continued)

A. Ohio Public Employees Retirement System (continued)

| 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.

Once a benefit recipient retiring under the Traditional Pension Plan has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. 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 COLA adjustment on the defined benefit portion of their retirement benefit. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Washington Township, Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 7 – Defined Benefit Pension Plan (continued)

A. Ohio Public Employees Retirement System (continued)

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2023, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety officers participate in only the Traditional Pension Plan. For the year ended December 31, 2023, OPERS members were required to contribute 10 percent of their annual covered salaries (12.0% for public safety and 13.0% for law enforcement). The contribution rate for pension benefits for 2023 was 14.0% of earnable salary for state and local employer units and 18.1% of earnable salary for public safety and law enforcement employer units.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2023, 2022 and 2021 were \$803,067, \$728,507 and \$638,029 respectively, equal to required contributions for each year.

B. Ohio Police and Fire Pension Fund

Plan Description - The Township contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F 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. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F's website at www.op-f.org.

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

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before 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 salary is paid after 33 years of service credit.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3 percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013, is equal to 3 percent of their base pension or disability benefit.

Note 7 – Defined Benefit Pension Plan (continued)

B. Ohio Police and Fire Pension Fund (continued)

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for members and employer contributions. For the year ended December 31, 2023, plan members were required to contribute 12.25 percent of their annual covered salary. Throughout 2023, The Township was required to contribute 24 percent for firefighters. The Township's contributions to OP&F for firefighters were \$1,988,348 for the year ended December 31, 2023, \$1,879,651 for the year ended December 31, 2022 and \$1,702,142 for the year ended December 31, 2021. These contributions were equal to our required contributions for each year.

C. Social Security

The Township contributes to the social security program for all employees that do not qualify for either OPERS or OP&F. Social Security provides retirement benefits, including survivor and disability, to its participants.

The contribution rate for employees was 6.2% of gross salary. The Township's employer contribution rate was also 6.2% of the employee's gross salary. The Township's contributions to Social Security for the years ended December 31, 2023, 2022 and 2021 were \$8,594, \$10,196 and \$21,426 respectively. The Township has paid all required contributions through December 31, 2023.

Note 8 - Post Employment Benefits

A. Ohio Public Employees Retirement System

Plan Description – 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-employee defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. This 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 refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have twenty years with a minimum age of 60 or generally 30 years of qualifying Ohio service credit at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in *GASB Statement 75*. Please see OPERS ACFR referenced below for additional information.

Washington Township, Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 8 - Post Employment Benefits (continued)

A. Ohio Public Employees Retirement System (continued)

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 1-800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, the Township's employer contribution rate was 14 percent of covered payroll (18.10 percent for public safety and law enforcement). These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active members' contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Effective July 1, 2022, OPERS started to allocate 2.0% of employer contributions to health care for members in the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependants and the coverage selected. The employer contribution as a percentage of the covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2022 was 4.0%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. Washington Townships' contractually required contribution was \$803,067 for 2023.

B. Ohio Police and Fire Pension Fund

Plan Description - Washington Township contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost sharing, multiple-employer defined, post-employment health care 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. OP&F provides health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium to retirees, qualifying benefit recipients, and their eligible dependents.

OP&F provides access to post-retirement health care coverage to any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of Other Post-Employment Benefit (OPEB) as described in *GASB Statement 75*.

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.

Washington Township, Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 8 - Post Employment Benefits (continued)

B. Ohio Police and Fire Pension Fund (continued)

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That 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, 19.50% and 24.00% of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. There is 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. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2022, the portion of employer contributions allocated to health care was 0.5% 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 and is limited by the provisions of Sections 115 and 401(h).

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.

Beginning January 1, 2019, OP&F changed its retiree health care model and the self-insured health care plan is no longer offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

Washington Townships' contractually required contribution to OP&F was \$1,988,348 for 2023.

Washington Township, Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 9 – Debt

The Township had no long-term debt activity for the year ended December 31, 2023.

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 an amount equal to 10.5 percent of its tax valuation. The effects of the debt limitations at December 31, 2023, were an overall debt margin of \$229,525,533 and an un-voted debt margin of \$120,227,660.

On March 20, 2017, Washington Township petitioned the City of Dayton to be added to the PACE program. The Dayton - Montgomery County Port Authority issued PACE bonds through the bond fund to allow the owner to make energy improvements. The owner will be assessed through the real estate taxation process to repay the Port Authority bonds. The Port Authority has reported an intergovernmental receivable for the principal and interest less the project cash reserve held at the Port Authority. The township receives special assessment revenues generated through the real estate taxation process and remits the principal and interest payments to the Port Authority. The District and the Owner have prepaid all amounts outstanding with respect to the Bonds, and, as provided in the Special Assessment Agreement, the Authority has released the District and the Owner from their obligations with respect to the Bonds, and, by providing copies of the same to the Township, notified the Township that the remaining Special Assessments should be reduced to \$0.

A new Special Assessment agreement was entered into in 2023 for which amortization is as follows:

| <u>YEAR</u> | <u>SPECIAL ASSESSMENT INSTALLMENT AMOUNTS</u> |
|--------------------|--|
| 2024 | \$ 8,083 |
| 2025 | 8,083 |
| 2026 | 8,083 |
| 2027 | 8,083 |
| 2028 | 8,083 |
| 2029-2031 | 24,249 |
| TOTAL | <u>\$ 64,664</u> |

Washington Township, Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 10 – Fund Balances

Fund balance is classified as non-spendable, restricted, committed, assigned and / or unassigned based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the government funds.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

| | | Road & Bridge | Police | Fire | Other Governmental | |
|-----------------------------|----------------------|---------------------|---------------------|----------------------|-----------------------|----------------------|
| Fund Balances | General | Fund | Fund | Fund | Funds | Total |
| Nonspendable: | | | | | | |
| Advances | \$ - | \$ - | \$ - | \$ - | \$ 27,100 | \$ 27,100 |
| <i>Total Nonspendable</i> | - | - | - | - | 27,100 | 27,100 |
| Restricted for | | | | | | |
| Road and Bridge | - | - | - | - | 1,643,410 | 1,643,410 |
| Police Services | - | - | 3,937,311 | - | - | 3,937,311 |
| Fire Services | - | - | - | 17,905,341 | - | 17,905,341 |
| Cemetery | - | - | - | - | 95,934 | 95,934 |
| Other | - | - | - | - | 10,648 | 10,648 |
| Debt Service | - | - | - | - | 3,114 | 3,114 |
| <i>Total Restricted</i> | - | - | 3,937,311 | 17,905,341 | 1,753,106 | 23,595,758 |
| Committed to | | | | | | |
| Road and Bridge | - | 8,441,248 | - | - | - | 8,441,248 |
| Lighting District | - | - | - | - | 3,694 | 3,694 |
| <i>Total Committed</i> | - | 8,441,248 | - | - | 3,694 | 8,444,942 |
| Assigned to | | | | | | |
| Unpaid Obligations | 5,025,275 | - | - | - | - | 5,025,275 |
| <i>Total Assigned</i> | 5,025,275 | - | - | - | - | 5,025,275 |
| Unassigned (Deficit) | 7,903,007 | - | - | - | - | 7,903,007 |
| <i>Total Fund Balances</i> | <u>\$ 12,928,282</u> | <u>\$ 8,441,248</u> | <u>\$ 3,937,311</u> | <u>\$ 17,905,341</u> | <u>\$ 1,783,900</u> | <u>\$ 44,996,082</u> |

Washington Township, Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 11 – Inter Fund Transfers and Inter Fund Receivables / Payables (Advances)

No transfers were made in 2023.

The General Fund did not make any advances in 2023.

In 2023, the Recreation Fund paid back the final installment (\$50,000) of its \$250,000 advance that it received from the General Fund in 2017.

Inter fund balances as of December 31, 2023, consisted of the following individual fund receivables and payables:

| | |
|----------------------------------|------------------|
| Due to General Fund from: | |
| Lighting Assessment Fund | \$ <u>27,100</u> |
| Total due General Fund: | \$ <u>27,100</u> |

The balance due to the General Fund includes loans made to cover the first-year expenses for the Lighting Assessment Fund.

The Lighting Assessment advance is expected to be repaid in the future.

Note 12 – Contingent Liabilities

As of December 31, 2023, the Township is presently a defendant in one lawsuit involving a zoning case. Any losses resulting from a judgement for the plaintiff should be covered by the Townships insurance policy.

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

Note 13 –Subsequent Events

On January 8th, the Township awarded the dredging and revitalization project for the Turtle and Heron Pond projects for a total approximate amount of \$1,993,919.

Note 14 –Reclassification of Funds

The Township reclassified ARPA money from the Local Fiscal Recovery Fund (41) to the Recreational Fund (21). The money was used to pay / offset prior year (2022) part-time wages in the Recreation Fund. Reclassified per state bulletin 2021-004.

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

Washington Township
Montgomery County
8200 McEwen Road
Dayton, Ohio 45458

To the Board of Trustees:

We have audited, in accordance the with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the modified cash-basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Washington Township, Montgomery County, (the Township) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated October 18, 2024, wherein we noted the Township uses a special purpose framework other than generally accepted accounting principles.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

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

October 18, 2024

**WASHINGTON TOWNSHIP
MONTGOMERY COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2023**

| Finding Number | Finding Summary | Status | Additional Information |
|-------------------|------------------------|-----------|------------------------|
| 2022-001 | Inappropriate Transfer | Corrected | |

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OHIO AUDITOR OF STATE KEITH FABER



WASHINGTON TOWNSHIP

MONTGOMERY 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 12/24/2024

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