



OHIO AUDITOR OF STATE
KEITH FABER



GOSHEN TOWNSHIP
HARDIN COUNTY

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Goshen Township
Hardin County
21012 County Road 100
Kenton, Ohio 43326

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2020 and 2019, and related notes of Goshen Township, Hardin County, Ohio (the Township).

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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

As described in Note 2 of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Township does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2020 and 2019, and the respective changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type for the years ended December 31, 2020 and 2019, and related notes of the Township, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 10 to the 2020 and 2019 financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2022, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

January 26, 2022

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GOSHEN TOWNSHIP, HARDIN COUNTY

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Property and Other Local Taxes	\$48,826	\$66,434	\$115,260
Licenses, Permits and Fees	325		325
Intergovernmental	26,512	151,030	177,542
Earnings on Investments	5,803		5,803
Miscellaneous	6,423	2,400	8,823
Total Cash Receipts	<u>87,889</u>	<u>219,864</u>	<u>307,753</u>
Cash Disbursements			
Current:			
General Government	39,132	31,681	70,813
Public Safety		17,000	17,000
Public Works		51,840	51,840
Health	8,112		8,112
Intergovernmental		25,239	25,239
Other	1,204		1,204
Total Cash Disbursements	<u>48,448</u>	<u>125,760</u>	<u>174,208</u>
Excess of Receipts Over Disbursements	<u>39,441</u>	<u>94,104</u>	<u>133,545</u>
Fund Cash Balances, January 1	<u>546,479</u>	<u>382,889</u>	<u>929,368</u>
Fund Cash Balances, December 31	<u><u>\$585,920</u></u>	<u><u>\$476,993</u></u>	<u><u>\$1,062,913</u></u>

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

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Goshen Township
Hardin County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Goshen Township, Hardin County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance and cemetery maintenance. The Township contracts with the Jackson-Forest Fire Department and Marseilles Fire Department to provide fire services.

Jointly Governed Organizations and Public Entity Risk Pool

The residents of the Township support Grove Cemetery Association and the Veteran’s Memorial Park District through tax levies. Note 5 further discusses these tax levies.

The Township participates in three jointly governed organizations and the Ohio Township Association Risk Management Authority (OTARMA) public entity risk pool. Notes 6 and 9 to the financial statements provide additional information for these entities. These organizations are:

Jointly Governed Organizations:

- Grove Cemetery Association which provides a cemetery for residents and non-residents of Hardin County.
- Hardin County Regional Planning Commission which provides planning services to members.
- BKP Ambulance District which provides ambulance services within the District.

Public Entity Risk Pool:

- Ohio Township Association Risk Management Authority (OTARMA) provides property and casualty coverage to members.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

Goshen Township
Hardin County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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

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

Basis of Accounting

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

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

Budgetary Process

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

Appropriations

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

Estimated Resources

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

Encumbrances

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

A summary of 2020 budgetary activity appears in Note 3.

Deposits and Investments

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

Goshen Township
Hardin County
Notes to the Financial Statements
For the Year Ended December 31, 2020

The investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Fund Balance

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

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

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

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

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

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

Goshen Township
Hardin County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2020 was as follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$84,825	\$87,889	\$3,064
Special Revenue	168,776	219,864	51,088
Total	\$253,601	\$307,753	\$54,152

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$60,452	\$48,448	\$12,004
Special Revenue	179,323	125,760	53,563
Total	\$239,775	\$174,208	\$65,567

Note 4 – Deposits and Investments

The Township maintains a deposit and investment pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

Checking	\$270,437
Savings	53,044
Money Market	61,634
Total deposits	\$385,115
STAR Ohio	\$677,798
Total investments	\$677,798
Total carrying amount of deposits and investments	\$1,062,913

Deposits: All moneys held at Quest Federal Credit Union are insured by the National Credit Union Administration (NCUA). NCUA insurance extend to a maximum of \$250,000 per depositor per institution, and for each account ownership category. This maximum covers both initial capital and accrued interest.

At December 31, 2020, all deposits were covered by NCUA insurance

Deposits held in a credit union violate Ohio Rev. Code Sections 135.03 and 1101.01(B).

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

Goshen Township
Hardin County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 5 – Property Taxes

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

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

The residents of the Township support Grove Cemetery Association (the Cemetery) and the Veterans' Memorial Park District (the Park) through tax levies. The levy for the Cemetery is a voted millage and the levy for the Park is un-voted millage. During 2020, the Cemetery and the Park received \$22,663 and \$2,577, respectively, in property tax receipts and related homestead and rollback receipts, from the residents of the Township. This money is reported as property tax receipts and intergovernmental receipts, and the subsequent disbursements is recorded within intergovernmental disbursements in the accompanying financial statements.

Note 6 – Risk Management

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool covers the following risks:

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

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

	<u>2020</u>
Cash and investments	\$36,348,066
Actuarial liabilities	\$10,894,146

Goshen Township
Hardin County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 7 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

Four elected Officials, being three Trustees and one Fiscal Officer belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Township contributed an amount equaling 14%, of participants’ gross salaries. The Township has paid all contributions required through December 31, 2020.

Note 8 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2020.

Note 9 – Jointly Governed Organizations

Grove Cemetery Association

The Grove Cemetery Association (the Association) is a jointly-governed organization consisting of Buck, Pleasant and Goshen Townships and the City of Kenton. The Association is governed by a board of trustees consisting of one representative from each township and the City. The degree of control exercised by any participating entity is limited to its representation on the board.

Operating funds for the Association are provided from property taxes assessed against property owners located within the Townships and the City making up the Association and charges assessed for services of the Association. The City provides no other funds to the Association. Financial information may be obtained from Roger Crowe, Fiscal Officer at 15443 St. Rt. 309, Kenton, OH 43326.

BKP Ambulance District

The constitution and laws of the State of Ohio establish the rights and privileges of the BKP Ambulance District, Hardin County, (the District) as a body corporate and politic. A seven-member Board of Trustees governs the District. Each political subdivision within the District appoints one member. Those subdivisions are Buck, Cessna, Dudley, Goshen, Lynn and Pleasant Townships in Hardin County, and the City of Kenton. Financial information can be obtained at 439 South Main Street, Kenton, Ohio 43326.

Hardin County Regional Planning Commission

Hardin County Regional Planning Commission (the Commission) is governed by a Board consisting of members from Hardin County, the municipalities and townships within the County. The degree of control exercised by any participating government is limited to its representation on the Board. The Board is comprised of twenty-seven members, any of which may hold any other public office. The Village is represented by one member.

Goshen Township
Hardin County
Notes to the Financial Statements
For the Year Ended December 31, 2020

The Commission assists in administering grants; provides member subdivisions with technical assistance with grants and grant writing; provides member subdivisions with assistance on zoning codes and the updating and revision of these codes; assists with the division of real estate lots; maintains flood insurance maps on file and oversees flood hazard construction regulations; and maintains the County’s census data on file. Each participating government may be required to contribute an assessment per capita according to the latest federal census in any calendar year in which the revenue is needed. Financial information can be obtained from Mark Doll, Director, One Courthouse Square, Suite 130, Kenton, Ohio 43326.

Note 10 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The impact on the Township’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Note 11 – Fund Balances

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

Fund Balances	General	Special Revenue	Total
Nonspendable:			
Unclaimed Monies	\$0	\$0	\$0
Corpus	0	0	0
Outstanding Encumbrances	0	0	0
Total	\$0	\$0	\$0

The fund balance of special revenue funds is either restricted or committed. These restricted or committed amounts would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

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GOSHEN TOWNSHIP, HARDIN COUNTY

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Property and Other Local Taxes	\$47,379	\$64,480	\$111,859
Licenses, Permits and Fees	500		500
Intergovernmental	27,825	124,596	152,421
Earnings on Investments	15,621		15,621
Miscellaneous	4,855	600	5,455
Total Cash Receipts	<u>96,180</u>	<u>189,676</u>	<u>285,856</u>
Cash Disbursements			
Current:			
General Government	39,519	31,261	70,780
Public Safety		17,000	17,000
Public Works		74,937	74,937
Health	8,240		8,240
Intergovernmental		24,587	24,587
Other	729		729
Total Cash Disbursements	<u>48,488</u>	<u>147,785</u>	<u>196,273</u>
Excess of Receipts Over Disbursements	<u>47,692</u>	<u>41,891</u>	<u>89,583</u>
Fund Cash Balances, January 1	<u>498,787</u>	<u>340,998</u>	<u>839,785</u>
Fund Cash Balances, December 31:			
Restricted		382,889	382,889
Unassigned	546,479		546,479
Fund Cash Balances, December 31	<u>\$546,479</u>	<u>\$382,889</u>	<u>\$929,368</u>

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

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Goshen Township
Hardin County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Goshen Township, Hardin County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance and cemetery maintenance. The Township contracts with the Jackson-Forest Fire Department and Marseilles Fire Department to provide fire services.

Jointly Governed Organizations and Public Entity Risk Pool

The residents of the Township support Grove Cemetery Association and the Veteran’s Memorial Park District through tax levies. Note 5 further discusses these tax levies.

The Township participates in three jointly governed organizations and the Ohio Township Association Risk Management Authority (OTARMA) public entity risk pool. Notes 6 and 9 to the financial statements provide additional information for these entities. These organizations are:

Jointly Governed Organizations:

- Grove Cemetery Association which provides a cemetery for residents and non-residents of Hardin County.
- Hardin County Regional Planning Commission which provides planning services to members.
- BKP Ambulance District which provides ambulance services within the District.

Public Entity Risk Pool:

- Ohio Township Association Risk Management Authority (OTARMA) provides property and casualty coverage to members.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

Goshen Township
Hardin County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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

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

Basis of Accounting

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

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

Budgetary Process

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

Appropriations

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

Estimated Resources

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

Encumbrances

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

A summary of 2019 budgetary activity appears in Note 3.

Deposits and Investments

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

Goshen Township
Hardin County
Notes to the Financial Statements
For the Year Ended December 31, 2019

The investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Fund Balance

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

Nonspendable The Township classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact.

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

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

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are 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.

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

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

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

Goshen Township
Hardin County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2019 was as follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$63,610	\$96,180	\$32,570
Special Revenue	167,381	189,676	22,295
Total	\$230,991	\$285,856	\$54,865

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$59,681	\$48,488	\$11,193
Special Revenue	187,180	147,785	39,395
Total	\$246,861	\$196,273	\$50,588

Note 4 – Deposits and Investments

The Township maintains a deposit and investment pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

Checking	\$142,064
Savings	52,944
Money Market	61,347
Total deposits	\$256,355
STAR Ohio	\$673,013
Total investments	\$673,013
Total carrying amount of deposits and investments	\$929,368

Deposits: All moneys held at Quest Federal Credit Union are insured by the National Credit Union Administration (NCUA). NCUA insurance extend to a maximum of \$250,000 per depositor per institution, and for each account ownership category. This maximum covers both initial capital and accrued interest.

At December 31, 2020, all deposits were covered by NCUA insurance

Deposits held in a credit union violate Ohio Rev. Code Sections 135.03 and 1101.01(B).

Goshen Township
Hardin County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 5 – Property Taxes

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

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

The residents of the Township support Grove Cemetery Association (the Cemetery) and the Veterans' Memorial Park District (the Park) through tax levies. The levy for the Cemetery is a voted millage and the levy for the Park is un-voted millage. During 2020, the Cemetery and the Park received \$22,075 and \$2,512, respectively, in property tax receipts and related homestead and rollback receipts, from the residents of the Township. This money is reported as property tax receipts and intergovernmental receipts, and the subsequent disbursements is recorded within intergovernmental disbursements in the accompanying financial statements.

Note 6 – Risk Management

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool covers the following risks:

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

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

	<u>2019</u>
Cash and investments	\$35,207,320
Actuarial liabilities	\$10,519,942

Goshen Township
Hardin County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 7 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

Four elected Officials, being three Trustees and one Fiscal Officer belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Township contributed an amount equaling 14%, of participants' gross salaries. The Township has paid all contributions required through December 31, 2019.

Note 8 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2019.

Note 9 – Jointly Governed Organizations

Grove Cemetery Association

The Grove Cemetery Association (the Association) is a jointly-governed organization consisting of Buck, Pleasant and Goshen Townships and the City of Kenton. The Association is governed by a board of trustees consisting of one representative from each township and the City. The degree of control exercised by any participating entity is limited to its representation on the board.

Operating funds for the Association are provided from property taxes assessed against property owners located within the Townships and the City making up the Association and charges assessed for services of the Association. The City provides no other funds to the Association. Financial information may be obtained from Roger Crowe, Fiscal Officer at 15443 St. Rt. 309, Kenton, OH 43326.

BKP Ambulance District

The constitution and laws of the State of Ohio establish the rights and privileges of the BKP Ambulance District, Hardin County, (the District) as a body corporate and politic. A seven-member Board of Trustees governs the District. Each political subdivision within the District appoints one member. Those subdivisions are Buck, Cessna, Dudley, Goshen, Lynn and Pleasant Townships in Hardin County, and the City of Kenton. Financial information can be obtained from Peg Brown, Clerk, 439 South Main Street, Kenton, Ohio 43326.

Hardin County Regional Planning Commission

Hardin County Regional Planning Commission (the Commission) is governed by a Board consisting of members from Hardin County, the municipalities and townships within the County. The degree of control exercised by any participating government is limited to its representation on the Board. The Board is comprised of twenty-seven members, any of which may hold any other public office. The Village is represented by one member.

Goshen Township
Hardin County
Notes to the Financial Statements
For the Year Ended December 31, 2019

The Commission makes studies, maps, plans, recommendations and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions, and services of the County. Each participating government may be required to contribute an assessment per capita, according to the latest federal census, in any calendar year in which the revenue is needed. Financial information can be obtained from Mark Doll, Director, One Courthouse Square, Suite 130, Kenton, Ohio 43326.

Note 10 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

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

Goshen Township
Hardin County
21012 County Road 100
Kenton, Ohio 43326

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2020 and 2019, and related notes of Goshen Township, Hardin County, (the Township) and have issued our report thereon dated January 26, 2022, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Township.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Township's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider a material weakness and a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Government's financial statements. We consider finding 2020-001 described in the accompanying schedule of findings to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2020-002 described in the accompanying schedule of findings to be a significant deficiency.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2020-002 and 2020-003.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

January 26, 2022

GOSHEN TOWNSHIP
HARDIN COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2020 AND 2019

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

FINDING NUMBER 2020-001

Material Weakness - Accuracy of Financial Reporting

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

The following errors were identified in the financial statements:

- In 2020, homestead and rollback receipts were improperly recorded as property and other local taxes in the General Fund (\$6,582), Fire District Fund (\$4,382), Road and Bridge Fund (\$1,224), Grove Cemetery Fund (\$797) and Park Levy Fund (\$306); and
- In 2019, homestead and rollback receipts were improperly recorded as property and other local taxes in the General Fund (\$6,627), Fire District Fund (\$4,410), Road and Bridge Fund (\$1,233), Grove Cemetery Fund (\$817) and Park Levy Fund (\$307)

The notes to financial statements did not include disclosures such as but not limited to, collateral information for deposits, information in the property tax note on levies for other governments which are supported by Township residents and accounted for in the Township financial statements, and postemployment benefits.

The lack of transaction and monitoring controls over the recording of these types of receipts and for preparing the annual notes to the financial statements may have contributed to the errors identified above. The accompanying financial statements have been adjusted to correct these errors.

The failure to correctly classify receipts may impact a user's understanding of the financial operations, and management's ability to monitor budget versus actual activity for each fund. Missing note disclosures impacts the user's understanding of the financial statements.

The Uniform Accounting Network (UAN) manual should be utilized as a guide for the recording of receipts. Throughout the year budget versus actual reports that show activity by receipt line item should be utilized to help identify errors in the recording of receipts by line item. Reviewing the most recent "shell" township notes on the Auditor of State web-site will help ensure all required disclosures are included in the annual financial report.

FINDING NUMBER 2020-002

Noncompliance Citation – Significant Deficiency

Ohio Rev. Code § 517.08, states, “the proceeds arising from the sale of cemetery lots under section 517.07 of the Revised Code shall be used in maintaining, improving, beautifying, and embellishing such grounds, and for maintaining and improving entombments, including mausoleums, columbariums, and other interment rights, except that upon unanimous consent of the board of township trustees, such proceeds may be used in the purchase or appropriation of additional land for cemetery purposes in accordance with sections 517.01 and 517.13 of the Revised Code; and the board of township trustees may build and maintain proper and secure fences around all such cemeteries, to be paid for from the township funds.”

Ohio Rev. Code § 5705.09(F), states, “each subdivision shall establish a special for each class of revenues derived from a source other than the general property tax, which the law requires to be used for a particular purpose.”

In 2020 and 2019, receipts in the amount of \$2,400 and \$600, respectively, were recorded in the General Fund instead of the Special Revenue McKendree Cemetery Fund from which the lots were sold.

The failure to have a control(s) in place over the recording of lot sale receipts may have contributed to these errors.

The accompanying financial statements and accounting records have been adjusted to record the lot sale receipts in the correct fund.

Resources such as the Ohio Township Handbook and the Ohio Revised Code should be utilized to help ensure that restricted receipts are recorded in the correct fund. Throughout the year the accounting records should be reviewed to help detect receipt recording errors.

FINDING NUMBER 2020-003

Noncompliance Citation

Ohio Rev. Code § 135.03 states eligible depositories include national banks and banks defined in **Ohio Rev. Code § 1101.01**. **Ohio Rev. Code § 1101.01(B)** states that a “Bank” means a corporation that solicits, receives, or accepts money or its equivalent for deposit as a business, whether the deposit is made by check or is evidenced by a certificate of deposit, passbook, note, receipt, ledger card, or otherwise. “Bank” also includes a state bank or a corporation doing business as a bank or savings bank under authority granted by the bank regulatory authority or another state of the United States or another country, but does not include a credit union.

The Township held money in checking, savings, and money market accounts at a local credit union which is not an eligible depository per Ohio Rev. Code §135.03 as defined by Ohio Rev. Code § 1101.01(B). At December 31, 2020 and 2019, approximately \$385,535 (36%) and \$263,615 (28%), respectively, of the Township’s deposits and investments were held in this credit union.

The failure to maintain deposits in an eligible institution may increase the Township’s risk of a loss of public funds. The Township should maintain all deposits and investments in institutions that are eligible per Ohio Rev. Code § 135.03 as defined by Ohio Rev. Code § 1101.01(B).

OFFICIALS’ RESPONSE: We did not receive a response from Officials to the findings reported above.

OHIO AUDITOR OF STATE KEITH FABER



GOSHEN TOWNSHIP

HARDIN 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 2/15/2022

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

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