



OHIO AUDITOR OF STATE
KEITH FABER



**GOSHEN TOWNSHIP
TUSCARAWAS COUNTY**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Goshen Township
Tuscarawas County
P.O. Box 41
New Philadelphia, Ohio 44663

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of Goshen Township, Tuscarawas County, Ohio (the Township), as of and for the years ended December 31, 2019 and 2018.

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 § 117.38 and Ohio Administrative Code § 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 § 117.38 and Ohio Administrative Code § 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 § 117.38 and Ohio Administrative Code § 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, 2019 and 2018, 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 by fund type, and related notes of Goshen Township, Tuscarawas County as of December 31, 2019 and 2018, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 11 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will 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 June 11, 2020, 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

June 11, 2020

Goshen Township

Tuscarawas County, Ohio

Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)

All Governmental Fund Types

For the Year Ended December 31, 2019

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$85,844	\$304,735	\$0	\$390,579
Intergovernmental	66,488	150,938	0	217,426
Earnings on Investments	2,168	709	88	2,965
Miscellaneous	7,484	419	169,268	177,171
<i>Total Cash Receipts</i>	<u>161,984</u>	<u>456,801</u>	<u>169,356</u>	<u>788,141</u>
Cash Disbursements				
Current:				
General Government	117,552	4,696	315,217	437,465
Public Safety	0	128,813	0	128,813
Public Works	0	387,171	0	387,171
Health	2,768	0	0	2,768
<i>Total Cash Disbursements</i>	<u>120,320</u>	<u>520,680</u>	<u>315,217</u>	<u>956,217</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>41,664</u>	<u>(63,879)</u>	<u>(145,861)</u>	<u>(168,076)</u>
Other Financing Receipts (Disbursements)				
Other Financing Uses	(316)	0	0	(316)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(316)</u>	<u>0</u>	<u>0</u>	<u>(316)</u>
<i>Net Change in Fund Cash Balances</i>	41,348	(63,879)	(145,861)	(168,392)
<i>Fund Cash Balances, January 1</i>	<u>29,299</u>	<u>658,180</u>	<u>147,127</u>	<u>834,606</u>
Fund Cash Balances, December 31				
Restricted	0	373,646	1,266	374,912
Committed	0	220,655	0	220,655
Unassigned (Deficit)	70,647	0	0	70,647
<i>Fund Cash Balances, December 31</i>	<u>\$70,647</u>	<u>\$594,301</u>	<u>\$1,266</u>	<u>\$666,214</u>

See accompanying notes to the basic financial statements

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Goshen Township
Tuscarawas 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 the Goshen Township, Tuscarawas 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, cemetery maintenance, fire protection services through a contract with the City of New Philadelphia Fire Department, and emergency medical services through a contract with Smith Ambulance Service.

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

Goshen Township is associated with OTARMA as an entity risk pool in order to provide liability and property insurance to the Township. The cost in 2019 to the Township was \$10,116 for liability and property insurance annually, but the Township Trustees believe that this association with OTARMA creates a savings for the residents of the Township as the Township generally receives a refund at the end of the year if the insurance is not utilized. The Township is also a member of the Ohio Township Association which increases its savings with OTARMA. In 2019, the Township was reimbursed in the amount of \$802. In addition, the Trustees contracted with CareWorksComp, at the cost of \$224 in 2019, to provide services in the area of workers' compensation which, again, they believe provides a benefit to the residents of the Township in the form of savings on premiums paid to the Ohio Bureau of Workers' Compensation on a yearly basis. This association between the Township and OTARMA, and the Township and CareWorksComp, is more fully discussed in Note 7.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

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

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

Note 2 – Summary of Significant Accounting Policies (Continued)

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

Road and Bridge Fund The road and bridge fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.

Fire District Fund The fire district fund receives levied property tax money to pay for fire protection services.

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

Issue I Fund The Township received a grant through Tuscarawas County to complete paving projects.

Tax Increment Financing (TIF) Fund The Township receives payments in lieu of taxes to construct public improvements that will benefit the two projects that are paying the TIFs.

Basis of Accounting

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

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

Budgetary Process

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

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

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

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

Note 2 – Summary of Significant Accounting Policies (Continued)

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

A summary of 2019 budgetary activity appears in Note 4.

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

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

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.

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

Note 2 – Summary of Significant Accounting Policies (Continued)

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 – Compliance

There are no known material violations.

Note 4 – Budgetary Activity

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

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$148,439	\$161,984	\$13,545
Special Revenue	401,599	456,801	55,202
Capital Projects	169,267	169,356	89
Total	\$719,305	\$788,141	\$68,836

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$149,818	\$121,968	\$27,850
Special Revenue	685,494	522,715	162,779
Capital Projects	315,218	315,217	1
Total	\$1,150,530	\$959,900	\$190,630

Note 5 – Deposits

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

Certificate of deposit	2019 \$400,000
Other time deposits (savings and NOW accounts)	\$266,214
Total deposits	\$666,214

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Township.

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

Note 6 – 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. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

Note 7 – Risk Management

Risk Pool Membership

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker’s Compensation. As a member of the Ohio Township Association, the Township participates in the CareWorksComp group rating plan and receives a discounted OBWC rate as part of this group. Each year the participants pay an enrollment fee to CareWorksComp to cover the costs of administering the program.

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

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

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

	2018 (latest available)
Cash and investments	\$33,097,416
Actuarial liabilities	\$ 7,874,610

Health Insurance

The Board participates in the Tuscarawas County Healthcare Consortium (the “Consortium”), which is a legally separate entity organized under Ohio Revised Code Chapter 167. The Consortium was established on January 1, 2017, formed by certain political subdivisions located within Tuscarawas County, for the purpose of obtaining medical and hospitalization benefits. The Consortium acts as a governmental risk pool

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

Note 7 – Risk Management (Continued)

for health insurance (including prescription and vision) coverage for its 29 member subdivisions. The Consortium has a Board of Directors consisting of five members. The Fiscal Agent is responsible for administering the financial transactions of the Consortium. For 2019, Tuscarawas County served as Fiscal Agent for the Consortium. Member contributions are used to provide medical, hospitalization, prescription drug and vision insurance benefits as provided for in the Member’s Plan Document and as established by law. The Board of Directors determines, at their discretion, the insurance benefits to be provided by or through the Consortium. Insurance limits, types of claims covered, eligibility for benefits and any deductibles shall be approved by the governing board of each member and shall be described in the Member’s Plan Document. The risk of loss for loss transfers from the member subdivisions to the Consortium upon payment of the monthly premium.

The Consortium’s audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31:

	2018
Assets	\$1,476,422
Liabilities	(\$1,749,147)
Net Position	(\$272,725)

(Note: At the time of compilation of the note disclosures, the most recent information available was as of December 31, 2018.)

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Note 9 – Postemployment Benefits

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

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

Note 10 - Tax Increment Financing Agreements

In accordance with Ohio Revised Code §§ 5709.73, 5709.74, and 5709.75, the Township approved the following tax increment financing (TIF) resolutions:

Bouhachem Petroleum LLC - The Township approved Resolution 12-31-15-1 on December 31, 2015 to enter into a TIF agreement. The project is the construction of buildings to be used for commercial and retail activities at 2445-2465 East High Avenue Extension. The funds from the TIF are to be used primarily to assist the Township in constructing public improvements that benefit the project, including street and sanitary sewer improvements. An exemption from real property taxes on 75% of the improvement will provide for the service payments to pay the costs of the public infrastructure. This exemption is for a period of 10 years or the date on which the Township can no longer require service payments in lieu of taxes, in accordance with the requirements of the TIF Statutes. At December 31, 2019, the Township had collected \$6,720 of service payments.

Park Village Development LLC - The Township approved Resolution 3-16-1-1 on March 31, 2016 to enter into a TIF agreement. The project is the construction of continuing care community at 1019 SE Oldtown Valley Road. The funds from the TIF are to be used primarily to assist the Township in constructing public improvements that benefit the project, including street and sanitary sewer improvements. An exemption from real property taxes on 75% of the improvement will provide for the service payments to pay the costs of the public infrastructure. This exemption is for a period of 10 years or the date on which the Township can no longer require service payments in lieu of taxes, in accordance with the requirements of the TIF Statutes. At December 31, 2019, the Township had collected \$162,547 of service payments.

Note 11 – Subsequent Events

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

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Goshen Township

Tuscarawas County, Ohio

Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)

All Governmental Fund Types

For the Year Ended December 31, 2018

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$85,412	\$303,037	\$0	\$388,449
Charges for Services	0	0	0	0
Licenses, Permits and Fees	1,596	0	0	1,596
Intergovernmental	65,663	131,528	0	197,191
Earnings on Investments	1,017	247	1	1,265
Miscellaneous	10,139	1,771	149,729	161,639
<i>Total Cash Receipts</i>	<u>163,827</u>	<u>436,583</u>	<u>149,730</u>	<u>750,140</u>
Cash Disbursements				
Current:				
General Government	162,471	13,918	10,487	186,876
Public Safety	602	141,624	0	142,226
Public Works	0	173,575	6,921	180,496
Health	582	0	0	582
<i>Total Cash Disbursements</i>	<u>163,655</u>	<u>329,117</u>	<u>17,408</u>	<u>510,180</u>
<i>Net Change in Fund Cash Balances</i>	172	107,466	132,322	239,960
<i>Fund Cash Balances, January 1</i>	<u>29,127</u>	<u>550,714</u>	<u>14,805</u>	<u>594,646</u>
Fund Cash Balances, December 31				
Restricted	0	337,848	147,127	484,975
Committed	0	320,332	0	320,332
Assigned	2,005	0	0	2,005
Unassigned (Deficit)	27,294	0	0	27,294
<i>Fund Cash Balances, December 31</i>	<u>\$29,299</u>	<u>\$658,180</u>	<u>\$147,127</u>	<u>\$834,606</u>

See accompanying notes to the basic financial statements

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Goshen Township
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Goshen Township, Tuscarawas 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, cemetery maintenance, fire protection services through a contract with the City of New Philadelphia Fire Department, and emergency medical services through a contract with Smith Ambulance Service.

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

Goshen Township is associated with OTARMA as an entity risk pool in order to provide liability and property insurance to the Township. The cost in 2018 to the Township was \$10,045 for liability and property insurance annually, but the Township Trustees believe that this association with OTARMA creates a savings for the residents of the Township as the Township generally receives a refund at the end of the year if the insurance is not utilized. The Township is also a member of the Ohio Township Association which increases its savings with OTARMA. In 2018, the Township was reimbursed in the amount of \$664. In addition, the Trustees contracted with CareWorksComp, at the cost of \$224 in 2018, to provide services in the area of workers' compensation which, again, they believe provides a benefit to the residents of the Township in the form of savings on premiums paid to the Ohio Bureau of Workers' Compensation on a yearly basis. This association between the Township and OTARMA, and the Township and CareWorksComp, is more fully discussed in Note 7.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

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.

Goshen Township
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

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

Road and Bridge Fund The road and bridge fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.

Fire District Fund The fire district fund receives levied property tax money to pay for fire protection services.

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

Issue I Fund The Township received a grant through Tuscarawas County to complete paving projects.

Tax Increment Financing (TIF) Fund The Township receives payments in lieu of taxes to construct public improvements that will benefit the two projects that are paying the TIFs.

Basis of Accounting

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

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

Budgetary Process

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

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

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

Goshen Township
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

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

A summary of 2018 budgetary activity appears in Note 4.

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

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

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.

Goshen Township
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 3 – Compliance

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.

Contrary to Ohio Rev. Code § 5705.10, Gasoline Tax and Road and Bridge revenues were improperly received in the General Fund in 2018 and General Fund expenditures were posted to the Road and Bridge Fund.

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$115,096	\$163,827	\$48,731
Special Revenue	557,208	436,583	(120,625)
Capital Projects	0	149,730	149,730
Total	\$672,304	\$750,140	\$77,836

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$189,762	\$165,657	\$24,105
Special Revenue	603,511	336,081	267,430
Capital Projects	8,214	17,408	(9,194)
Total	\$801,487	\$519,146	\$282,341

Note 5 – Deposits and Investments

The Township maintains a deposit and investments 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:

Other time deposits (savings and NOW accounts)	2018 834,606
Total deposits	\$834,606

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Township.

Goshen Township
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 6 – Property Taxes

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

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

Note 7 – Risk Management

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker’s Compensation. As a member of the Ohio Township Association, the Township participates in the CareWorksComp group rating plan and receives a discounted OBWC rate as part of this group. Each year the participants pay an enrollment fee to CareWorksComp to cover the costs of administering the program.

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

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

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

	2018
Cash and investments	\$33,097,416
Actuarial liabilities	\$ 7,874,610

Health Insurance

The Board participates in the Tuscarawas County Healthcare Consortium (the “Consortium”), which is a legally separate entity organized under Ohio Revised Code Chapter 167. The Consortium was established on January 1, 2017, formed by certain political subdivisions located within Tuscarawas County, for the purpose of obtaining medical and hospitalization benefits. The Consortium acts as a governmental risk pool for health insurance (including prescription and vision) coverage for its 29 member subdivisions. The

Goshen Township
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 7 – Risk Management (Continued)

Consortium has a Board of Directors consisting of five members. The Fiscal Agent is responsible for administering the financial transactions of the Consortium. For 2018, Tuscarawas County served as Fiscal Agent for the Consortium. Member contributions are used to provide medical, hospitalization, prescription drug and vision insurance benefits as provided for in the Member’s Plan Document and as established by law. The Board of Directors determines, at their discretion, the insurance benefits to be provided by or through the Consortium. Insurance limits, types of claims covered, eligibility for benefits and any deductibles shall be approved by the governing board of each member and shall be described in the Member’s Plan Document. The risk of loss for loss transfers from the member subdivisions to the Consortium upon payment of the monthly premium.

The Consortium’s audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31:

	2018
Assets	\$1,476,422
Liabilities	(\$1,749,147)
Net Position	(\$272,725)

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% percent of their gross salaries and the Township contributed an amount equaling 14% percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2018.

Note 9 – Postemployment Benefits

OPERS offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2018.

Note 10 - Tax Increment Financing Agreements

In accordance with Ohio Revised Code §§ 5709.73, 5709.74, and 5709.75, the Township approved the following tax increment financing (TIF) resolutions:

Goshen Township
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 10 - Tax Increment Financing Agreements (Continued)

Bouhachem Petroleum LLC - The Township approved Resolution 12-31-15-1 on December 31, 2015 to enter into a TIF agreement. The project is the construction of buildings to be used for commercial and retail activities at 2445-2465 East High Avenue Extension. The funds from the TIF are to be used primarily to assist the Township in constructing public improvements that benefit the project, including street and sanitary sewer improvements. An exemption from real property taxes on 75% of the improvement will provide for the service payments to pay the costs of the public infrastructure. This exemption is for a period of 10 years or the date on which the Township can no longer require service payments in lieu of taxes, in accordance with the requirements of the TIF Statutes. At December 31, 2018, the Township had collected \$6,650 of service payments.

Park Village Development LLC - The Township approved Resolution 3-16-1-1 on March 31, 2016 to enter into a TIF agreement. The project is the construction of continuing care community at 1019 SE Oldtown Valley Road. The funds from the TIF are to be used primarily to assist the Township in constructing public improvements that benefit the project, including street and sanitary sewer improvements. An exemption from real property taxes on 75% of the improvement will provide for the service payments to pay the costs of the public infrastructure. This exemption is for a period of 10 years or the date on which the Township can no longer require service payments in lieu of taxes, in accordance with the requirements of the TIF Statutes. At December 31, 2018, the Township had collected \$143,080 of service payments.

Note 11 – Subsequent Events

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

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OHIO AUDITOR OF STATE KEITH FABER



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

Goshen Township
Tuscarawas County
P.O. Box 41
New Philadelphia, Ohio 44663

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 by fund type of Goshen Township, Tuscarawas County, Ohio (the Township), as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated June 11, 2020 wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code § 117-2-03(D) permit, and we also noted the potential impact of COVID-19 and the ensuing emergency measures that will impact subsequent periods.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) to determine the 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 material weaknesses and significant deficiencies.

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 Township's financial statements. We consider findings 2019-003 and 2019-004 described in the accompanying Schedule of Findings to be material weaknesses.

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 findings 2019-001 and 2019-002 described in the accompanying Schedule of Findings to be significant deficiencies.

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 determination of financial statement amounts. 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 2019-001 and 2019-004.

Township's Responses to Findings

The Township's responses to the Findings identified in our audit are described in the accompanying Schedule of Findings. We did not subject the Township's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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

June 11, 2020

**GOSHEN TOWNSHIP
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018**

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

FINDING NUMBER 2019-001

Finding for Recovery – Repaid Under Audit and Significant Deficiency

The Township's *Official Employee Policy* states, "[u]pon retirement an employee that retires, shall be compensated for a maximum of one-fourth (1/4) of his/her unused, accumulated sick leave, not to exceed thirty days based upon an eight hour day. Compensation for unused sick leave shall be made at the employee's current hourly rate of pay at the time of actual retirement." Additionally, "[u]pon retirement or termination of an employee, the employee shall be entitled to unused vacation time earned at their current rate of pay."

On March 5, 2019 and December 28, 2018, Road Department employee Kenneth Mann was paid a total of \$6,771 for vacation and sick leave balances upon retirement but should have been paid \$6,098. He was overcompensated \$673 for his sick and vacation leave balances due to errors in maintaining accurate records of leave accruals, usages, and balances by the Township prior to the employee's retirement.

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public money illegally expended is hereby issued against employee Kenneth Mann, in the amount of \$673 in favor of the Township's Road & Bridge Fund.

On May 28, 2020, \$673 was repaid to the Township's Road and Bridge Fund on receipt number 40-2020.

The Township needs to adhere to the *Official Employee Policy* as well as maintain adequate documentation of employee's leave accrual, usage and balances in order to ensure the employees are compensated correctly. This will help ensure the Township employees are not overcompensated. Also, see Finding Number 2019-002 for additional information on leave balances.

Officials' Response: The Township is agreement with this finding; as the vacation & sick leave has not been accurately tracked for many years. Due to the inaccuracy, the overpayment was incorrectly made to Mann. Moving forward the Township will use the State Auditor's calculations for sick leave and vacation for employees and will adjust the UAN accounting to reflect the correct hours.

FINDING NUMBER 2019-002

Significant Deficiency

Full-time Township employees are eligible for sick and vacation leave accrual and usage. Vacation leave is accrued on the employee's anniversary date and sick leave is to be accrued at the rate of 10 hours per month with a maximum of 960 hours allowed. Employees may request in writing to carry over a maximum of one week of unused vacation leave into a subsequent year. The Township employees record their use of leave on bi-weekly timesheets that are submitted to the Fiscal Officer for the processing of payroll. Timesheets are maintained attached to check stubs that are approved by Township Trustees.

**GOSHEN TOWNSHIP
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2019-002

Significant Deficiency

During 2018, the Township tracked the accrual and usage of leave manually through logs maintained by the former Road Supervisor and recalculations performed by the Fiscal Officer. The Fiscal Officer's calculations did not agree with the balances as of January 1, 2018 that were provided to the Township by the Ohio Auditor of State from the previous audit. Also, one employee's vacation leave usage exceeded their vacation leave accrual by 6 hours. As a result, differences ranging from 6 to 186.85 hours were noted for beginning leave balances, leave usage, and/or ending leave balances for sick and vacation leave for two of the full-time employees.

During 2019 and 2018, the Township did not properly accrue vacation leave at the time of the employee's anniversary date and the employee's sick leave was not accrued on a monthly basis. As a result, differences ranging from 2.16 to 125.9 hours were noted for sick and vacation leave accrual for the three full-time employees.

Failure to maintain accurate records could result in inaccurate leave balances that could potentially lead to over/under compensation of Township employees.

The Township should ensure that leave balances are properly calculated and accurately reported when processing payroll. Additionally, the Township should review the employee policy to ensure that sick and vacation leave are being accrued at the appropriate times. Implementation of the suggested procedures will help ensure payroll expenditures are valid and accurately calculated and reported. These procedures will also reduce the risk of over/under compensation of Township employees.

Officials' Response: The Township is in agreement with this finding; as the vacation & sick leave has not been accurately tracked for many years. Moving forward the Township will use the State Auditor's calculations for sick leave and vacation for employees and will adjust the UAN accounting to reflect the correct hours.

FINDING NUMBER 2019-003

Material Weakness

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.

As a result of audit procedures performed, errors were noted in the Township's financial statements that required audit adjustments and reclassifications as follows:

**GOSHEN TOWNSHIP
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2019-003 (Continued)

Material Weakness (Continued)

- Governmental Accounting Standards Board (GASB) Statement No. 54 defined how fund balances were to be classified and was codified as follows: GASB Cod. 1800.168-169 requires reporting funds whose revenue has external legal constraints as Restricted. GASB Cod. 1800.170-172 requires reporting funds whose revenue had constraints imposed by the Board, which could not be changed without Board approval, as Committed. GASB Cod. 1800.173-176 requires funds without external or internal constraints to report Assigned fund balances for amounts encumbered or set aside to cover the excess of subsequent year appropriations exceeding estimated revenue. The following inaccurate reporting of fund balances was noted:
 - The Road and Bridge Fund's foundation revenue is property taxes - inside 10 mill limitation and had balances at the end of 2019 and 2018 in the amounts of \$217,378 and \$317,055, respectively. However, these amounts were reported as Restricted instead of Committed;
 - The General Fund included amounts Assigned for outstanding encumbrances at December 31, 2018 of \$2,005, which were improperly classified as Unassigned.
- Various Township disbursements were identified as being misclassified in 2018 for the Road & Bridge Fund. Of this total, 2018 General Government and Public Works disbursements were understated by \$13,918 and \$12,445, respectively, and Public Safety disbursements were overstated by \$26,393;
- Special assessment revenue in the amount of \$149,729 and \$169,267, respectively, was classified as Property and Other Local Taxes Revenue in the Tax Increment Financing (TIF) Fund during 2018 and 2019 instead of Miscellaneous Revenue (Payments in Lieu of Taxes);
- Refunds and reimbursements from various entities in the amount of \$3,052 was reported as Intergovernmental Revenue in the General Fund in 2018 instead of Miscellaneous Revenue;
- During 2018, the Fiscal Officer erroneously posted Property Tax Revenue twice with receipts #30-2018 and #69-2018. As a result, Intergovernmental Revenue in the Gasoline Tax and Motor Vehicle License Tax Fund was overstated by \$6,215 and \$971, respectively, as well as an overstatement of \$7,186 in Other Financing Uses in the General Fund; and
- During 2019, the Township posted several fund balance adjustments that impacted both the 2018 fund balances; however, these adjustments were not posted to the 2018 financial statements filed, resulting in the following activity being omitted in 2018.
 - General fund – General Government expenditures were overstated by \$11,409.
 - Road & Bridge Fund – Public Works expenditure were overstated by \$5,464.
 - TIF Fund – General Government expenditures were understated by \$7,674.

In addition, other misstatements related to mispostings of assets, revenues, expenditures/expenses, and fund balances ranging from \$288 to \$5,805 were identified during 2019 and 2018.

We also identified related errors and omissions in the footnotes that have been adjusted. The adjustments and reclassifications above were agreed to by management, and the financial statements and notes have been adjusted accordingly.

Sound financial reporting is the responsibility of the Township and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. The adjustments and reclassifications were agreed to by management, and the financial statements have been adjusted accordingly.

**GOSHEN TOWNSHIP
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2019-003 (Continued)

Material Weakness (Continued)

The Township should receive reimbursements into the fund from which the disbursement originated. Also, the Township should review each fund and its purpose to ensure that they are knowledgeable of what expenditures can be paid from each fund. Additionally, to help ensure the Township's financial statements and notes to the financial statements are complete and accurate, the Township should adopt policies and procedures, including a final review of the statements and notes by the Fiscal Officer and Board of Trustees to help identify and correct errors and omissions.

Officials' Response: The Township is in agreement with the finding and will strive for accuracy of postings to ensure sound financial statements. All fund adjustments have been made per the State Auditor's directive by current Fiscal Officer.

FINDING NUMBER 2019-004

Noncompliance and Material Weakness

Ohio Rev. Code § 5705.10(D) requires all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose shall be paid into a special fund for such purpose except as otherwise provided by resolution adopted pursuant to Ohio Rev. Code § 3315.01. Ohio Rev. Code § 5705.10(I) requires that money paid into any fund shall be used only for the purposes for which such fund is established.

During 2018, the following errors were noted:

- Refunds and reimbursements from various entities in the amount of \$1,413 was reported in the General Fund. Of this amount, \$948 should have been recorded in the Gasoline Tax Fund and \$465 should have been recorded in the Road & Bridge Fund;
- The Township reported \$1,628 in membership dues and office supply expenditures in the Road & Bridge Fund instead of General Government Expenditures in the General Fund;
- The Township reported \$602 in ambulance services expenditures in the Road & Bridge Fund instead of Public Safety Expenditures in the General Fund; and
- The Township reported \$582 in mosquito spraying expenditures in the Road & Bridge Fund instead of Health Expenditures in the General Fund.

As a result, the financial statements were misstated and the affected fund's cash balances were over or understated. The financial statements and accounting records of the Township have been adjusted to reflect the activity within the proper funds.

The Township should receive reimbursements in the fund from which the disbursement originated. Also, the Township should review each fund and its purpose to ensure that they are knowledgeable of what expenditures can be paid from each fund. Additionally, to help ensure the Township's financial statements and notes to the financial statements are complete and accurate, the Township should adopt policies and procedures, including a final review of the statements and notes by the Fiscal Officer and Board of Trustees to help identify and correct errors and omissions.

**GOSHEN TOWNSHIP
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018
(Continued)**

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

FINDING NUMBER 2019-004 (Continued)

Noncompliance and Material Weakness (Continued)

Officials' Response: The Township is in agreement with this finding. These errors were made in year 2018 and were not repeated in year 2019. The Fiscal Officer will continue to strive in maintaining accurate postings to the proper funds as the state requires.

GOSHEN TOWNSHIP of TUSCARAWAS COUNTY, OHIO
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2019 AND 2018

Finding Number	Finding Summary	Status	Additional Information
2017-001	Significant Deficiency in guidance to the expenditure of funds for public purposes	Partially Corrected	The township has corrected the issue of proper documentation attached to the voucher packets. The township still needs to adopt a proper public purchase guideline policy via resolution.
2017-002	Material weakness, initially reported as Finding 2013-001, Lack of preparation and fair presentation of financial statements	Not Corrected	The township will work diligently on resolving the incorrect postings and classifying funds to better ensure accuracy through additional education and directives from the state auditor's office. Fund balance adjustments also will be made to correct previous transactions needed for accurate financial statements.
2017-003	Material Weakness & Noncompliance per ORC 5705-10 (D) & (I) Revenue be posted and used in proper funds	Partially Corrected	The township had errors in year 2018 of improper postings but have not had any issues in year 2019.
2017-004	Noncompliance and Material Weakness for establishing a Tax Increment Fund for Service Payments (ORC 5709.75)	Fully Corrected	The township has established the Tax Increment Fund in order to receive service payments and disburse as required.
2017-005	Noncompliance ORC 145.47 for proper employer withholding for public employees	Fully Corrected	Errors for 2018, PERS submissions were corrected by current Fiscal Officer. 2019 PERS were correctly withheld and submitted.
2017-006	Noncompliance USC 3102(a) requiring employer to withhold and submit taxes determined by the Sec. of Treasury	Fully Corrected	Errors for 2018 IRS remittance were corrected by current Fiscal Officer. 2019 IRS remittance were correctly withheld and submitted.
2017-007	Noncompliance ORC 5747.06 & 5747.07 (B)(3) requiring employer to withhold and submit state tax remittance as required	Fully Corrected	Errors for 2018 Ohio Dept. of Taxation remittance were corrected by current Fiscal Officer. 2019 Ohio Dept. of Taxation remittance were correctly withheld and submitted.

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2019 AND 2018
(Continued)**

Finding Number	Finding Summary	Status	Additional Information
2017-008	Material Weakness in reconciling accounting records	Partially Corrected	In 2018 monthly reconciliations were not timely prepared from bank to book. In year 2019 monthly reconciliations from bank to book are now being timely prepared and reviewed by the Board of Trustees each month.
2017-009	Significant Deficiency in lack of preparing financial reports to the Board of Trustees	Partially Corrected	In year 2018 monthly bank to book reconciliation reports in the form of a monthly treasurer report was not presented to the Board of Trustees each month. In year 2019 this was corrected with Monthly Treasurer's Reports being issued to the Board of Trustees to include Bank Statements, and various UAN Reconciliation Reports.
2017-010	Significant Deficiency in the lack of proper tracking of employees vacation & sick leave	Not Corrected	Due to inaccurate tracking from Fiscal Officer in 2018, the inaccurate vacation & sick leave tracking continued into year 2019. However, the current Fiscal Officer will adjust the UAN accounting system to reflect the correct and accurate vacation and sick leave hours as stated by the State Auditors and move forward with accuracy to eliminate this finding in the future.

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OHIO AUDITOR OF STATE KEITH FABER



GOSHEN TOWNSHIP

TUSCARAWAS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 25, 2020**