

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CITY OF GOSHEN
ELKHART COUNTY, INDIANA

January 1, 2013 to December 31, 2013



FILED
03/13/2015

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Tina M. Bontrager	01-01-12 to 12-31-15
Mayor	Allan J. Kauffman	01-01-12 to 12-31-15
President of the Board of Public Works and Safety	Allan J. Kauffman	01-01-12 to 12-31-15
President Pro Tempore of the Common Council	Jim McKee	01-01-13 to 12-31-14
Superintendent of Water Utility	Kent A. Holdren	01-01-13 to 12-31-14
Superintendent of Wastewater Utility	James D. Kerezman	01-01-13 to 12-31-14



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CITY OF GOSHEN, ELKHART COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the City of Goshen (City), which comprises the financial position and results of operations for the year ended December 31, 2013, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

As discussed in Note 1 of the financial statement, the City prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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 statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the City for the year ended December 31, 2013.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the City for the year ended December 31, 2013, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated October 27, 2014, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the 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 City's internal control over financial reporting and compliance.


Accompanying Information

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.


Paul D. Joyce, CPA
State Examiner

October 27, 2014



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

TO: THE OFFICIALS OF THE CITY OF GOSHEN, ELKHART COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the City of Goshen (City), which comprises the financial position and results of operations for the year ended December 31, 2013, and the related notes to the financial statement, and have issued our report thereon dated October 27, 2014, wherein we noted the City followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2013-001, 2013-002, and 2013-003 to be material weaknesses.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the City's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2013-001 and 2013-003.

City of Goshen's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The City's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

October 27, 2014

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the City. The financial statement and notes are presented as intended by the City.

CITY OF GOSHEN
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2013

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
GENERAL FUND	\$ 2,739,931	\$ 16,180,062	\$ 15,905,825	\$ 3,014,168
MVH FUND	1,900,161	1,896,549	2,321,617	1,475,093
LOCAL STREET & ROAD	292,670	287,098	297,973	281,795
AVIATION FUND	227,752	157,319	193,758	191,313
HEALTH INSURANCE FUND	(25,862)	3,531,762	3,469,880	36,020
PARKING LOT	15,360	-	10,000	5,360
LECE FUND 1	18,221	366	416	18,171
PARKS AND RECREATION	1,157,884	1,648,624	1,744,133	1,062,375
RAINY DAY FUND	3,155,290	-	500,773	2,654,517
EDIT TAX FUND	1,707,328	1,125,424	1,982,829	849,923
LEVY EXCESS FUND	94,582	-	94,582	-
MAJOR MOVE	3,313,327	268,576	-	3,581,903
CCI (CIGARETTE TAX) FUND	-	85,150	85,150	-
CUMULATIVE CAP DEVELOP	600,215	609,685	617,232	592,668
REDEV DISTRICT CAPITAL	9	20	29	-
CCI FIRE STATION	428,694	167,927	190,920	405,701
CCI STORM SEWER FUND	834,191	-	25,981	808,210
POLICE PENSION FUND	393,982	513,467	384,842	522,607
FIRE PENSION FUND	332,733	539,917	571,104	301,546
COURT FEES	88,886	12,718	15,400	86,204
CITY COURT CASHBOOK	84,229	754,960	768,495	70,694
PROBATION FUND	60,156	95,508	71,405	84,259
DONATION FUND	305,359	79,329	266,142	118,546
ECON IMPROVEMENT DISTRICT	51,948	54,556	64,100	42,404
FEDERAL STATE GRANTS	576,161	463,780	508,353	531,588
PARK GIFT FUND	9,947	203,052	30,616	182,383
BEAUTIFICAT/RESTORATION	3,250	5	-	3,255
RESIDENTIAL LEASE FEES	42,623	57,520	69,950	30,193
LECE2 FUND	47,180	35,663	52,593	30,250
DEBT SERVICE	242,675	396,314	420,075	218,914
TIF DEBT SERVICE RESERVE	219,674	-	-	219,674
TIF BOND P & I PAYMENT FUND	644,851	1,187,850	1,680,250	152,451
08 RIVERRACE - DSR	319,500	-	-	319,500
08 SOUTH GOSHEN - DSR	491,000	491,000	491,000	491,000
REDEVELOP NON-REVERTING OPERATING	284,245	329,993	230,232	384,006
STORM WATER MANAGEMENT	998,367	453,497	346,824	1,105,040
CEMETERY CAPITAL IMPROV.	36,714	9,638	-	46,352
GENERAL IMPROVEMENT FUND	123,749	68,375	73,560	118,564
TIF KEYSTONE I	3,007,198	1,437,226	2,458,903	1,985,521
CDBG/HUD FUND	59,291	235,819	238,016	57,094
HUD HOME	19,281	-	-	19,281
CONS RR/US 33 TIF	3,624,487	1,862,917	1,189,437	4,297,967
HUD RENTAL REHAB FUND	37,927	9	-	37,936
08 RIVERRACE CAPITAL PROJ	567,782	215,934	464,171	319,545
08 SOUTH GOSHEN CAP PROJ	(490,910)	491,000	90	-
TIF PLYMOUTH AVENUE	134,457	54,245	40,998	147,704
HUD NEIGHBORHOOD	(40,124)	40,124	-	-
2010 GOB PROCEEDS	745	-	-	745
ELECTRIC UTILITY SALE	1,819,551	120,112	-	1,939,663
OLD PY UTILITY	25,759	-	-	25,759
OAKRIDGE CEMETERY ENDOW.	24,917	35	-	24,952
VIOLETT CEMETERY ENDOWMNT	81,707	314	-	82,021
W. GOSHEN CEMETERY ENDOW.	19,664	27	-	19,691
CEMETERY PERMANENT FUND	57,071	9,638	-	66,709
BEAUTIFICATN/RESTORATION	10,787	1,015	-	11,802
MILLRACE TRUST FUND	59,231	82	-	59,313
CITY COURT TRUST FUND	12,599	-	-	12,599
YOUTH COUNCIL FUND	51	-	-	51
SEWER OPERATING FUND	502,143	7,441,355	7,450,640	492,858
SEWER BOND AND INTEREST	4,368,252	3,183,230	2,884,154	4,667,328
SEWER DEPRECIATION	4,205,344	1,611,653	1,608,685	4,208,312
SEWER CONSTRUCTION FUND	425,846	113,058	8,418	530,486
SEWER CUSTOMER DEPOSIT	238,984	58,206	39,951	257,239
SEWER CSO PROJECT (2004)	796,249	15,457	22,055	789,651
BLDG. SEWER REPAIR FEE	89,963	28,176	6,274	111,865
WATER OPERATING FUND	552,508	3,415,929	3,262,428	706,009
WATER DEPRECIATION	2,705,325	3,073	651,618	2,056,780
WATER BOND & INTEREST	1,035,702	782,491	814,368	1,003,825
WATER CUSTOMER DEPOSIT	223,844	57,566	38,956	242,454
BLDG - WATER REPAIR FEE	69,884	34,986	15,042	89,828
Totals	<u>\$ 46,062,497</u>	<u>\$ 52,919,381</u>	<u>\$ 54,680,243</u>	<u>\$ 44,301,635</u>

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

CITY OF GOSHEN
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The City was established under the laws of the State of Indiana. The City operates under a Council-Mayor form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, storm water, trash, aviation, and urban redevelopment and housing.

The accompanying financial statement presents the financial information for the City.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts may include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the City.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

CITY OF GOSHEN
NOTES TO FINANCIAL STATEMENT
(Continued)

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution, or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements may include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the City. It includes all expenditures for the reduction of the principal and interest of the City's general obligation indebtedness.

CITY OF GOSHEN
NOTES TO FINANCIAL STATEMENT
(Continued)

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The City may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the City. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the City. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the City in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the City submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the City in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

CITY OF GOSHEN
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the City to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

The City may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the City to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the City authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
1 North Capitol Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

CITY OF GOSHEN
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

B. 1925 Police Officers' Pension Plan

Plan Description

The 1925 Police Officers' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute.

On Behalf Payments

The 1925 Police Officers' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

C. 1937 Firefighters' Pension Plan

Plan Description

The 1937 Firefighters' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-7). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute.

On Behalf Payments

The 1937 Firefighters' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

CITY OF GOSHEN
NOTES TO FINANCIAL STATEMENT
(Continued)

D. 1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
1 North Capitol Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy

The contribution requirements of plan members and the City are established by the Board of Trustees of INPRS.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City's Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Report of the City which is referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was approved by management of the City. It is presented as intended by the City.

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013

	GENERAL FUND	MVH FUND	LOCAL STREET & ROAD	AVIATION FUND	HEALTH INSURANCE FUND	PARKING LOT	LECE FUND 1
Cash and investments - beginning	\$ 2,739,931	\$ 1,900,161	\$ 292,670	\$ 227,752	\$ (25,862)	\$ 15,360	\$ 18,221
Receipts:							
Taxes	9,051,046	915,632	287,098	-	-	-	-
Licenses and permits	267,753	-	-	-	-	-	-
Intergovernmental	4,611,884	957,711	-	-	-	-	-
Charges for services	1,000,900	20,479	-	156,774	-	-	-
Fines and forfeits	137,075	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	1,111,404	2,727	-	545	3,531,762	-	366
Total receipts	<u>16,180,062</u>	<u>1,896,549</u>	<u>287,098</u>	<u>157,319</u>	<u>3,531,762</u>	<u>-</u>	<u>366</u>
Disbursements:							
Personal services	12,054,844	1,223,530	-	45,059	3,469,880	-	-
Supplies	726,137	403,257	-	2,517	-	-	-
Other services and charges	2,665,801	653,671	146,872	146,182	-	-	416
Debt service - principal and interest	13,800	-	-	-	-	-	-
Capital outlay	70,407	32,054	151,101	-	-	10,000	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	374,836	9,105	-	-	-	-	-
Total disbursements	<u>15,905,825</u>	<u>2,321,617</u>	<u>297,973</u>	<u>193,758</u>	<u>3,469,880</u>	<u>10,000</u>	<u>416</u>
Excess (deficiency) of receipts over disbursements	<u>274,237</u>	<u>(425,068)</u>	<u>(10,875)</u>	<u>(36,439)</u>	<u>61,882</u>	<u>(10,000)</u>	<u>(50)</u>
Cash and investments - ending	<u>\$ 3,014,168</u>	<u>\$ 1,475,093</u>	<u>\$ 281,795</u>	<u>\$ 191,313</u>	<u>\$ 36,020</u>	<u>\$ 5,360</u>	<u>\$ 18,171</u>

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	PARKS AND RECREATION	RAINY DAY FUND	EDIT TAX FUND	LEVY EXCESS FUND	MAJOR MOVE	CCI (CIGARETTE TAX) FUND	CUMULATIVE CAP DEVELOP
Cash and investments - beginning	\$ 1,157,884	\$ 3,155,290	\$ 1,707,328	\$ 94,582	\$ 3,313,327	\$ -	\$ 600,215
Receipts:							
Taxes	1,230,758	-	1,067,458	-	-	-	392,243
Licenses and permits	250	-	-	-	-	-	-
Intergovernmental	86,932	-	-	-	-	85,150	27,577
Charges for services	255,628	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	75,056	-	57,966	-	268,576	-	189,865
Total receipts	<u>1,648,624</u>	<u>-</u>	<u>1,125,424</u>	<u>-</u>	<u>268,576</u>	<u>85,150</u>	<u>609,685</u>
Disbursements:							
Personal services	899,233	-	-	-	-	-	-
Supplies	168,165	-	-	-	-	-	50,223
Other services and charges	380,858	773	1,591,276	-	-	-	350,804
Debt service - principal and interest	-	-	37,500	-	-	-	-
Capital outlay	98,902	-	354,053	-	-	-	216,205
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	196,975	500,000	-	94,582	-	85,150	-
Total disbursements	<u>1,744,133</u>	<u>500,773</u>	<u>1,982,829</u>	<u>94,582</u>	<u>-</u>	<u>85,150</u>	<u>617,232</u>
Excess (deficiency) of receipts over disbursements	<u>(95,509)</u>	<u>(500,773)</u>	<u>(857,405)</u>	<u>(94,582)</u>	<u>268,576</u>	<u>-</u>	<u>(7,547)</u>
Cash and investments - ending	<u>\$ 1,062,375</u>	<u>\$ 2,654,517</u>	<u>\$ 849,923</u>	<u>\$ -</u>	<u>\$ 3,581,903</u>	<u>\$ -</u>	<u>\$ 592,668</u>

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	REDEV DISTRICT CAPITAL	CCI FIRE STATION	CCI STORM SEWER FUND	POLICE PENSION FUND	FIRE PENSION FUND	COURT FEES	CITY COURT CASHBOOK
Cash and investments - beginning	\$ 9	\$ 428,694	\$ 834,191	\$ 393,982	\$ 332,733	\$ 88,886	\$ 84,229
Receipts:							
Taxes	-	156,897	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	11,030	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	4,632	539,917	12,718	754,960
Utility fees	-	-	-	-	-	-	-
Other receipts	20	-	-	508,835	-	-	-
Total receipts	<u>20</u>	<u>167,927</u>	<u>-</u>	<u>513,467</u>	<u>539,917</u>	<u>12,718</u>	<u>754,960</u>
Disbursements:							
Personal services	-	-	-	384,291	570,987	-	-
Supplies	-	-	-	-	117	6,246	-
Other services and charges	-	-	25,981	551	-	9,154	-
Debt service - principal and interest	-	79,033	-	-	-	-	-
Capital outlay	-	111,887	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	29	-	-	-	-	-	768,495
Total disbursements	<u>29</u>	<u>190,920</u>	<u>25,981</u>	<u>384,842</u>	<u>571,104</u>	<u>15,400</u>	<u>768,495</u>
Excess (deficiency) of receipts over disbursements	<u>(9)</u>	<u>(22,993)</u>	<u>(25,981)</u>	<u>128,625</u>	<u>(31,187)</u>	<u>(2,682)</u>	<u>(13,535)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 405,701</u>	<u>\$ 808,210</u>	<u>\$ 522,607</u>	<u>\$ 301,546</u>	<u>\$ 86,204</u>	<u>\$ 70,694</u>

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	PROBATION FUND	DONATION FUND	ECON IMPROVEMENT DISTRICT	FEDERAL STATE GRANTS	PARK GIFT FUND	BEAUTIFICAT/ RESTORATION	RESIDENTIAL LEASE FEES
Cash and investments - beginning	\$ 60,156	\$ 305,359	\$ 51,948	\$ 576,161	\$ 9,947	\$ 3,250	\$ 42,623
Receipts:							
Taxes	-	-	53,908	-	-	-	-
Licenses and permits	-	-	-	-	-	-	57,520
Intergovernmental	-	-	-	463,780	-	-	-
Charges for services	-	-	-	-	14,447	-	-
Fines and forfeits	95,508	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	79,329	648	-	188,605	5	-
Total receipts	95,508	79,329	54,556	463,780	203,052	5	57,520
Disbursements:							
Personal services	71,405	-	-	-	-	-	69,950
Supplies	-	-	-	-	-	-	-
Other services and charges	-	266,142	49,156	-	30,616	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	14,944	508,353	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	71,405	266,142	64,100	508,353	30,616	-	69,950
Excess (deficiency) of receipts over disbursements	24,103	(186,813)	(9,544)	(44,573)	172,436	5	(12,430)
Cash and investments - ending	\$ 84,259	\$ 118,546	\$ 42,404	\$ 531,588	\$ 182,383	\$ 3,255	\$ 30,193

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	LECE2 FUND	DEBT SERVICE	TIF DEBT SERVICE RESERVE	TIF BOND P & I PAYMENT FUND	08 RIVERRACE - DSR	08 SOUTH GOSHEN - DSR	REDEVELOP NON-REVERTING OPERATING
Cash and investments - beginning	\$ 47,180	\$ 242,675	\$ 219,674	\$ 644,851	\$ 319,500	\$ 491,000	\$ 284,245
Receipts:							
Taxes	-	370,277	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	26,033	-	-	-	-	-
Charges for services	23,832	-	-	-	-	-	198,484
Fines and forfeits	11,831	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	4	-	1,187,850	-	491,000	131,509
Total receipts	<u>35,663</u>	<u>396,314</u>	<u>-</u>	<u>1,187,850</u>	<u>-</u>	<u>491,000</u>	<u>329,993</u>
Disbursements:							
Personal services	-	-	-	-	-	-	209,846
Supplies	3,641	-	-	-	-	-	17
Other services and charges	48,952	450	-	1,400	-	-	20,369
Debt service - principal and interest	-	419,625	-	1,187,850	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	491,000	-	491,000	-
Total disbursements	<u>52,593</u>	<u>420,075</u>	<u>-</u>	<u>1,680,250</u>	<u>-</u>	<u>491,000</u>	<u>230,232</u>
Excess (deficiency) of receipts over disbursements	<u>(16,930)</u>	<u>(23,761)</u>	<u>-</u>	<u>(492,400)</u>	<u>-</u>	<u>-</u>	<u>99,761</u>
Cash and investments - ending	<u>\$ 30,250</u>	<u>\$ 218,914</u>	<u>\$ 219,674</u>	<u>\$ 152,451</u>	<u>\$ 319,500</u>	<u>\$ 491,000</u>	<u>\$ 384,006</u>

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	STORM WATER MANAGEMENT	CEMETERY CAPITAL IMPROV.	GENERAL IMPROVEMENT FUND	TIF KEYSTONE I	CDBG/HUD FUND	HUD HOME
Cash and investments - beginning	\$ 998,367	\$ 36,714	\$ 123,749	\$ 3,007,198	\$ 59,291	\$ 19,281
Receipts:						
Taxes	-	-	-	1,433,832	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	222,503	-
Charges for services	453,497	9,638	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	68,375	3,394	13,316	-
Total receipts	<u>453,497</u>	<u>9,638</u>	<u>68,375</u>	<u>1,437,226</u>	<u>235,819</u>	<u>-</u>
Disbursements:						
Personal services	69,359	-	-	-	-	-
Supplies	6,017	-	-	-	-	-
Other services and charges	120,669	-	-	656,442	238,016	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	150,779	-	73,560	944,248	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	858,213	-	-
Total disbursements	<u>346,824</u>	<u>-</u>	<u>73,560</u>	<u>2,458,903</u>	<u>238,016</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>106,673</u>	<u>9,638</u>	<u>(5,185)</u>	<u>(1,021,677)</u>	<u>(2,197)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1,105,040</u>	<u>\$ 46,352</u>	<u>\$ 118,564</u>	<u>\$ 1,985,521</u>	<u>\$ 57,094</u>	<u>\$ 19,281</u>

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	CONS RR/US 33 TIF	HUD RENTAL REHAB FUND	08 RIVERRACE CAPITAL PROJ	08 SOUTH GOSHEN CAP PROJ	TIF PLYMOUTH AVENUE	HUD NEIGHBORHOOD
Cash and investments - beginning	\$ 3,624,487	\$ 37,927	\$ 567,782	\$ (490,910)	\$ 134,457	\$ (40,124)
Receipts:						
Taxes	1,857,874	-	-	-	54,245	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	40,124
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	5,043	9	215,934	491,000	-	-
Total receipts	<u>1,862,917</u>	<u>9</u>	<u>215,934</u>	<u>491,000</u>	<u>54,245</u>	<u>40,124</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	689,276	-	249,171	-	40,998	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	165,441	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	334,720	-	215,000	90	-	-
Total disbursements	<u>1,189,437</u>	<u>-</u>	<u>464,171</u>	<u>90</u>	<u>40,998</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>673,480</u>	<u>9</u>	<u>(248,237)</u>	<u>490,910</u>	<u>13,247</u>	<u>40,124</u>
Cash and investments - ending	<u>\$ 4,297,967</u>	<u>\$ 37,936</u>	<u>\$ 319,545</u>	<u>\$ -</u>	<u>\$ 147,704</u>	<u>\$ -</u>

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	2010 GOB PROCEEDS	ELECTRIC UTILITY SALE	OLD PY UTILITY	OAKRIDGE CEMETERY ENDOW.	VIOLETT CEMETERY ENDOWMNT	W. GOSHEN CEMETERY ENDOW.
Cash and investments - beginning	\$ 745	\$ 1,819,551	\$ 25,759	\$ 24,917	\$ 81,707	\$ 19,664
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	120,112	-	35	314	27
Total receipts	-	120,112	-	35	314	27
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	120,112	-	35	314	27
Cash and investments - ending	\$ 745	\$ 1,939,663	\$ 25,759	\$ 24,952	\$ 82,021	\$ 19,691

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	CEMETERY PERMANENT FUND	BEAUTIFICATN/ RESTORATION	MILLRACE TRUST FUND	CITY COURT TRUST FUND	YOUTH COUNCIL FUND	SEWER OPERATING FUND
Cash and investments - beginning	\$ 57,071	\$ 10,787	\$ 59,231	\$ 12,599	\$ 51	\$ 502,143
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	9,638	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	7,370,675
Other receipts	-	1,015	82	-	-	70,680
Total receipts	<u>9,638</u>	<u>1,015</u>	<u>82</u>	<u>-</u>	<u>-</u>	<u>7,441,355</u>
Disbursements:						
Personal services	-	-	-	-	-	1,255,176
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	2,627,072
Other disbursements	-	-	-	-	-	3,568,392
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,450,640</u>
Excess (deficiency) of receipts over disbursements	<u>9,638</u>	<u>1,015</u>	<u>82</u>	<u>-</u>	<u>-</u>	<u>(9,285)</u>
Cash and investments - ending	<u>\$ 66,709</u>	<u>\$ 11,802</u>	<u>\$ 59,313</u>	<u>\$ 12,599</u>	<u>\$ 51</u>	<u>\$ 492,858</u>

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	SEWER BOND AND INTEREST	SEWER DEPRECIATION	SEWER CONSTRUCTION FUND	SEWER CUSTOMER DEPOSIT	SEWER CSO PROJECT (2004)	BLDG. SEWER REPAIR FEE
Cash and investments - beginning	\$ 4,368,252	\$ 4,205,344	\$ 425,846	\$ 238,984	\$ 796,249	\$ 89,963
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	8,418	-	-	28,176
Other receipts	3,183,230	1,611,653	104,640	58,206	15,457	-
Total receipts	<u>3,183,230</u>	<u>1,611,653</u>	<u>113,058</u>	<u>58,206</u>	<u>15,457</u>	<u>28,176</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	2,151,311	6,626	-	-	-	-
Capital outlay	-	894,656	-	-	13,485	-
Utility operating expenses	-	-	-	-	-	6,274
Other disbursements	732,843	707,403	8,418	39,951	8,570	-
Total disbursements	<u>2,884,154</u>	<u>1,608,685</u>	<u>8,418</u>	<u>39,951</u>	<u>22,055</u>	<u>6,274</u>
Excess (deficiency) of receipts over disbursements	<u>299,076</u>	<u>2,968</u>	<u>104,640</u>	<u>18,255</u>	<u>(6,598)</u>	<u>21,902</u>
Cash and investments - ending	<u>\$ 4,667,328</u>	<u>\$ 4,208,312</u>	<u>\$ 530,486</u>	<u>\$ 257,239</u>	<u>\$ 789,651</u>	<u>\$ 111,865</u>

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	WATER OPERATING FUND	WATER DEPRECIATION	WATER BOND & INTEREST	WATER CUSTOMER DEPOSIT	BLDG - WATER REPAIR FEE	Totals
Cash and investments - beginning	\$ 552,508	\$ 2,705,325	\$ 1,035,702	\$ 223,844	\$ 69,884	\$ 46,062,497
Receipts:						
Taxes	-	-	-	-	-	16,871,268
Licenses and permits	-	-	-	-	-	325,523
Intergovernmental	-	-	-	-	-	6,532,724
Charges for services	-	-	-	-	-	2,143,317
Fines and forfeits	-	-	-	-	-	1,556,641
Utility fees	3,234,248	-	-	-	34,986	10,676,503
Other receipts	181,681	3,073	782,491	57,566	-	14,813,405
Total receipts	<u>3,415,929</u>	<u>3,073</u>	<u>782,491</u>	<u>57,566</u>	<u>34,986</u>	<u>52,919,381</u>
Disbursements:						
Personal services	955,645	-	-	-	-	21,279,205
Supplies	-	-	-	-	-	1,366,337
Other services and charges	37,556	-	-	-	-	8,421,552
Debt service - principal and interest	-	6,626	668,787	-	-	4,571,158
Capital outlay	-	3,189	-	-	-	3,813,264
Utility operating expenses	1,669,089	-	-	-	15,042	4,317,477
Other disbursements	600,138	641,803	145,581	38,956	-	10,911,250
Total disbursements	<u>3,262,428</u>	<u>651,618</u>	<u>814,368</u>	<u>38,956</u>	<u>15,042</u>	<u>54,680,243</u>
Excess (deficiency) of receipts over disbursements	<u>153,501</u>	<u>(648,545)</u>	<u>(31,877)</u>	<u>18,610</u>	<u>19,944</u>	<u>(1,760,862)</u>
Cash and investments - ending	<u>\$ 706,009</u>	<u>\$ 2,056,780</u>	<u>\$ 1,003,825</u>	<u>\$ 242,454</u>	<u>\$ 89,828</u>	<u>\$ 44,301,635</u>

CITY OF GOSHEN
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2013

Government or Enterprise	Accounts Payable	Accounts Receivable
Wastewater	\$ 736,804	\$ 606,709
Water	588,947	382,436
Governmental activities	2,190,636	15,682
Totals	\$ 3,516,387	\$ 1,004,827

CITY OF GOSHEN
SCHEDULE OF LEASES AND DEBT
December 31, 2013

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
PUBLICFINANCE.COM	PIERCE AERIAL FIRE TRUCK	\$ 103,232	9/15/2012	9/15/2018
PUBLICFINANCE.COM	DUMP TRUCKS/RADIO SYSTEM	77,920	1/31/2012	1/31/2016
PUBLICFINANCE.COM/SANTANDER	2013 AMBULANCE	<u>26,484</u>	6/15/2013	12/15/2016
Total governmental activities		<u>207,636</u>		
Wastewater:				
PUBLIC-FINANCE.COM	AMR SYSTEM	<u>133,370</u>	12/1/2011	9/1/2016
Water:				
PUBLIC-FINANCE.COM	AMR SYSTEM	<u>133,370</u>	12/1/2011	9/1/2016
Total of annual lease payments		<u>\$ 474,376</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	CONSTRUCTION/IMPROVEMENTS	\$ 1,230,000	\$ 426,700
General obligation bonds	ACQUISITION OF LAND FOR RIGHT OF WAY	2,620,000	111,350
General obligation bonds	ACQUISITION OF LAND FOR RIGHT OF WAY	1,950,000	368,400
Revenue bonds	ACQUISITION OF LAND/IMPROVEMENTS	4,725,000	371,018
Revenue bonds	REAL ESTATE ACQUISITION/REMEDIATION	2,805,000	336,367
Notes and loans payable	ENVIRONMENTAL CLEANUP	93,872	**
Notes and loans payable	ENVIRONMENTAL CLEANUP	<u>63,000</u>	<u>13,475</u>
Total governmental activities		<u>13,486,872</u>	<u>1,627,310</u>
Wastewater:			
Revenue bonds	Sewage Works Revenue Bonds of 2004	2,830,000	613,010
Revenue bonds	Sewage Works Revenue Bonds of 2009 Series A	30,492,000	1,033,654
Revenue bonds	Sewage Works Revenue Bonds of 2010 Series B	500,000	25,000
Revenue bonds	Sewage Works Revenue Bonds of 2010 Series C	850,000	50,000
Revenue bonds	Sewage Works Refunding Revenue Bonds of 2010 Series A	3,600,000	801,600
Revenue bonds	Sewage Works Refunding Revenue Bonds of 2010 Series B	<u>335,000</u>	<u>74,385</u>
Total Wastewater		<u>38,607,000</u>	<u>2,597,649</u>
Water:			
Revenue bonds	Waterworks Refunding Revenue Bonds of 2005	3,080,000	428,700
Revenue bonds	Waterworks Revenue Bonds of 2009	<u>1,135,000</u>	<u>50,486</u>
Total Water		<u>4,215,000</u>	<u>479,186</u>
Totals		<u>\$ 56,308,872</u>	<u>\$ 4,704,145</u>

** Payment schedule is not available.

CITY OF GOSHEN
SCHEDULE OF CAPITAL ASSETS
December 31, 2013

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	Ending Balance
Governmental activities:	
Land	\$ 25,927,896
Infrastructure	63,562,339
Buildings	11,607,971
Improvements other than buildings	6,491,932
Machinery, equipment, and vehicles	3,042,224
Books and other	13,755
Total governmental activities	110,646,117
Wastewater:	
Land	735,914
Buildings	553,803
Improvements other than buildings	26,020,439
Machinery, equipment, and vehicles	18,020,158
Construction in progress	39,554,582
Total Wastewater	84,884,896
Water:	
Land	51,700
Buildings	2,217,455
Improvements other than buildings	20,241,586
Machinery, equipment, and vehicles	1,756,261
Construction in progress	2,229,874
Total Water	26,496,876
Total capital assets	\$ 222,027,889

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF THE CITY OF GOSHEN, ELKHART COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the City of Goshen's (City) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)


Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

October 27, 2014

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the City. The schedule and notes are presented as intended by the City.

CITY OF GOSHEN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2013

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Agriculture</u>				
Urban and Community Forestry Program 2012 Urban Tree Canopy	Indiana Department of Natural Resources	10.675	EDS# E9-13-UTC7	\$ 5,850
Great Lakes Restoration	Indiana Department of Natural Resources Direct		EDS# E9-12-GLRI3 13-DG-11420004-017	4,000
				<u>50,514</u>
Total - Department of Agriculture				<u>60,364</u>
<u>Department of Housing and Urban Development</u>				
CDBG - Entitlement Grants Cluster Community Development Block Grants/Entitlement Grants CDBG/HUD Fund	Direct	14.218	B-10-MC-18-0019	238,016
Total - CDBG - Entitlement Grants Cluster				<u>238,016</u>
Total - Department of Housing and Urban Development				<u>238,016</u>
<u>Department of Justice</u>				
Bulletproof Vest Partnership Program Police Vests	Direct	16.607	FY2013	1,090
Total - Department of Justice				<u>1,090</u>
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster Highway Planning and Construction Monroe Street Trail	Indiana Department of Transportation	20.205	DES# 0902279	210,482
Total - Highway Planning and Construction Cluster				<u>210,482</u>
Highway Safety Cluster Alcohol Impaired Driving Countermeasures Incentive Grants I Police State Grants	Elkhart County	20.601	K8-2011-03-03-08	5,513
Total - Highway Safety Cluster				<u>5,513</u>
Airport Improvement Program Airport Runway Grant	Direct	20.106	3-18-0029-09-PP9	53,034
Federal Transit Cluster Federal Transit - Formula Grants 2013 Grade Crossing Grant Bus Shelter Pads	Indiana Department of Transportation Michiana Area Council of Government	20.507	13-GCF-LPA-20 FY2013	11,112 4,442
Total - Federal Transit Cluster				<u>15,554</u>
Total - Department of Transportation				<u>284,583</u>
<u>Environmental Protection Agency</u>				
Brownfields Assessment and Cleanup Cooperative Agreements EPA Assessment Grant EPA RLF Grant - Hazardous Substances EPA RLF Grant - Petroleum	Direct	66.818	BF-00E00884-0 BF-00E00928-0 BF-00E00928-0	62,454 9,612 2,227
Total - Brownfields Assessment and Cleanup Cooperative Agreements				<u>74,293</u>
Capitalization Grants for Clean Water State Revolving Funds	Indiana Finance Authority	66.458	FY2013	418,230
Capitalization Grants for Drinking Water State Revolving Funds	Indiana Finance Authority	66.468	FY2013	35,506
Total - Environmental Protection Agency				<u>528,029</u>
<u>Department of Homeland Security</u>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Indiana Department of Homeland Security	97.036	FY2013	5,468
Total - Department of Homeland Security				<u>5,468</u>
Total Federal Awards Expended				<u>\$ 1,117,550</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF GOSHEN
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Note 2. Subrecipients

Of the federal expenditures presented in the schedule, the City provided federal awards to subrecipients as follows for the year ended December 31, 2013:

Program Title	Federal CFDA Number	2013
Community Development Block Grants/Entitlement Grants	14.218	\$ <u>112,955</u>

CITY OF GOSHEN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
66.458	Highway Planning and Construction Cluster Capitalization Grants for Clean Water State Revolving Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?	no
--	----

Section II - Financial Statement Findings

FINDING 2013-001 - INTERNAL CONTROLS OVER THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The City did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The City should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

CITY OF GOSHEN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

During the audit of the SEFA, we noted the following errors: the program titles for five programs were incorrect; expenditures totaling \$459,204 for three programs were not reported; two grants reported did not identify the federal agency; one grant did not identify the CFDA number; and lastly, a state grant of \$275,000 was incorrectly included on the SEFA. Audit adjustments were proposed, accepted by the City, and made to the SEFA presented in this report.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section .310."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.

CITY OF GOSHEN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

FINDING 2013-002 - INTERNAL CONTROLS OVER CASH RECONCILING AND RECEIPTING

We noted deficiencies in the internal control system of the City related to financial transactions and reporting. We believe the following deficiencies constitute material weaknesses:

Control activities should be selected and developed at various levels of the City to reduce risks of error and/or fraud of the financial statement. The City has not separated incompatible activities related to the preparation of the bank reconciliation and receipts. Monthly bank reconciliements are being prepared by three employees; however, there is no evidence to indicate that the bank reconciliements are being reviewed by anyone. The same individual who is responsible for recording receipts is also responsible for the corresponding bank deposit. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

FINDING 2013-003 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted the following deficiency in the internal control system of the City related to financial transactions and reporting. We believe the deficiency to constitute a significant deficiency:

Preparing Financial Statement: Effective internal controls over financial reporting involves the identification and analysis of the risks of material misstatement to the City's audited financial statement and then determining how those identified risks should be managed. The City has not identified risks to the preparation of a reliable financial statement and, as a result, has failed to design effective controls over the preparation of the financial statement to prevent, or detect and correct, material misstatements, including notes to the financial statement.

The financial statement of the City was prepared from information entered by the City into the Gateway Annual Financial Report. During the audit of the financial statement, we noted that the City did not include all of its financial transactions, or that some of the transactions were incorrectly reported. The receipts and disbursements in the original financial statement for the City Court were understated by \$485,217 and \$486,497, respectively. Therefore, the financial statement presented for audit was not reflective of the financial activity of the City. Subsequent audit adjustments were proposed, accepted by the City, and made to the financial statement presented in this report in order to more accurately reflect the financial activity of the City.

CITY OF GOSHEN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under Indiana Code 5-14-3.8-7."

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

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AUDITEE PREPARED DOCUMENT

The subsequent document was provided by management of the City. The document is presented as intended by the City.



Tina M. Bontrager, City Clerk-Treasurer
CITY OF GOSHEN

202 South Fifth Street, Suite 2 • Goshen, IN 46528-3714

Phone (574) 533-8625 • Fax (574) 533-9740 • TDD (574) 534-3185
clerktreasurer@goshencity.com • www.goshenindiana.org

CORRECTIVE ACTION PLAN

FINDING 2013-001

Contact Person Responsible for Corrective Action: Tina M. Bontrager
Contact Phone Number: 574-533-8625

Description of Corrective Action Plan:

The City acknowledges this finding and wishes to eliminate future errors with such actions as the Clerk-Treasurer requesting additional reporting from the departments. The Clerk-Treasurer will continue to work close with the departments of the City that receive and spend grant dollars to ensure proper reporting of the dollar amounts received and expensed.

FINDING 2013-002

Contact Person Responsible for Corrective Action: Tina M. Bontrager
Contact Phone Number: 574-533-8625

Description of Corrective Action Plan:

The main City bank reconciliation performed by the Clerk-Treasurer's office 1st Deputy will be reviewed by the Clerk-Treasurer, the Utility bank reconciliations performed by the Utility office 1st Deputy will be reviewed by the C/T office 1st Deputy, all other City bank reconciliations will be reviewed by the Clerk-Treasurer. All of these reviews will be referenced by initialing the statement and will be done before the monthly disbursements and revenues posted are updated and closed out.

It is difficult to have segregation of duties in every aspect of the office when we are attempting to do more with less such as having one person be responsible for the receipting duties of the office. In the opinion of the Clerk-Treasurer with the current employees, the City has safeguards in place to avoid any material misstatements or irregularities to remain undetected as each department that brings funds into the office to be deposited receives a written receipt and monthly (if not more often) reports to review so any discrepancies would be brought to our attention in a timely manner. The deposit is also reviewed the next day by a second employee. The City will attempt to have someone other than the person that prepared the deposit take the funds to the bank to be deposited and/or have the deposit reviewed by a second employee daily before the funds are taken to the bank.



Tina M. Bontrager, City Clerk-Treasurer
CITY OF GOSHEN

202 South Fifth Street, Suite 2 • Goshen, IN 46528-3714

Phone (574) 533-8625 • Fax (574) 533-9740 • TDD (574) 534-3185
clerktreasurer@goshencity.com • www.goshenindiana.org

FINDING 2013-003

Contact Person Responsible for Corrective Action: Tina M. Bontrager
Contact Phone Number: 574-533-8625

Description of Corrective Action Plan:

The City is currently making a transition to City Court and setting them up on the Incode financial software to improve the recordkeeping of the office. We have determined there is an on-going discrepancy and we are working with Dan Hedden from Umbaugh to computerize the records and place the discrepancy amount in a separate trust bank account to hold for a period of 10 years if necessary. The City fully understands the importance of accurate reporting and we are working to correct this deficiency.

Anticipated Completion Date: Immediately

Tina M. Bontrager

Clerk-Treasurer

10-27-14

OTHER REPORT

In addition to this report, a Supplemental Compliance Report has been issued for the City. That report can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.