

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, 2016 to December 31, 2016



FILED
01/18/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Tina M. Bontrager Angela McKee	01-01-16 to 12-31-16 01-01-17 to 12-31-19
Mayor	Jeremy P. Stutsman	01-01-16 to 01-01-19
President of the Board of Public Works and Safety	Jeremy P. Stutsman	01-01-16 to 01-01-19
President Pro Tempore of the Common Council	Jim McKee Brett Weddell	01-01-16 to 12-31-17 01-01-18 to 12-31-18
Utility Office Manager	Kelly Saenz	01-01-16 to 12-31-18



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, 2016, and the related notes to the financial statement as listed in the Table of Contents.

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 from 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 to 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, 2016.

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, 2016, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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.

Other Information

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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 4, 2018, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

December 4, 2018



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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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, 2016, and the related notes to the financial statement, and have issued our report thereon dated December 4, 2018, 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.

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 City's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2016-001 and 2016-002, that we consider 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

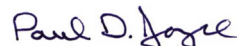
As part of obtaining reasonable assurance about whether the City's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 item 2016-002.

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

December 4, 2018

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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, 2016

Fund	Cash and Investments 01-01-16	Receipts	Disbursements	Cash and Investments 12-31-16
GENERAL FUND	\$ 4,452,134	\$ 18,968,904	\$ 16,448,239	\$ 6,972,799
MVH FUND	557,450	2,479,374	2,665,515	371,309
LOCAL ROAD & STREET	150,703	297,442	353,604	94,541
AVIATION FUND	194,039	222,522	200,373	216,188
HEALTH INSURANCE FUND	72,139	4,345,234	4,546,899	(129,526)
PARKING LOT	5,360	-	-	5,360
LECE FUND 1	18,058	43	20	18,081
UNSAFE BUILDING FUND	11,951	7,981	7,770	12,162
PARKS AND RECREATION	832,800	1,457,432	2,191,200	99,032
RAINY DAY FUND	2,154,517	-	-	2,154,517
EDIT TAX FUND	1,583,878	2,061,654	1,868,436	1,777,096
MAJOR MOVE	3,552,758	268,409	1,680,048	2,141,119
CCI (CIGARETTE TAX) FUND	79,670	80,843	160,513	-
CUMULATIVE CAP DEVELOP	441,291	307,437	725,371	23,357
REDEV DISTRICT CAPITAL	10,841	-	-	10,841
CCI FIRE STATION	280,902	286,251	217,327	349,826
CCI STORM SEWER FUND	650,386	276,849	147,853	779,382
POLICE PENSION FUND	490,620	451,257	435,909	505,968
FIRE PENSION FUND	301,519	509,142	513,463	297,198
COURT FEES	81,160	17,108	14,360	83,908
PUBLIC SAFETY LOIT	536,088	1,546,638	1,409,248	673,478
NR SR RELINQUISHMENT	400,000	-	-	400,000
PROBATION FUND	125,352	93,493	75,539	143,306
DONATION FUND	101,181	48,769	46,956	102,994
ECON IMPROVEMENT DISTRICT	33,484	84,260	38,996	78,748
FEDERAL STATE GRANTS	488,615	432,951	155,509	766,057
LOIT SPECIAL DISTRIBUTION	-	2,608,504	282,877	2,325,627
PARK GIFT FUND	120,739	87,658	91,929	116,468
BEAUTIFICAT/RESTORATION	3,265	2	-	3,267
RESIDENTIAL LEASE FEES	16,264	92,185	66,964	41,485
LECE2 FUND	28,251	44,243	40,880	31,614
DEBT SERVICE	237,676	824,941	451,834	610,783
TIF DEBT SERVICE RESERVE	217,394	-	-	217,394
TIF BOND P & I PYMT FUND	368,245	3,229,838	3,230,888	367,195
08 RIVERRACE - DSR	319,500	-	319,500	-
2015 RDVP EDIT LR - DSR	510,523	5	-	510,528
2015 RDVP EDIT LR REF BONDS	12,365	-	-	12,365
REDEVELOP NON-REVERTING O	663,739	360,420	281,187	742,972
STORM WATER MANAGEMNT	963,173	675,846	436,589	1,202,430

CITY OF GOSHEN
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2016

Fund	Cash and Investments 01-01-16	Receipts	Disbursements	Cash and Investments 12-31-16
CEMETERY CAPITAL IMPROV.	40,315	14,420	-	54,735
GENERAL IMPROVEMENT FUND	118,564	21,254	21,254	118,564
SOUTH EAST E.D. TIF	1,598,354	3,317,218	2,354,685	2,560,887
TIF NORTH US 33	-	2	-	2
CDBG/HUD FUND	66,633	192,041	184,006	74,668
HUD HOME	19,281	-	-	19,281
CONS RR/US 33/DT TIF	2,739,672	2,677,561	1,743,294	3,673,939
HUD RENTAL REHAB FUND	37,948	6	-	37,954
08 RIVERRACE CAPITAL PROJ	151	226	377	-
TIF PLYMOUTH AVENUE	258,496	60,887	-	319,383
2015 GOB Proceeds	1,744,614	-	718,639	1,025,975
ELECTRIC UTILITY SALE	2,008,181	7,937	-	2,016,118
CITY COURT CASHBOOK	70,018	623,277	602,176	91,119
OLD PY UTILITY	25,759	-	-	25,759
OAKRIDGE CEMETERY ENDOW.	24,973	17	-	24,990
VIOLETT CEMETERY ENDOWMNT	82,088	56	-	82,144
W. GOSHEN CEMETERY ENDOW.	19,707	13	-	19,720
CEMETERY PERMANENT FUND	80,998	8,420	-	89,418
BEAUTIFICATNIRESTORATION	12,811	9	-	12,820
MILLRACE TRUST FUND	49,542	34	-	49,576
CITY COURT TRUST FUND	12,601	1	-	12,602
YOUTH COUNCIL FUND	51	-	-	51
SEWER OPERATING FUND	378,705	8,001,717	7,718,219	662,203
SEWER BOND AND INTEREST	7,141,907	2,656,616	4,779,498	5,019,025
SEWER DEPRECIATION	3,559,758	1,915,289	2,001,077	3,473,970
SEWER CONTRUCTION FUND	760,145	2,250	-	762,395
SEWER CUSTOMER DEPOSIT	277,177	46,723	37,009	286,891
SEWER CSO PROJECT (2004)	756,698	591	8,570	748,719
BLDG. SEWER REPAIR FEE	70,803	42,018	16,608	96,213
WATER OPERATING FUND	1,150,460	4,600,267	4,448,156	1,302,571
WATER DEPRECIATION	373,685	3,516,676	3,406,917	483,444
WATER BOND & INTEREST	1,025,806	2,270,878	2,014,552	1,282,132
WATER CUSTOMER DEPOSIT	263,330	45,908	36,084	273,154
BLDG - WATER REPAIR FEE	93,912	22,163	20,793	95,282
Totals	<u>\$ 45,931,173</u>	<u>\$ 72,212,110</u>	<u>\$ 69,217,710</u>	<u>\$ 48,925,573</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, gas, 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 include the following sources:

Taxes. Amounts received from one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's 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. 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 the following: peddler licenses, animal licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

Intergovernmental receipts. Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: federal grants, state grants,

CITY OF GOSHEN
NOTES TO FINANCIAL STATEMENT
(Continued)

cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions 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. Amounts received for services including, but not limited to, the following: planning commission charges, building department charges, copies of public records, copy machines 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. Amounts received 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. Amounts received from charges for current services.

Other receipts. Amounts received from various sources, including, but 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 include the following uses:

Personal services. Amounts disbursed 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. Amounts disbursed for 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, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges. Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service - principal and interest. Amounts disbursed for 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.

Capital outlay. Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses. Amounts disbursed for operating the utilities.

CITY OF GOSHEN
NOTES TO FINANCIAL STATEMENT
(Continued)

Other disbursements. Amounts disbursed for various other purposes including, but 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, make transfers 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 amounts 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 amounts 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 lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) 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, the following: 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 a cost-sharing 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
One North Capitol, 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
One North Capitol, 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.

Note 7. Cash Balance Deficit

The financial statement contains a fund with deficits in cash. This is a result of subsidized premiums offset by cash in the fund. When cash was no longer available, premiums were never changed. There is a plan to correct it in 2018.

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OTHER INFORMATION - UNAUDITED

The City's Annual Financial Report information can be found on the Indiana Gateway for Government Units 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 City's Annual Financial Report 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 other 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, 2016

	GENERAL FUND	MVH FUND	LOCAL ROAD & STREET	AVIATION FUND	HEALTH INSURANCE FUND	PARKING LOT
Cash and investments - beginning	\$ 4,452,134	\$ 557,450	\$ 150,703	\$ 194,039	\$ 72,139	\$ 5,360
Receipts:						
Taxes	9,233,574	1,294,346	-	-	-	-
Licenses and permits	252,437	-	-	-	-	-
Intergovernmental receipts	7,312,134	1,171,274	297,442	-	-	-
Charges for services	1,457,163	7,393	-	202,061	-	-
Fines and forfeits	71,706	3,614	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	641,890	2,747	-	20,461	4,345,234	-
Total receipts	<u>18,968,904</u>	<u>2,479,374</u>	<u>297,442</u>	<u>222,522</u>	<u>4,345,234</u>	<u>-</u>
Disbursements:						
Personal services	12,130,337	1,426,728	-	66,609	4,546,899	-
Supplies	962,113	443,543	-	2,953	-	-
Other services and charges	2,959,256	741,155	160,976	130,042	-	-
Debt service - principal and interest	6,400	-	-	-	-	-
Capital outlay	103,112	47,108	192,628	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	287,021	6,981	-	769	-	-
Total disbursements	<u>16,448,239</u>	<u>2,665,515</u>	<u>353,604</u>	<u>200,373</u>	<u>4,546,899</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>2,520,665</u>	<u>(186,141)</u>	<u>(56,162)</u>	<u>22,149</u>	<u>(201,665)</u>	<u>-</u>
Cash and investments - ending	\$ <u>6,972,799</u>	\$ <u>371,309</u>	\$ <u>94,541</u>	\$ <u>216,188</u>	\$ <u>(129,526)</u>	\$ <u>5,360</u>

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	LECE FUND 1	UNSAFE BUILDING FUND	PARKS AND RECREATION	RAINY DAY FUND	EDIT TAX FUND	MAJOR MOVE
Cash and investments - beginning	\$ 18,058	\$ 11,951	\$ 832,800	\$ 2,154,517	\$ 1,583,878	\$ 3,552,758
Receipts:						
Taxes	-	-	988,991	-	1,637,990	-
Licenses and permits	-	-	160	-	-	-
Intergovernmental receipts	-	-	102,378	-	-	-
Charges for services	-	-	318,578	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	43	7,981	47,325	-	423,664	268,409
Total receipts	43	7,981	1,457,432	-	2,061,654	268,409
Disbursements:						
Personal services	-	-	1,220,267	-	-	-
Supplies	-	-	178,563	-	-	-
Other services and charges	20	7,770	470,852	-	1,072,388	-
Debt service - principal and interest	-	-	-	-	12,500	-
Capital outlay	-	-	276,721	-	696,548	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	44,797	-	87,000	1,680,048
Total disbursements	20	7,770	2,191,200	-	1,868,436	1,680,048
Excess (deficiency) of receipts over disbursements	23	211	(733,768)	-	193,218	(1,411,639)
Cash and investments - ending	\$ 18,081	\$ 12,162	\$ 99,032	\$ 2,154,517	\$ 1,777,096	\$ 2,141,119

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	CCI (CIGARETTE TAX) FUND	CUMULATIVE CAP DEVELOP	REDEV DISTRICT CAPITAL	CCI FIRE STATION	CCI STORM SEWER FUND	POLICE PENSION FUND
Cash and investments - beginning	\$ 79,670	\$ 441,291	\$ 10,841	\$ 280,902	\$ 650,386	\$ 490,620
Receipts:						
Taxes	-	286,792	-	267,315	258,382	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	80,843	20,645	-	18,936	18,467	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	-	-	451,257
Total receipts	<u>80,843</u>	<u>307,437</u>	<u>-</u>	<u>286,251</u>	<u>276,849</u>	<u>451,257</u>
Disbursements:						
Personal services	-	-	-	-	-	435,804
Supplies	-	157,228	-	-	-	-
Other services and charges	-	454,008	-	4,000	147,853	105
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	114,135	-	213,327	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	160,513	-	-	-	-	-
Total disbursements	<u>160,513</u>	<u>725,371</u>	<u>-</u>	<u>217,327</u>	<u>147,853</u>	<u>435,909</u>
Excess (deficiency) of receipts over disbursements	<u>(79,670)</u>	<u>(417,934)</u>	<u>-</u>	<u>68,924</u>	<u>128,996</u>	<u>15,348</u>
Cash and investments - ending	\$ <u>-</u>	\$ <u>23,357</u>	\$ <u>10,841</u>	\$ <u>349,826</u>	\$ <u>779,382</u>	\$ <u>505,968</u>

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	FIRE PENSION FUND	COURT FEES	PUBLIC SAFETY LOIT	NR SR RELINQUISHMENT	PROBATION FUND	DONATION FUND
Cash and investments - beginning	\$ 301,519	\$ 81,160	\$ 536,088	\$ 400,000	\$ 125,352	\$ 101,181
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	1,546,638	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	508,460	17,108	-	-	93,493	-
Utility fees	-	-	-	-	-	-
Other receipts	682	-	-	-	-	48,769
Total receipts	509,142	17,108	1,546,638	-	93,493	48,769
Disbursements:						
Personal services	513,155	-	1,215,977	-	75,539	-
Supplies	-	8,173	-	-	-	-
Other services and charges	308	6,187	-	-	-	46,398
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	193,271	-	-	558
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	513,463	14,360	1,409,248	-	75,539	46,956
Excess (deficiency) of receipts over disbursements	(4,321)	2,748	137,390	-	17,954	1,813
Cash and investments - ending	\$ 297,198	\$ 83,908	\$ 673,478	\$ 400,000	\$ 143,306	\$ 102,994

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	ECON IMPROVEMENT DISTRICT	FEDERAL STATE GRANTS	LOIT SPECIAL DISTRIBUTION	PARK GIFT FUND	BEAUTIFICAT/RESTORATION
Cash and investments - beginning	\$ 33,484	\$ 488,615	\$ -	\$ 120,739	\$ 3,265
Receipts:					
Taxes	84,100	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	432,951	2,608,504	-	-
Charges for services	-	-	-	15,742	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	160	-	-	71,916	2
Total receipts	<u>84,260</u>	<u>432,951</u>	<u>2,608,504</u>	<u>87,658</u>	<u>2</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	14,829	6,537	-	91,929	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	24,167	148,972	282,877	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	<u>38,996</u>	<u>155,509</u>	<u>282,877</u>	<u>91,929</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>45,264</u>	<u>277,442</u>	<u>2,325,627</u>	<u>(4,271)</u>	<u>2</u>
Cash and investments - ending	<u>\$ 78,748</u>	<u>\$ 766,057</u>	<u>\$ 2,325,627</u>	<u>\$ 116,468</u>	<u>\$ 3,267</u>

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	RESIDENTIAL LEASE FEES	LECE2 FUND	DEBT SERVICE	TIF DEBT SERVICE RESERVE	TIF BOND P & I PYMT FUND	08 RIVERRACE - DSR
Cash and investments - beginning	\$ 16,264	\$ 28,251	\$ 237,676	\$ 217,394	\$ 368,245	\$ 319,500
Receipts:						
Taxes	-	-	794,337	-	-	-
Licenses and permits	92,185	-	-	-	-	-
Intergovernmental receipts	-	-	30,604	-	-	-
Charges for services	-	35,330	-	-	-	-
Fines and forfeits	-	8,913	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	-	3,229,838	-
Total receipts	92,185	44,243	824,941	-	3,229,838	-
Disbursements:						
Personal services	66,964	-	-	-	-	-
Supplies	-	15,880	-	-	-	-
Other services and charges	-	25,000	750	-	3,150	-
Debt service - principal and interest	-	-	451,084	-	3,227,738	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	319,500
Total disbursements	66,964	40,880	451,834	-	3,230,888	319,500
Excess (deficiency) of receipts over disbursements	25,221	3,363	373,107	-	(1,050)	(319,500)
Cash and investments - ending	\$ 41,485	\$ 31,614	\$ 610,783	\$ 217,394	\$ 367,195	\$ -

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	2015 RDVP EDIT LR - DSR	2015 RDVP EDIT LR REF BONDS	REDEVELOP NON-REVERTING O	STORM WATER MANAGEMNT	CEMETERY CAPITAL IMPROV.	GENERAL IMPROVEMENT FUND
Cash and investments - beginning	\$ 510,523	\$ 12,365	\$ 663,739	\$ 963,173	\$ 40,315	\$ 118,564
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	218,259	675,271	8,420	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
	5	-	142,161	575	6,000	21,254
Total receipts	5	-	360,420	675,846	14,420	21,254
Disbursements:						
Personal services	-	-	239,204	141,671	-	-
Supplies	-	-	260	8,861	-	-
Other services and charges	-	-	41,723	36,654	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	249,403	-	21,254
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
	-	-	-	-	-	-
Total disbursements	-	-	281,187	436,589	-	21,254
Excess (deficiency) of receipts over disbursements	5	-	79,233	239,257	14,420	-
Cash and investments - ending	\$ 510,528	\$ 12,365	\$ 742,972	\$ 1,202,430	\$ 54,735	\$ 118,564

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	SOUTH EAST E.D. TIF	TIF NORTH US 33	CDBG/HUD FUND	HUD HOME	CONS RR/US 33/DT TIF	HUD RENTAL REHAB FUND
Cash and investments - beginning	\$ 1,598,354	\$ -	\$ 66,633	\$ 19,281	\$ 2,739,672	\$ 37,948
Receipts:						
Taxes	2,307,840	-	-	-	2,218,366	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	172,998	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	1,009,378	2	19,043	-	459,195	6
Total receipts	3,317,218	2	192,041	-	2,677,561	6
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	267,192	-	174,006	-	610,414	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	1,687,493	-	-	-	300,055	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	400,000	-	10,000	-	832,825	-
Total disbursements	2,354,685	-	184,006	-	1,743,294	-
Excess (deficiency) of receipts over disbursements	962,533	2	8,035	-	934,267	6
Cash and investments - ending	\$ 2,560,887	\$ 2	\$ 74,668	\$ 19,281	\$ 3,673,939	\$ 37,954

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	08 RIVERRACE CAPITAL PROJ	TIF PLYMOUTH AVENUE	2015 GOB Proceeds	ELECTRIC UTILITY SALE	CITY COURT CASHBOOK	OLD PY UTILITY
Cash and investments - beginning	\$ 151	\$ 258,496	\$ 1,744,614	\$ 2,008,181	\$ 70,018	\$ 25,759
Receipts:						
Taxes	-	60,887	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	623,264	-
Utility fees	-	-	-	-	-	-
Other receipts	226	-	-	7,937	13	-
Total receipts	226	60,887	-	7,937	623,277	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	377	-	-	-	602,176	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	718,639	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	377	-	718,639	-	602,176	-
Excess (deficiency) of receipts over disbursements	(151)	60,887	(718,639)	7,937	21,101	-
Cash and investments - ending	\$ -	\$ 319,383	\$ 1,025,975	\$ 2,016,118	\$ 91,119	\$ 25,759

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	OAKRIDGE CEMETERY ENDOW.	VIOLETT CEMETERY ENDOWMNT	W. GOSHEN CEMETERY ENDOW.	CEMETERY PERMANENT FUND	BEAUTIFICATN\RESTORATION
Cash and investments - beginning	\$ 24,973	\$ 82,088	\$ 19,707	\$ 80,998	\$ 12,811
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	8,420	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	17	56	13	-	9
Total receipts	17	56	13	8,420	9
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	17	56	13	8,420	9
Cash and investments - ending	\$ 24,990	\$ 82,144	\$ 19,720	\$ 89,418	\$ 12,820

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	MILLRACE TRUST FUND	CITY COURT TRUST FUND	YOUTH COUNCIL FUND	SEWER OPERATING FUND	SEWER BOND AND INTEREST	SEWER DEPRECIATION
Cash and investments - beginning	\$ 49,542	\$ 12,601	\$ 51	\$ 378,705	\$ 7,141,907	\$ 3,559,758
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	7,602,679	-	-
Other receipts	34	1	-	399,038	2,656,616	1,915,289
Total receipts	34	1	-	8,001,717	2,656,616	1,915,289
Disbursements:						
Personal services	-	-	-	1,353,408	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	2,589,498	66,685
Capital outlay	-	-	-	-	-	641,879
Utility operating expenses	-	-	-	2,908,890	-	-
Other disbursements	-	-	-	3,455,921	2,190,000	1,292,513
Total disbursements	-	-	-	7,718,219	4,779,498	2,001,077
Excess (deficiency) of receipts over disbursements	34	1	-	283,498	(2,122,882)	(85,788)
Cash and investments - ending	\$ 49,576	\$ 12,602	\$ 51	\$ 662,203	\$ 5,019,025	\$ 3,473,970

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	SEWER CONSTRUCTION FUND	SEWER CUSTOMER DEPOSIT	SEWER CSO PROJECT (2004)	BLDG. SEWER REPAIR FEE	WATER OPERATING FUND
Cash and investments - beginning	\$ 760,145	\$ 277,177	\$ 756,698	\$ 70,803	\$ 1,150,460
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	42,018	4,353,461
Other receipts	2,250	46,723	591	-	246,806
Total receipts	<u>2,250</u>	<u>46,723</u>	<u>591</u>	<u>42,018</u>	<u>4,600,267</u>
Disbursements:					
Personal services	-	-	-	-	977,775
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	54,129
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	16,608	1,964,384
Other disbursements	-	37,009	8,570	-	1,451,868
Total disbursements	<u>-</u>	<u>37,009</u>	<u>8,570</u>	<u>16,608</u>	<u>4,448,156</u>
Excess (deficiency) of receipts over disbursements	<u>2,250</u>	<u>9,714</u>	<u>(7,979)</u>	<u>25,410</u>	<u>152,111</u>
Cash and investments - ending	<u>\$ 762,395</u>	<u>\$ 286,891</u>	<u>\$ 748,719</u>	<u>\$ 96,213</u>	<u>\$ 1,302,571</u>

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	WATER DEPRECIATION	WATER BOND & INTEREST	WATER CUSTOMER DEPOSIT	BLDG - WATER REPAIR FEE	Totals
Cash and investments - beginning	\$ 373,685	\$ 1,025,806	\$ 263,330	\$ 93,912	\$ 45,931,173
Receipts:					
Taxes	-	-	-	-	19,432,920
Licenses and permits	-	-	-	-	344,782
Intergovernmental receipts	-	-	-	-	13,813,814
Charges for services	-	-	-	-	2,946,637
Fines and forfeits	-	-	-	-	1,326,558
Utility fees	-	-	-	22,163	12,020,321
Other receipts	3,516,676	2,270,878	45,908	-	22,327,078
Total receipts	<u>3,516,676</u>	<u>2,270,878</u>	<u>45,908</u>	<u>22,163</u>	<u>72,212,110</u>
Disbursements:					
Personal services	-	-	-	-	24,410,337
Supplies	-	-	-	-	1,777,574
Other services and charges	-	-	-	-	8,130,184
Debt service - principal and interest	133,370	477,770	-	-	6,965,045
Capital outlay	1,973,547	-	-	-	7,885,694
Utility operating expenses	-	-	-	20,793	4,910,675
Other disbursements	1,300,000	1,536,782	36,084	-	15,138,201
Total disbursements	<u>3,406,917</u>	<u>2,014,552</u>	<u>36,084</u>	<u>20,793</u>	<u>69,217,710</u>
Excess (deficiency) of receipts over disbursements	<u>109,759</u>	<u>256,326</u>	<u>9,824</u>	<u>1,370</u>	<u>2,994,400</u>
Cash and investments - ending	<u>\$ 483,444</u>	<u>\$ 1,282,132</u>	<u>\$ 273,154</u>	<u>\$ 95,282</u>	<u>\$ 48,925,573</u>

CITY OF GOSHEN
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2016

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Wastewater	\$ 294,386	\$ 729,682
Water	54,733	529,766
Governmental activities	<u>1,797,481</u>	<u>-</u>
Totals	<u>\$ 2,146,600</u>	<u>\$ 1,259,448</u>

CITY OF GOSHEN
SCHEDULE OF LEASES AND DEBT
December 31, 2016

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/MUNICIPAL CAPITAL FINANCE	PURCHASE & INSTALLATION OF PHONE SYSTEM	29,005	2/2/2015	5/1/2019
REDV AUTHORITY	ECONOMIC DEVELOPMENT	290,832	6/19/2015	1/15/2028
US BANCORP	DUMP TRUCKS WITH EQUIPMENT	<u>69,722</u>	3/15/2017	3/15/2021
Total governmental activities		<u>492,791</u>		
Water:				
US BANCORP	COMBINATION SEWER TRUCK	<u>80,110</u>	3/15/2016	3/15/2021
Total of annual lease payments		<u>\$ 572,901</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	GO BONDS OF 2015 (Infrastructure Improvements)	\$ 2,000,000	\$ 424,144
Notes and loans payable	ENVIROMENTAL CLEANUP (BROWNFIELDS)	50,872	12,500
Notes and loans payable	LR REF BONDS OF 2015 (REF 2008 BONDS - LAND AND R.O.W.)	4,960,000	316,421
Notes and loans payable	RED DIST REF BNDS 2015 (REF 2005A 2006B - LAND AND R.O.W.)	<u>3,480,000</u>	<u>402,881</u>
Total governmental activities		<u>10,490,872</u>	<u>1,155,946</u>
Wastewater:			
Revenue bonds	Sewage Works Refunding Revenue Bonds of 2010 Series A	1,545,000	801,525
Revenue bonds	Sewage Works Refunding Revenue Bonds of 2010 Series B	140,000	73,710
Revenue bonds	Sewage Works Revenue Bonds of 2004	1,200,000	619,193
Revenue bonds	Sewage Works Revenue Bonds of 2009 Series A	29,409,807	1,021,288
Revenue bonds	Sewage Works Revenue Bonds of 2010 Series B	425,000	25,000
Revenue bonds	Sewage Works Revenue Bonds of 2010 Series C	<u>700,000</u>	<u>50,000</u>
Total Wastewater		<u>33,419,807</u>	<u>2,590,716</u>
Water:			
Revenue bonds	Waterworks Refunding Revenue Bonds of 2005	2,115,000	424,400
Revenue bonds	Waterworks Revenue Bonds of 2009	1,062,411	55,158
Revenue bonds	Waterworks Revenue Bonds of 2016	<u>1,398,782</u>	<u>268,967</u>
Total Water		<u>4,576,193</u>	<u>748,525</u>
Totals		<u>\$ 48,486,872</u>	<u>\$ 4,495,187</u>

CITY OF GOSHEN
SCHEDULE OF CAPITAL ASSETS
December 31, 2016

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.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 25,523,028
Infrastructure	104,995,497
Buildings	16,784,519
Improvements other than buildings	12,623,599
Machinery, equipment, and vehicles	10,207,748
Construction in progress	<u>5,406,783</u>
Total governmental activities	<u>175,541,174</u>
Wastewater:	
Land	735,914
Buildings	668,873
Improvements other than buildings	27,220,877
Machinery, equipment, and vehicles	18,857,874
Construction in progress	<u>40,360,264</u>
Total Wastewater	<u>87,843,802</u>
Water:	
Land	51,700
Buildings	2,333,805
Improvements other than buildings	20,278,979
Machinery, equipment, and vehicles	1,858,986
Construction in progress	<u>5,001,830</u>
Total Water	<u>29,525,300</u>
Total capital assets	<u>\$ 292,910,276</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

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

Report on Compliance for the Major Federal Program

We have audited the City of Goshen's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2016. The City's major federal program is 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the 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 its major federal program for the year ended December 31, 2016.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE 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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 a 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 a 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

December 4, 2018

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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, 2016

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	Passed Through to Subrecipient	Total Federal Awards Expended
Department of Housing and Urban Development					
CDBG - Entitlement Grants Cluster					
Community Development Block Grants/Entitlement Grants CDBG/HUD FUND	Direct grant	14.218	B-10-MC-18-0019	\$ 153,000	\$ 172,998
Total - CDBG - Entitlement Grants Cluster				153,000	172,998
Total - Department of Housing and Urban Development				153,000	172,998
Department of Justice					
Bulletproof Vest Partnership Program Police Vests	Direct grant	16.607		-	1,742
Total - Department of Justice				-	1,742
Department of Transportation					
Airport Improvement Program Airport Runway Grant	Direct grant	20.106	3-18-0029-09-PP9	-	151,663
Highway Planning and Construction Cluster					
Highway Planning and Construction	Indiana Department of Transportation	20.205			
Ninth St Trail			DES 1400995	-	34,469
South Link Road (Bridge)			DES 1297229	-	41,746
South Link Road (Road)			DES 1005734	-	100,515
Kercher Road Project			DES 1401747	-	25,373
US 33 North Connector Utility Relocation			DES 9222424	-	87,000
Wilden Ave. Project			DES 1400715	-	80,946
Total - Highway Planning and Construction Cluster				-	370,049
Total - Department of Transportation				-	521,712
Environmental Protection Agency					
Brownfields Assessment and Cleanup Cooperative Agreements EPA RLF Grant - Hazardous Substances	Direct grant	66.818	BF-00E00928-0	-	53,826
Total - Environmental Protection Agency				-	53,826
Total federal awards expended				\$ 153,000	\$ 750,278

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 (SEFA) includes the federal grant activity of the City under programs of the federal government for the year ended December 31, 2016. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the City, it is not intended to and does not present the financial position of the City.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

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 deficiency identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major program:	
Material weakness identified?	no
Significant deficiency identified?	none reported
Any audit finding disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	no

Identification of Major Program and type of auditor's report issued on compliance for it:

<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
Highway Planning and Construction Cluster	Unmodified
Dollar threshold used to distinguish between Type A and Type B programs: \$750,000	
Auditee qualified as low-risk auditee?	no

Section II - Financial Statement Findings

FINDING 2016-001

Subject: Financial Transactions and Reporting - Internal Controls
Audit Finding: Material Weakness

Condition

There were several deficiencies in the internal control system of the City related to financial transactions and reporting.

Cash and Investments

While the month-end bank reconciliations were approved by the appropriate officials, the review was inadequate to ensure that the bank balances agreed to the ledger balances. Not all bank accounts were included in the reconciling process. Immaterial differences occurred on each monthly reviewed reconciliation.

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

Receipts

The City did not have proper controls in place to prevent or detect receipts, which were not timely recorded, were receipted to the wrong fund, or which lacked supporting documentation. The total amount of these receipts was immaterial. Additionally, in the Utilities Office, employees were able to adjust receipts without evidence of an oversight or review process.

Financial Close and Reporting

The Clerk-Treasurer submitted the financial information to the Indiana Gateway for Government Units (Gateway), financial reporting system, which was the source of the Annual Financial Report. The Clerk-Treasurer initiated transmission of the financial statement information into Gateway without an effective oversight, review, approval, or other compensating control, to ensure the accuracy of the information submitted.

Context

The lack of controls was a systemic issue throughout the audit period.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

Cause

Management of the City had not established a proper system of internal control related to the City's financial reporting and transactions.

Effect

The failure to establish controls could have enabled material misstatements or irregularities to remain undetected.

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

Recommendation

We recommended that the City establish a system of internal controls related to financial transactions and reporting.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2016-002

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness, Noncompliance

Condition

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 did not properly review the federal grant information prepared and submitted in the Indiana Gateway for Government Units financial reporting system, which was the source of the SEFA.

Context

Due to the lack of controls, the Highway Planning and Construction Cluster was understated by \$154,330.

Audit adjustments were proposed, accepted by the City, and made to the SEFA.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

2 CFR 200.508 states in part: "The auditee must: . . . (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 Financial statements. . . ."

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

2 CFR 200.510(b) states:

"Schedule of expenditures of Federal awards. The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. 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 Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal 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 must 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. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe the significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

Cause

Management had not established a system of internal control that would have ensured proper reporting of the SEFA.

Effect

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Context*.

Recommendation

We recommended that the City's management establish controls related to the preparation of the SEFA.

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

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

Section III - Federal Findings

No matters are reportable.

AUDITEE-PREPARED DOCUMENT

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



Angie McKee, City Clerk-Treasurer
CITY OF GOSHEN

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

Phone (574) 533-8625 • Fax (574) 533-9740

clerktreasurer@goshencity.com • www.goshenindiana.org

CORRECTIVE ACTION PLAN

FINDING 2016-001

Contact Person Responsible for Corrective Action: Angie McKee

Contact Phone Number: 574-533-8625

Views of Responsible Official: We concur with the findings.

Description of Corrective Action Plan:

1. Cash and Investments
 - a. We are currently working to rectify the problem and to make sure that all bank accounts including Bank of New York are reconciled at the end of each month.
2. Receipts
 - a. Going forward, we will be working to make sure that receipting is done in a timely manner. Clerk-Treasurer is working with Accounts Receivable staff as we do realize the importance of this issue.
3. Financial Close and Reporting
 - a. The Clerk-Treasurer is going to be working with Umbaugh to make sure that we have all supporting documentation for changes made to the year-end report after the Annual Financial report has been submitted in Gateway. Our preference would be that the Annual Financial Report and year-end report match at the time of submission.

Anticipated Completion Date: Internal controls is an ongoing process and as such there is not a stated completion date. However, the specific items listed above have been added to the work process for year-end. In addition, effective with the 2018 Annual Financial Report, the Clerk-Treasurer will be requesting work papers supporting each section of the Annual Financial Report and will be kept and presented to the auditors upon request by the Clerk-Treasurer.

A handwritten signature in cursive script, reading "Angie McKee", is written over a horizontal line.

(Signature)

Clerk-Treasurer

(Title)



Angie McKee, City Clerk-Treasurer
CITY OF GOSHEN
202 South Fifth Street, Suite 2 • Goshen, IN 46528-3714

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

CORRECTIVE ACTION PLAN

FINDING 2016-002

Contact Person Responsible for Corrective Action: Angie McKee
Contact Phone Number: 574-533-8625

Views of Responsible Official: We concur with the findings.

Description of Corrective Action Plan:

1. Preparation of the Schedule of Expenditures of Federal Awards
 - a. The City wishes to eliminate future errors with such actions. When funds are being receipted or expensed, the Clerk-Treasurer will check to make sure that the office has the proper grant paperwork along with the CFDA number and Program Name. If the information is not in the Clerk-Treasurer's office, the Clerk-Treasurer will get a hold of the department head for the proper paperwork and if not received, will hold any future expenses until such paperwork is supplied.

Anticipated Completion Date: We are anticipating a completion date sometime in 2019. However, for the time being it is a work in progress until we get all necessary paperwork from department heads regarding new grants and any old grants that have missing paperwork.

A handwritten signature in black ink that reads "Angie McKee". The signature is written in a cursive style and is positioned above a horizontal line.

(Signature)

Clerk-Treasurer

(Title)

OTHER REPORTS

In addition to this report, other reports may have been issued for the City. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.