

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, 2018 to December 31, 2018



FILED
09/10/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Angela McKee	01-01-17 to 12-31-19
Mayor	Jeremy P. Stutsman	01-01-16 to 12-31-19
President of the Board of Public Works	Jeremy P. Stutsman	01-01-16 to 12-31-19
President of the Common Council	Brett Weddell	01-01-18 to 12-31-19



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, 2018, 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, 2018.

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, 2018, 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 August 22, 2019, 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

August 22, 2019



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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, 2018, and the related notes to the financial statement, and have issued our report thereon dated August 22, 2019, 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 2018-001 and 2018-002, 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 items 2018-001 and 2018-002.

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

August 22, 2019

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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, 2018

Fund	Cash and Investments 01-01-18	Receipts	Disbursements	Cash and Investments 12-31-18
GENERAL FUND	\$ 7,503,496	\$ 21,154,280	\$ 19,010,712	\$ 9,647,064
MVH FUND	985,657	3,019,438	3,103,251	901,844
LOCAL ROAD & STREET	254,863	526,787	338,043	443,607
AVIATION FUND	231,509	226,943	262,104	196,348
HEALTH INSURANCE FUND	(108,108)	5,008,373	5,034,385	(134,120)
PARKING LOT	5,360	-	-	5,360
LECE FUND 1	18,109	-	-	18,109
UNSAFE BUILDING FUND	17,662	-	17,445	217
PARKS AND RECREATION	778,144	2,227,396	2,444,559	560,981
RAINY DAY FUND	2,154,517	-	-	2,154,517
EDIT TAX FUND	2,184,032	2,225,506	1,315,885	3,093,653
MAJOR MOVE	2,616,410	650,894	-	3,267,304
CCI (CIGARETTE TAX) FUND	-	74,147	74,147	-
CUMULATIVE CAP DEVELOP	315,154	473,261	298,526	489,889
REDEV DISTRICT CAPITAL	10,841	-	-	10,841
CCI FIRE STATION	238,786	284,661	230,871	292,576
CCI STORM SEWER FUND	1,039,429	315,019	302,604	1,051,844
POLICE PENSION FUND	507,081	399,317	430,275	476,123
FIRE PENSION FUND	306,823	491,050	505,117	292,756
COURT FEES	81,511	68,061	69,195	80,377
PUBLIC SAFETY LOIT	705,404	2,189,578	1,607,064	1,287,918
NR SR RELINQUISHMENT FUND	400,000	-	-	400,000
PROBATION FUND	130,114	117,210	82,057	165,267
DONATION FUND	1,147,035	141,050	89,184	1,198,901
ECON IMPROVEMENT DISTRICT	83,143	59,475	53,208	89,410
FEDERAL STATE GRANTS	1,357,457	500,431	577,182	1,280,706
LOIT SPECIAL DISTRIBUTION	900,862	-	532,855	368,007
PARK GIFT FUND	79,606	325,377	60,151	344,832
BEAUTIFICAT/RESTORATION	3,274	61	-	3,335
RESIDENTIAL LEASE FEES	46,129	115,718	58,952	102,895
LECE2 FUND	33,014	36,501	56,409	13,106
DEBT SERVICE	42,469	267,478	423,450	(113,503)
TIF DEBT SERVICE RESERVE	217,394	-	-	217,394
TIF BOND P & I PYMT FUND	448,271	825,000	1,107,125	166,146
08 SOUTH GOSHEN - DSR	510,500	1,459	1,459	510,500
2015 RDVP EDIT LR REF	12,370	3	12,373	-
REDEVELOP NON-REVERTING O	598,385	194,569	342,441	450,513
STORM WATER MANAGEMNT	1,472,016	507,954	229,748	1,750,222
CEMETERY CAPITAL IMPROV.	22,169	9,663	-	31,832
GENERAL IMPROVEMENT FUND	124,767	3,380	3,481	124,666
SOUTH EAST E.D. TIF	2,724,155	4,042,705	4,362,512	2,404,348
TIF NORTH US 33	2	-	-	2
CDBG/HUD FUND	111,270	364,798	306,550	169,518
HUD HOME	19,281	-	-	19,281
CONS RR/US 33/DT TIF	3,696,513	2,446,691	1,961,544	4,181,660
HUD RENTAL REHAB FUND	30,599	612	30,126	1,085
TIF PLYMOUTH AVENUE	380,025	57,628	-	437,653
2015 GOB Proceeds	851,439	-	-	851,439
ELECTRIC UTILITY SALE	2,016,043	37,670	-	2,053,713
CITY COURT CASHBOOK	294,413	612,589	791,426	115,576
OLD PY UTILITY	25,759	-	-	25,759
OAKRIDGE CEMETERY ENDOW.	25,038	468	-	25,506
VIOLETT CEMETERY ENDOWMNT	82,304	1,538	-	83,842
W. GOSHEN CEMETERY ENDOW.	19,759	369	-	20,128
CEMETERY PERMANENT FUND	97,932	9,663	-	107,595
BEAUTIFICATNRESTORATION	12,845	240	-	13,085
MILLRACE TRUST FUND	49,673	928	-	50,601
CITY COURT TRUST FUND	12,604	2	45	12,561
YOUTH COUNCIL FUND	52	-	-	52
SEWER OPERATING FUND	918,453	8,465,796	8,298,262	1,085,987
SEWER BOND AND INTEREST	7,742,760	2,577,391	6,200,485	4,119,666
SEWER DEPRECIATION	4,655,847	1,329,811	412,224	5,573,434
SEWER CONTRUCTION FUND	562,779	66,331	-	629,110
SEWER CUSTOMER DEPOSIT	295,835	20,331	-	316,166
SEWER CSO PROJECT (2004)	633	-	633	-
BLDG. SEWER REPAIR FEE	57,286	67,620	61,188	63,718
WATER OPERATING FUND	760,150	5,119,154	5,127,030	752,274
WATER DEPRECIATION	1,824,550	1,894,016	2,360,415	1,358,151
WATER BOND & INTEREST	1,599,761	1,395,664	183,505	2,811,920
WATER CUSTOMER DEPOSIT	280,880	19,998	-	300,878
BLDG - WATER REPAIR FEE	85,849	14,559	47,436	52,972
Totals	\$ 56,710,144	\$ 70,986,612	\$ 68,817,639	\$ 58,879,117

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.

Penalties. Amounts received from late payment fees.

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.

CITY OF GOSHEN
NOTES TO FINANCIAL STATEMENT
(Continued)

Utility operating expenses. Amounts disbursed for operating the utilities.

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 December 31 of the year preceding the budget year or January 15 of the budget year if the City is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lien date of January 1. 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) Defined Benefit Plan is a cost-sharing multiple-employer defined benefit plan and provides retirement, disability, and survivor benefits to plan members. PERF is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2, IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the City authority to contribute to the plan.

My Choice: Retirement Savings Plan for Public Employees (My Choice) is a multiple-employer defined contribution plan. It is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2, IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the City authority to contribute to the plan.

New employees hired have a one-time election to join either the Public Employees' Hybrid Plan (PERF Hybrid) or the My Choice: Retirement Savings Plan for Public Employees (My Choice), which is a multiple-employer defined contribution plan. PERF Hybrid consists of two components: PERF DB, the employer-funded monthly defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account, the defined contribution component.

CITY OF GOSHEN
NOTES TO FINANCIAL STATEMENT
(Continued)

Financial Report

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. (844) 464-6777

Contributions

Members' contributions are set by state statute at 3 percent of compensation for both the defined contribution component of PERF Hybrid and My Choice. The employer may elect to make the contribution on behalf of the member of the defined contribution component of PERF Hybrid and My Choice members may receive additional employer contribution in lieu of the PERF DB. Contributions to the PERF DB are determined by INPRS Board based on actuarial valuation.

B. 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, providing retirement, disability, and survivor benefits.

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.

Financial Report

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. (844) 464-6777

Contributions

The contribution requirements of plan members and the City are established by the Board of Trustees of INPRS based on actuarial valuation. Employers may pay all or part of the member contribution for the member.

CITY OF GOSHEN
 NOTES TO FINANCIAL STATEMENT
 (Continued)

Note 7. Restatements

For the year ended December 31, 2018, a change has been made to the beginning balance of the financial statement to more appropriately reflect financial activity of the City. The following schedule presents a summary of the restated beginning balance:

Fund	Balance as of December 31, 2017	Prior Period Adjustment	Balance as of January 1, 2018
CITY COURT CASHBOOK	\$ 141,152	\$ 153,261	\$ 294,413

Note 8. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the Health Insurance Fund 705 being self-funded and the timing of receipting and disbursing, and the Debt Service Fund 322 due to the timing of receipting and disbursing.

Note 9. Subsequent Events

The Common Council approved the construction of a new fire training facility, in the amount of \$375,000, to be constructed in the 2019 fiscal year. The Common Council first approved the additional appropriation on May 1, 2018, but the Fire Department was unable to obtain all necessary quotes and the additional appropriation needed to be done again in 2019. The Common Council approved the additional appropriation on March 19, 2019.

The Board of Public Works and Safety and the Stormwater Utility awarded a bid to Five Alarm Fire and Safety on March 3, 2019, for SCBA equipment for the Fire Department in the amount of \$747,172.42.

The Board of Public Works and Safety and the Stormwater Utility awarded a bid to Walsh & Kelly Construction for the HayPark Project 2018-0033 "Kerry's Kids Inclusive Playground at Hay Park" on June 3, 2019, in the amount of \$492,582.96.

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, 2018

	GENERAL FUND	MVH FUND	LOCAL ROAD & STREET	AVIATION FUND	HEALTH INSURANCE FUND	PARKING LOT
Cash and investments - beginning	\$ 7,503,496	\$ 985,657	\$ 254,863	\$ 231,509	\$ (108,108)	\$ 5,360
Receipts:						
Taxes	16,706,140	786,311	-	-	-	-
Licenses and permits	352,434	-	-	-	-	-
Intergovernmental receipts	1,681,754	2,153,015	526,787	-	-	-
Charges for services	1,399,339	23,018	-	226,943	-	-
Fines and forfeits	119,206	48,812	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	895,407	8,282	-	-	5,008,373	-
Total receipts	<u>21,154,280</u>	<u>3,019,438</u>	<u>526,787</u>	<u>226,943</u>	<u>5,008,373</u>	<u>-</u>
Disbursements:						
Personal services	13,862,574	1,597,842	-	72,405	5,034,385	-
Supplies	960,355	408,919	-	3,156	-	-
Other services and charges	3,317,382	988,460	143,700	186,543	-	-
Debt service - principal and interest	150	-	-	-	-	-
Capital outlay	264,145	96,778	194,343	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	606,106	11,252	-	-	-	-
Total disbursements	<u>19,010,712</u>	<u>3,103,251</u>	<u>338,043</u>	<u>262,104</u>	<u>5,034,385</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>2,143,568</u>	<u>(83,813)</u>	<u>188,744</u>	<u>(35,161)</u>	<u>(26,012)</u>	<u>-</u>
Cash and investments - ending	\$ <u>9,647,064</u>	\$ <u>901,844</u>	\$ <u>443,607</u>	\$ <u>196,348</u>	\$ <u>(134,120)</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, 2018

	LECE FUND 1	UNSAFE BUILDING FUND	PARKS AND RECREATION	RAINY DAY FUND	EDIT TAX FUND	MAJOR MOVE
Cash and investments - beginning	\$ 18,109	\$ 17,662	\$ 778,144	\$ 2,154,517	\$ 2,184,032	\$ 2,616,410
Receipts:						
Taxes	-	-	1,726,119	-	2,199,421	-
Licenses and permits	-	-	255	-	-	-
Intergovernmental receipts	-	-	131,882	-	-	-
Charges for services	-	-	312,958	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	56,182	-	26,085	650,894
Total receipts	-	-	2,227,396	-	2,225,506	650,894
Disbursements:						
Personal services	-	-	1,354,741	-	-	-
Supplies	-	-	201,765	-	-	-
Other services and charges	-	17,445	530,269	-	605,714	-
Debt service - principal and interest	-	-	-	-	6,000	-
Capital outlay	-	-	277,147	-	704,171	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	80,637	-	-	-
Total disbursements	-	17,445	2,444,559	-	1,315,885	-
Excess (deficiency) of receipts over disbursements	-	(17,445)	(217,163)	-	909,621	650,894
Cash and investments - ending	\$ 18,109	\$ 217	\$ 560,981	\$ 2,154,517	\$ 3,093,653	\$ 3,267,304

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	CCI (CIGARETTE TAX) FUND	CUMULATIVE CAP DEVELOP	REDEV DISTRICT CAPITAL	CCI FIRE STATION	CCI STORM SEWER FUND	POLICE PENSION FUND
Cash and investments - beginning	\$ -	\$ 315,154	\$ 10,841	\$ 238,786	\$ 1,039,429	\$ 507,081
Receipts:						
Taxes	-	438,952	-	264,429	292,635	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	74,147	33,609	-	20,232	22,384	395,614
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	700	-	-	-	3,703
Total receipts	<u>74,147</u>	<u>473,261</u>	<u>-</u>	<u>284,661</u>	<u>315,019</u>	<u>399,317</u>
Disbursements:						
Personal services	-	-	-	-	-	430,240
Supplies	-	80,216	-	-	-	-
Other services and charges	-	79,173	-	103,775	302,604	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	139,137	-	127,096	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	74,147	-	-	-	-	35
Total disbursements	<u>74,147</u>	<u>298,526</u>	<u>-</u>	<u>230,871</u>	<u>302,604</u>	<u>430,275</u>
Excess (deficiency) of receipts over disbursements	-	174,735	-	53,790	12,415	(30,958)
Cash and investments - ending	\$ -	\$ 489,889	\$ 10,841	\$ 292,576	\$ 1,051,844	\$ 476,123

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	FIRE PENSION FUND	COURT FEES	PUBLIC SAFETY LOIT	NR SR RELINQUISHMENT FUND	PROBATION FUND	DONATION FUND
Cash and investments - beginning	\$ 306,823	\$ 81,511	\$ 705,404	\$ 400,000	\$ 130,114	\$ 1,147,035
Receipts:						
Taxes	-	-	2,189,578	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	491,050	67,079	-	-	117,210	-
Utility fees	-	-	-	-	-	-
Other receipts	-	982	-	-	-	141,050
Total receipts	491,050	68,061	2,189,578	-	117,210	141,050
Disbursements:						
Personal services	504,554	-	1,215,023	-	82,057	-
Supplies	150	7,974	165,000	-	-	-
Other services and charges	-	4,489	-	-	-	88,462
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	227,041	-	-	722
Utility operating expenses	-	-	-	-	-	-
Other disbursements	413	56,732	-	-	-	-
Total disbursements	505,117	69,195	1,607,064	-	82,057	89,184
Excess (deficiency) of receipts over disbursements	(14,067)	(1,134)	582,514	-	35,153	51,866
Cash and investments - ending	\$ 292,756	\$ 80,377	\$ 1,287,918	\$ 400,000	\$ 165,267	\$ 1,198,901

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	ECON IMPROVEMENT DISTRICT	FEDERAL STATE GRANTS	LOIT SPECIAL DISTRIBUTION	PARK GIFT FUND	BEAUTIFICAT/RESTORATION
Cash and investments - beginning	\$ 83,143	\$ 1,357,457	\$ 900,862	\$ 79,606	\$ 3,274
Receipts:					
Taxes	56,526	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	500,431	-	-	-
Charges for services	-	-	-	14,897	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	2,949	-	-	310,480	61
Total receipts	<u>59,475</u>	<u>500,431</u>	<u>-</u>	<u>325,377</u>	<u>61</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	39,281	4,599	-	60,151	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	13,927	572,583	532,855	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	<u>53,208</u>	<u>577,182</u>	<u>532,855</u>	<u>60,151</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>6,267</u>	<u>(76,751)</u>	<u>(532,855)</u>	<u>265,226</u>	<u>61</u>
Cash and investments - ending	<u>\$ 89,410</u>	<u>\$ 1,280,706</u>	<u>\$ 368,007</u>	<u>\$ 344,832</u>	<u>\$ 3,335</u>

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	RESIDENTIAL LEASE FEES	LECE2 FUND	DEBT SERVICE	TIF DEBT SERVICE RESERVE	TIF BOND P & I PYMT FUND	08 SOUTH GOSHEN - DSR
Cash and investments - beginning	\$ 46,129	\$ 33,014	\$ 42,469	\$ 217,394	\$ 448,271	\$ 510,500
Receipts:						
Taxes	-	-	252,363	-	-	-
Licenses and permits	115,718	-	-	-	-	-
Intergovernmental receipts	-	-	15,115	-	-	-
Charges for services	-	14,085	-	-	-	-
Fines and forfeits	-	22,416	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	-	825,000	1,459
Total receipts	115,718	36,501	267,478	-	825,000	1,459
Disbursements:						
Personal services	58,952	-	-	-	-	-
Supplies	-	16,409	-	-	-	-
Other services and charges	-	40,000	-	-	1,500	-
Debt service - principal and interest	-	-	423,450	-	1,105,625	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	1,459
Total disbursements	58,952	56,409	423,450	-	1,107,125	1,459
Excess (deficiency) of receipts over disbursements	56,766	(19,908)	(155,972)	-	(282,125)	-
Cash and investments - ending	\$ 102,895	\$ 13,106	\$ (113,503)	\$ 217,394	\$ 166,146	\$ 510,500

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	2015 RDVP EDIT LR REF	REDEVELOP NON-REVERTING O	STORM WATER MANAGEMNT	CEMETERY CAPITAL IMPROV.	GENERAL IMPROVEMENT FUND	SOUTH EAST E.D. TIF
Cash and investments - beginning	\$ 12,370	\$ 598,385	\$ 1,472,016	\$ 22,169	\$ 124,767	\$ 2,724,155
Receipts:						
Taxes	-	-	-	-	-	2,889,696
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	107,666	507,954	9,663	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	3	86,903	-	-	3,380	1,153,009
Total receipts	3	194,569	507,954	9,663	3,380	4,042,705
Disbursements:						
Personal services	-	271,169	152,183	-	-	-
Supplies	-	557	2,306	-	-	-
Other services and charges	12,373	66,195	39,172	-	-	297,377
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	4,179	35,000	-	3,481	3,240,135
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	341	1,087	-	-	825,000
Total disbursements	12,373	342,441	229,748	-	3,481	4,362,512
Excess (deficiency) of receipts over disbursements	(12,370)	(147,872)	278,206	9,663	(101)	(319,807)
Cash and investments - ending	\$ -	\$ 450,513	\$ 1,750,222	\$ 31,832	\$ 124,666	\$ 2,404,348

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	TIF NORTH US 33	CDBG/HUD FUND	HUD HOME	CONS RR/US 33/DT TIF	HUD RENTAL REHAB FUND	TIF PLYMOUTH AVENUE
Cash and investments - beginning	\$ 2	\$ 111,270	\$ 19,281	\$ 3,696,513	\$ 30,599	\$ 380,025
Receipts:						
Taxes	-	-	-	2,255,722	-	57,628
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	306,550	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	58,248	-	190,969	612	-
Total receipts	-	364,798	-	2,446,691	612	57,628
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	306,550	-	474,813	30,126	-
Debt service - principal and interest	-	-	-	588,891	-	-
Capital outlay	-	-	-	897,840	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	306,550	-	1,961,544	30,126	-
Excess (deficiency) of receipts over disbursements	-	58,248	-	485,147	(29,514)	57,628
Cash and investments - ending	\$ 2	\$ 169,518	\$ 19,281	\$ 4,181,660	\$ 1,085	\$ 437,653

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	2015 GOB Proceeds	ELECTRIC UTILITY SALE	CITY COURT CASHBOOK	OLD PY UTILITY	OAKRIDGE CEMETERY ENDOW.	VIOLETT CEMETERY ENDOWMNT
Cash and investments - beginning	\$ 851,439	\$ 2,016,043	\$ 294,413	\$ 25,759	\$ 25,038	\$ 82,304
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	612,589	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	37,670	-	-	468	1,538
Total receipts	-	37,670	612,589	-	468	1,538
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	791,426	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	-	791,426	-	-	-
Excess (deficiency) of receipts over disbursements	-	37,670	(178,837)	-	468	1,538
Cash and investments - ending	\$ 851,439	\$ 2,053,713	\$ 115,576	\$ 25,759	\$ 25,506	\$ 83,842

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	W. GOSHEN CEMETERY ENDOW.	CEMETERY PERMANENT FUND	BEAUTIFICATN RESTORATION	MILLRACE TRUST FUND	CITY COURT TRUST FUND
Cash and investments - beginning	\$ 19,759	\$ 97,932	\$ 12,845	\$ 49,673	\$ 12,604
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	9,663	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	369	-	240	928	2
Total receipts	369	9,663	240	928	2
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	45
Total disbursements	-	-	-	-	45
Excess (deficiency) of receipts over disbursements	369	9,663	240	928	(43)
Cash and investments - ending	\$ 20,128	\$ 107,595	\$ 13,085	\$ 50,601	\$ 12,561

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	YOUTH COUNCIL FUND	SEWER OPERATING FUND	SEWER BOND AND INTEREST	SEWER DEPRECIATION	SEWER CONSTRUCTION FUND
Cash and investments - beginning	\$ 52	\$ 918,453	\$ 7,742,760	\$ 4,655,847	\$ 562,779
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	8,397,026	-	-	-
Other receipts	-	68,770	2,577,391	1,329,811	66,331
Total receipts	-	8,465,796	2,577,391	1,329,811	66,331
Disbursements:					
Personal services	-	1,467,303	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	3,582,919	-	-
Capital outlay	-	-	-	412,224	-
Utility operating expenses	-	3,002,445	-	-	-
Other disbursements	-	3,828,514	2,617,566	-	-
Total disbursements	-	8,298,262	6,200,485	412,224	-
Excess (deficiency) of receipts over disbursements	-	167,534	(3,623,094)	917,587	66,331
Cash and investments - ending	\$ 52	\$ 1,085,987	\$ 4,119,666	\$ 5,573,434	\$ 629,110

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	SEWER CUSTOMER DEPOSIT	SEWER CSO PROJECT (2004)	BLDG. SEWER REPAIR FEE	WATER OPERATING FUND	WATER DEPRECIATION
Cash and investments - beginning	\$ 295,835	\$ 633	\$ 57,286	\$ 760,150	\$ 1,824,550
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	52,620	4,771,962	-
Other receipts	20,331	-	15,000	347,192	1,894,016
Total receipts	<u>20,331</u>	<u>-</u>	<u>67,620</u>	<u>5,119,154</u>	<u>1,894,016</u>
Disbursements:					
Personal services	-	-	-	1,082,672	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	79,366	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	2,173,677
Utility operating expenses	-	-	46,188	2,000,949	-
Other disbursements	-	633	15,000	1,964,043	186,738
Total disbursements	<u>-</u>	<u>633</u>	<u>61,188</u>	<u>5,127,030</u>	<u>2,360,415</u>
Excess (deficiency) of receipts over disbursements	<u>20,331</u>	<u>(633)</u>	<u>6,432</u>	<u>(7,876)</u>	<u>(466,399)</u>
Cash and investments - ending	<u>\$ 316,166</u>	<u>\$ -</u>	<u>\$ 63,718</u>	<u>\$ 752,274</u>	<u>\$ 1,358,151</u>

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	WATER BOND & INTEREST	WATER CUSTOMER DEPOSIT	BLDG - WATER REPAIR FEE	Totals
Cash and investments - beginning	\$ 1,599,761	\$ 280,880	\$ 85,849	\$ 56,710,144
Receipts:				
Taxes	-	-	-	30,115,520
Licenses and permits	-	-	-	468,407
Intergovernmental receipts	-	-	-	5,861,520
Charges for services	-	-	-	2,626,186
Fines and forfeits	-	-	-	1,478,362
Utility fees	-	-	14,559	13,236,167
Other receipts	1,395,664	19,998	-	17,200,450
Total receipts	<u>1,395,664</u>	<u>19,998</u>	<u>14,559</u>	<u>70,986,612</u>
Disbursements:				
Personal services	-	-	-	27,186,100
Supplies	-	-	-	1,846,807
Other services and charges	-	-	-	8,610,945
Debt service - principal and interest	183,505	-	-	5,890,540
Capital outlay	-	-	-	9,916,481
Utility operating expenses	-	-	47,436	5,097,018
Other disbursements	-	-	-	10,269,748
Total disbursements	<u>183,505</u>	<u>-</u>	<u>47,436</u>	<u>68,817,639</u>
Excess (deficiency) of receipts over disbursements	<u>1,212,159</u>	<u>19,998</u>	<u>(32,877)</u>	<u>2,168,973</u>
Cash and investments - ending	<u>\$ 2,811,920</u>	<u>\$ 300,878</u>	<u>\$ 52,972</u>	<u>\$ 58,879,117</u>

CITY OF GOSHEN
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2018

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Wastewater	\$ 185,532	\$ 788,039
Water	105,490	595,395
Governmental activities	<u>406,019</u>	<u>5,024,452</u>
Totals	<u>\$ 697,041</u>	<u>\$ 6,407,886</u>

CITY OF GOSHEN
SCHEDULE OF LEASES AND DEBT
December 31, 2018

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
PUBLICFINANCE.COM/MUNICIPAL CAPITAL FINANCE	PURCHASE & INSTALLATION OF PHONE SYSTEM	\$ 29,005	2/2/2015	5/1/2019
REDAV AUTHORITY	ECONOMIC DEVELOPMENT	406,000	6/19/2015	1/15/2028
US BANCORP	DUMP TRUCKS WITH EQUIPMENT	69,722	3/15/2017	3/15/2021
US BANCORP	PIERCE PUMPER TRUCK	<u>103,775</u>	10/9/2017	9/15/2024
Total governmental activities		<u>608,502</u>		
Water:				
US BANCORP	COMBINATION SEWER TRUCK	<u>80,110</u>	3/15/2016	3/15/2021
Total of annual lease payments		<u>\$ 688,612</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)	\$ 1,225,000	\$ 420,500
General obligation bonds	LR REF BONDS OF 2015 (REF 2008 BONDS - LAND AND R.O.W.)	4,590,000	403,930
General obligation bonds	RED DIST REF BNDS 2015 (REF 2005A 2006B - LAND AND R.O.W.)	<u>2,775,000</u>	<u>410,369</u>
Total governmental activities		<u>8,590,000</u>	<u>1,234,799</u>
Wastewater:			
Revenue bonds	Sewage Works Revenue Bonds of 2009 Series A	27,775,000	2,574,390
Revenue bonds	Sewage Works Revenue Bonds of 2010 Series B	360,000	32,010
Revenue bonds	Sewage Works Revenue Bonds of 2010 Series C	<u>577,000</u>	<u>45,030</u>
Total Wastewater		<u>28,712,000</u>	<u>2,651,430</u>
Water:			
Revenue bonds	Waterworks Refunding Revenue Bonds of 2005	1,410,000	490,260
Revenue bonds	Waterworks Revenue Bonds of 2009	1,026,000	51,720
Revenue bonds	Waterworks Revenue Bonds of 2016	<u>6,178,000</u>	<u>411,840</u>
Total Water		<u>8,614,000</u>	<u>953,820</u>
Totals		<u>\$ 45,916,000</u>	<u>\$ 4,840,049</u>

CITY OF GOSHEN
SCHEDULE OF CAPITAL ASSETS
December 31, 2018

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	\$ 25,644,923
Infrastructure	120,971,294
Buildings	17,200,519
Improvements other than buildings	18,940,234
Machinery, equipment, and vehicles	12,490,803
Construction in progress	7,525,504
Books and other	<u>23,500</u>
Total governmental activities	<u>202,796,777</u>
Wastewater:	
Land	735,914
Buildings	709,569
Improvements other than buildings	37,823,203
Machinery, equipment, and vehicles	47,611,303
Construction in progress	<u>1,956,168</u>
Total Wastewater	<u>88,836,157</u>
Water:	
Land	51,700
Buildings	2,522,871
Improvements other than buildings	20,443,794
Machinery, equipment, and vehicles	2,027,965
Construction in progress	<u>8,934,637</u>
Total Water	<u>33,980,967</u>
Total capital assets	<u>\$ 325,613,901</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, 2018. 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, 2018.

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

August 22, 2019

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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, 2018

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	Direct	14.218			
CDBG/HUD Fund			B-18-MC-18-0019	\$ 153,109	\$ 364,798
Total - CDBG - Entitlement Grants Cluster				153,109	364,798
Total - Department of Housing and Urban Development				153,109	364,798
Department of Justice					
Edward Byrne Memorial Justice Assistance Grant Program	Indiana Criminal Justice Institute	16.738			
Edward Byrne Memorial Justice Assistance Grant Program			D3-19-12506	-	117,134
Total - Department of Justice				-	117,134
Department of Transportation					
Highway Planning and Construction Cluster					
Highway Planning and Construction	Indiana Department of Transportation	20.205			
South Link Road (Road)			DES 1005734	-	32,228
CE NW Bike Trail			DES 1382811	-	22,629
Ninth Street Trail			DES 1400995	-	100,730
Kercher Road - US 33 to Dierdorff Road			DES 1400713	-	206,246
Kercher Road - US 33 to Dierdorff Road			DES 1401747	-	791,909
Wilden Avenue Project			DES 1400715	-	5,280
Total Highway Planning and Construction Cluster				-	1,159,023
Airport Improvement Program	Direct	20.106			
Airport Runway Grant			3-18-0029-09-PP9	-	33,122
Total Airport Improvement Program				-	33,122
Total - Department of Transportation				-	1,192,145
Environmental Protection Agency					
Brownfields Assessment and Cleanup Cooperative Agreements	Direct	66.818			
EPA RLF GRANT - Hazardous Substances			BF-00E00928-0	-	36,871
Total - Environmental Protection Agency				-	36,871
Department of Homeland Security					
Disasster Grants - Public Assistance (Presidentially Declared Disasters)	Department of Homeland Security	97.036			
Disaster Relief			385PA4363000	-	10,891
Total Department of Homeland Security				-	10,891
Total federal awards expended				\$ 153,109	\$ 1,721,839

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, 2018. 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 2018-001

Subject: Financial Transactions and Reporting
Audit Findings: Material Weakness, Noncompliance

Repeat Finding

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2017-001.

Condition and Context

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

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

1. Lack of Segregation of Duties: The City had not separated incompatible activities related to financial close and reporting. The Clerk-Treasurer submitted the financial information to 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 any oversight, review, approval, or other compensating control to ensure the accuracy of the information submitted. Control activities should be in place to reduce the risks of errors in financial reporting.
2. The City Court transactions in the amount of \$612,589 for receipts and \$791,426 for disbursements were not included in the City's Annual Financial Report. The omitted amounts were not material to the financial statement. Adjustments were proposed, accepted by the City, and made to the financial statement.

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 5-11-1-4(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 [IC 5-14-3.8-7](#)."

Cause

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

Effect

The failure to establish a system of internal controls could enable material misstatements or irregularities to remain undetected. The failure to monitor the internal control system placed the City at risk that controls may not be either designed properly or operating effectively to provide reasonable assurance that controls would prevent, or detect and correct, material misstatements in a timely manner.

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 reporting.

Views of Responsible Officials

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

FINDING 2018-002

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

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2017-002.

Condition and Context

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).

Due to the lack of effective controls, the following errors resulted in the overstatement of federal expenditures on the SEFA by \$433,437:

1. The Community Crossroads Grant, in the amount of \$384,394, was included on the SEFA, but was not a federal award.
2. The Live Work Play Capacity program, in the amount of \$49,043, was included on the SEFA, but was not a federal award.

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. . . .

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

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. . . .

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduced here for reference purposes: . . .

- Accurate and timely recording of transactions. . . ."

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. . . ."

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 award years, the auditee may list the amount of Federal awards expended for each 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 a 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 that 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."

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

Cause

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

Effect

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

Recommendation

We recommended that the City establish a system of internal controls to ensure that federal expenditures were properly reported on the SEFA.

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 Award Findings and Questioned Costs

No matters are reportable.

AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the City. The documents are 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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2017-001

Fiscal year in which the finding initially occurred: 2017

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: N/A

Contact Person Responsible for Corrective Action: Angie McKee

Contact Phone Number: 574-533-8625

Status of Audit Finding:

Cash and Investments

We have rectified the problem and now all bank accounts including the Bank of New York accounts are reconciled at the end of each month. Deputy Christina Cordell is responsible for this along with all the other bank accounts. Clerk-Treasurer McKee verifies that all bank accounts are reconciled by signing off of them.

Receipts

Clerk-Treasurer McKee has made it a point to make sure that all receipting is being done in a timely manner. This position has a fairly high turnover rate due to people leaving in Accounts Payable. I move people to accounts payable as a promotion which then leaves me to fill the receivable position. I have made it a point to stress to the receivables clerk how important it is to make sure that things are receipted in a timely manner.

Court Clerk transactions

The State of Indiana mandated that courts go to the approved Odyssey program. This program was implemented in July of 2017. It was not caught that the financials were not being included in the second half of 2017. Clerk-Treasurer will be sitting down with the City Court Judge and his First Deputy to rectify this problem.

We have done some work on this but still a work in progress. Last audit was just done 6 months ago and there has not been ample time to completely rectify this problem.



Angie McKee, City Clerk-Treasurer

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Financial Close and Reporting

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 to Gateway. Our preference would be that the Annual Financial Report and year-end report match at the time of submission.

Again, this is still a work in progress. Last audit was just 6 months ago and there has not been ample time to rectify the problem.

Angie McKee
(Signature)

Clerk-Treasurer
(Title)

7.29.19
(Date)



Angie McKee, City Clerk-Treasurer
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2017-002

Fiscal year in which the finding initially occurred: 2017

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: N/A

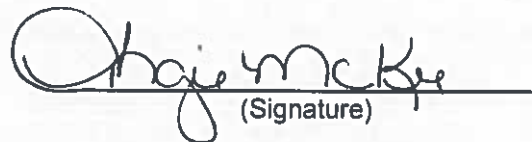
Contact Person Responsible for Corrective Action: Angie McKee

Contact Phone Number: 574-533-8625

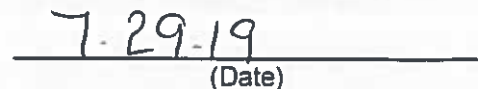
Status of Audit Finding:

The City is working 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.

First Deputy Christina Cordell is working towards this goal, but again with the last audit just being 6 months this is still a work in progress and we hope to have a true handle on this by the end of 2019.


(Signature)


(Title)


(Date)



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

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CORRECTIVE ACTION PLAN

FINDING 2018-001

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

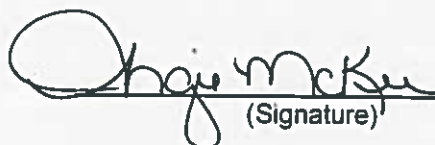
Views of Responsible Official: We concur with the findings.

Description of Corrective Action Plan:

1. Lack of Segregation of Duties
 - a. Information for the Annual Financial Report will be entered into Gateway by the Clerk-Treasurer and Bakertilly. Once the information has been entered, the First Deputy will review all documentation and Gateway information for accuracy. Once this has been done, then the Clerk-Treasurer will submit the final report. The supporting documents will be put into a folder for the auditors to review.

2. City Court Transactions
 - a. This was an oversight by the Clerk-Treasurer that this did not get entered into Gateway. This has now be rectified and the Clerk-Treasurer will be receiving monthly reports and then a year-end report from the First Deputy of City Courts so that the information can be entered into the annual financial report.

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 2019 Annual Financial Report, the Clerk-Treasurer will be requesting from Bakertilly that the year be closed before the Annual Financial Report is due on March 1, 2020.



(Signature)



(Title)

8.21.19

(Date)



Angie McKee, City Clerk-Treasurer
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CORRECTIVE ACTION PLAN

FINDING 2018-002

Contact Person Responsible for Corrective Action: Angie McKee

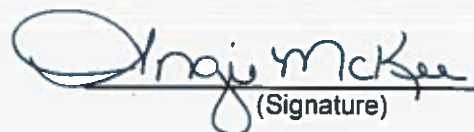
Contact Phone Number: 574-533-8625

Views of Responsible Official: We concur with the findings, but feel that we did not have ample time to completely correct the previous findings since the last audit was just completed six (6) months before the start of this one.

Description of Corrective Action Plan:

1. Preparation of Schedule of Expenditures of Federal Audits
 - a. The City wishes to eliminate such errors in the future. The First Deputy is working on gathering the proper paperwork for all of the grants that the City has. This process began soon after the last audit but is still a work in progress. Also, the City is looking to hire a grant writer that will not only write new grants but track and maintain all current grants that the City has.

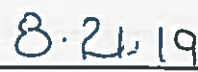
Anticipated Completion Date: We are anticipating a completion date sometime in 2019. However, for the time being it is a work in progress until we get all of the necessary documentation from department heads regarding new grants and any old grants that have missing paperwork. Also, the potential to hire a grant writer would not be happening until late 2019 or early 2020.



(Signature)



(Title)



(Date)

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/>.