

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

CITY OF GOSHEN

ELKHART COUNTY, INDIANA

January 1, 2020 to December 31, 2020



**FILED**

11/09/2021



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
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 <i>Government Auditing Standards</i> .....	3-4
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance .....	5-7
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards .....	10-11
Notes to Schedule of Expenditures of Federal Awards.....	12
Schedule of Findings and Questioned Costs.....	13-16
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	18-24
Corrective Action Plan .....	25
Other Reports.....	26

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Adam Scharf Jeffery Weaver (interim) Richard Aguirre	01-01-20 to 06-18-21 06-19-21 to 07-07-21 07-08-21 to 12-31-21
Mayor	Jeremy P. Stutsman	01-01-20 to 12-31-21
President of the Board of Public Works and Safety	Jeremy P. Stutsman	01-01-20 to 12-31-21
President of the Common Council	Brett Weddell	01-01-20 to 12-31-21



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), for the year ended December 31, 2020, and the related notes to the financial statement, which collectively comprise the City's financial statement and have issued our report thereon dated October 27, 2021, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

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

  
Paul D. Joyce, CPA  
State Examiner

October 27, 2021



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

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

**Report on Compliance for Each Major Federal Program**

We have audited the City of Goshen's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with 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 each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. Except as discussed below, 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 each major federal program. However, our audit does not provide a legal determination of the City's compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE  
(Continued)

***Basis for Qualified Opinion on Assistance to Firefighters Grant***

As described in item 2020-002 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting compliance of the City with Assistance to Firefighters Grant regarding Reporting. Consequently, we were unable to determine whether the City complied with those requirements applicable to the program.

***Qualified Opinion on Assistance to Firefighters Grant***

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion on Assistance to Firefighters Grant* paragraph 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 Assistance to Firefighters Grant for the year ended December 31, 2020.

***Unmodified Opinion on Each of the Other Major Federal Programs***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the year ended December 31, 2020.

***Other Matters***

The City's response to the noncompliance 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 compliance, and, accordingly, we express no opinion on the response.

**Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE  
(Continued)


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, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2020-001 and 2020-002, that we consider to be material weaknesses.

The City's response to the internal control over compliance 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 compliance, and, accordingly, we express no opinion on the response.

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.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statement of the City, as of and for the year ended December 31, 2020, and the related notes to the financial statement. We issued our report thereon dated October 27, 2021, which contained a dual opinion on the financial statement. An adverse opinion was issued regarding the presentation in accordance with U.S. Generally Accepted Accounting Principles, and an unmodified opinion was issued regarding the presentation in accordance with the Regulatory Basis of Accounting. Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 as a whole.

  
Paul D. Joyce, CPA  
State Examiner

October 27, 2021

(This page intentionally left blank.)

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, 2020

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
<u>Department of Housing and Urban Development</u>					
CDBG - Entitlement Grants Cluster					
COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS	Direct grant				
CDBG/HUD FUND		14.218	B-20-MW-18-0019	\$ 229,739	\$ 262,562
CDBG/HUD FUND		14.218	B-19-MC-18-0019	20,834	41,202
				<u>121,087</u>	<u>129,180</u>
Covid-19 Coronavirus Community Development Block Grant Program	Direct grant				
Coronavirus Community Development Block Grant Program		14.218	B-20-MW-18-0019	<u>121,087</u>	<u>129,180</u>
Total - CDBG - Entitlement Grants Cluster				<u>371,659</u>	<u>432,944</u>
Total - Department of Housing and Urban Development				<u>371,659</u>	<u>432,944</u>
<u>Department of Justice</u>					
Bulletproof Vest Partnership					
Police Vests	Direct grant	16.607	N/A	-	4,495
Total - Department of Justice				-	4,495
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster					
Highway Planning and Construction Cluster					
Kercher Road Phase I	Indiana Department of Transportation	20.205	DES 1400713	-	47,301
Wilden Avenue		20.205	DES 1400715	-	261,976
Ninth Street Multi-use Path		20.205	DES 1400995	-	36,516
Kercher Road Phase II		20.205	DES 1401747	-	311,167
College Avenue		20.205	DES 1900739	-	44,345
Total - Highway Planning and Construction Cluster				-	701,305
Total - Highway Planning and Construction Cluster				-	701,305

CITY OF GOSHEN  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended December 31, 2020

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
Covid-19 Coronavirus Relief Fund Coronavirus Relief Fund CARES ACT	Indiana Finance Authority	21.019	N/A	-	1,089,008
AIRPORT IMPROVEMENT PROGRAM	Direct grant				
AIRPORT RUNWAY GRANT		20.106	3-18-0029-019-2019		452,984
AIRPORT RUNWAY GRANT		20.106	3-18-0029-019-2015		25,223
AIRPORT RUNWAY GRANT		20.106	3-18-0029-019-2018	-	13,336
Covid-19 Coronavirus CARES Airport	Direct grant	20.106	3-18-0029-020-2021	-	68,957
Total - Airport Improvement Program				-	560,500
Total - Department of Transportation				-	2,350,813
<u>Department of Health and Human Services</u>					
Provider Relief Fund	Direct grant				
Provider Relief Fund		93.498	N/A	-	26,624
Total - Department of Health and Human Services				-	26,624
<u>Department of Homeland Security</u>					
Assistance to Firefighters Grant	Direct grant				
SCBA and RIT Packs		97.044	EMW-2018-FR-00350	-	209,200
Total - Department of Homeland Security				-	209,200
Total federal awards expended				\$ 371,659	\$ 3,024,076

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. Summary of Significant Accounting Policies**

*A. 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, 2020. 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.

*B. Other 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.

**Note 2. Indirect Cost Rate**

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?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	yes

Identification of Major Programs and type of auditor's report issued on compliance for each:

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
21.019	COVID-19 - Coronavirus Relief Fund	Unmodified
97.044	Assistance to Firefighters Grant	Qualified

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**

No matters are reportable.

**Section III - Federal Award Findings and Questioned Costs**

**FINDING 2020-001**

Subject: Assistance to Firefighters Grant - Matching and Level of Effort  
 Federal Agency: Department of Homeland Security  
 Federal Program: Assistance to Firefighters Grant  
 CFDA Number: 97.044  
 Federal Award Number and Year (or Other Identifying Number): EMW-2018-FR-00350  
 Pass-Through Entity: Direct Grant  
 Compliance Requirement: Matching, Level of Effort, Earmarking  
 Audit Finding: Material Weakness

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

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2019-005.

*Condition and Context*

An effective internal control system was not in place at the City to ensure compliance with requirements related to the grant agreement and the Matching, Level of Effort, Earmarking compliance requirement.

The City had not established internal controls over matching and level of effort - maintenance of effort to ensure compliance. One individual was responsible for ensuring the matching requirement was met with no review or oversight.

The lack of internal controls was a systemic issue, which occurred throughout the audit period.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . "

*Cause*

Management had not established a system of internal controls that would have ensured compliance with the grant agreement and the Matching, Level of Effort, Earmarking compliance requirement.

*Effect*

The failure to establish an effective internal control system placed the City at risk of noncompliance with the grant agreement and the Matching, Level of Effort, Earmarking compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the City's management establish a system of internal controls to ensure compliance with the grant agreement and the Matching, Level of Effort, Earmarking compliance requirement.

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.

**FINDING 2020-002**

Subject: Assistance to Firefighters Grant - Reporting  
Federal Agency: Department of Homeland Security  
Federal Program: Assistance to Firefighters Grant  
CFDA Number: 97.044  
Federal Award Number and Year (or Other Identifying Number): EMW-2018-FR-00350  
Pass-Through Entity: Direct Grant  
Compliance Requirement: Reporting  
Audit Findings: Material Weakness, Modified Opinion

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2019-006.

*Condition and Context*

An effective internal control system was not in place at the City to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement.

The City had not established an effective system of internal controls to ensure that proper documentation was retained for audit.

The City was unable to provide Semi-Annual Federal Financial Reports and Semi-Annual Program Performance Reports.

The lack of internal controls and the failure to retain submitted reports were systemic issues, which occurred throughout the audit period.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

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

2 CFR 200.333 states in part:

"Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. . . ."

*Cause*

Management had not established a system of internal controls that would have ensured compliance, or that submitted reports would have been maintained and made available for audit, related to the grant agreement and the Reporting compliance requirement.

*Effect*

The failure to establish an effective system of internal controls and to retain and provide appropriate audit evidence prevented the determination of the City's compliance with the Reporting compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the City's management establish a system of internal controls to ensure submitted reports are maintained and made available for audit related to the grant agreement and the Reporting compliance requirement.

*Views of Responsible Officials*

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

#### AUDITEE-PREPARED DOCUMENTS

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



## CITY OF GOSHEN

202 South Fifth Street • Goshen, IN 46528-3714

Phone (574) 533-8621 • Fax (574) 533-9740 • TDD (574) 534-3185  
[www.goshenindiana.org](http://www.goshenindiana.org)

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

#### **FINDING 2019-001**

Fiscal year in which the finding initially occurred: 2018

#### STATUS OF AUDIT FINDING

For the 2020 AFR our office documented the sign-offs and submission reports for the annual report to demonstrate our updated internal controls process. For the 2020 AFR, the Deputy Clerk-Treasurer compiled data which the Clerk-Treasurer reviewed. The Clerk-Treasurer entered data into Gateway, which the Deputy Clerk-Treasurer reviewed. The sign-offs for each section of the AFR was included in the front of the "AFR Binder" provided to the auditors.

In order to maintain the integrity of each other's work, all steps in the payroll process receive a review and signature by a second person. Time sheets are prepared by departments after which they are reviewed and approved by the department head, and then math-proofed and initialed by the Payroll Assistant or Clerk. After data is entered into ADP by the Assistant or Clerk, the other payroll employee reviews and signs the register or another document.



## CITY OF GOSHEN

202 South Fifth Street • Goshen, IN 46528-3714

Phone (574) 533-8621 • Fax (574) 533-9740 • TDD (574) 534-3185  
[www.goshenindiana.org](http://www.goshenindiana.org)

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

#### **FINDING 2019-002**

Fiscal year in which the finding initially occurred: 2018

#### STATUS OF AUDIT FINDING

Throughout 2020 the Deputy Clerk-Treasurer compiled information on the City's open grants, maintaining record of all grant agreements, lists of receipts and disbursements, and authoritative guidance specific to the individual grants. All receipts and disbursements were compared to documentation in the City's books and reviewed by both the Deputy Clerk-Treasurer and Clerk-Treasurer. Some departments continue to maintain their specific grants, but provided backup documentation for the Clerk-Treasurer's records. All SEFA data was also compiled or referenced in the "AFR Binder" which was reviewed for completeness and accuracy by the Deputy Clerk-Treasurer and Clerk-Treasurer while recording data in the SEFA.



## CITY OF GOSHEN

202 South Fifth Street • Goshen, IN 46528-3714

Phone (574) 533-8621 • Fax (574) 533-9740 • TDD (574) 534-3185  
[www.goshenindiana.org](http://www.goshenindiana.org)

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

#### **FINDING 2019-003**

Fiscal year in which the finding initially occurred: 2019

#### STATUS OF AUDIT FINDING

When invoices arrive in departments, the department assistant or head prepares a claim in order to promptly pay the vendor. When invoices arrive in City Hall, the envelope is stamped with the date of receipt, and then sent to the department for claim preparation. Departments are now aware that they are expected to submit claims promptly or provide justification for a delay. When claims arrive in City Hall by Wednesday at 5pm, they are reviewed and submitted for the following Monday's Board of Works meeting.



## CITY OF GOSHEN

202 South Fifth Street • Goshen, IN 46528-3714

Phone (574) 533-8621 • Fax (574) 533-9740 • TDD (574) 534-3185  
[www.goshenindiana.org](http://www.goshenindiana.org)

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

#### **FINDING 2019-004**

Fiscal year in which the finding initially occurred: 2019

#### STATUS OF AUDIT FINDING

Asset ledgers are reviewed and updated by departments at the end of each fiscal year. The Clerk-Treasurer's office also maintained copies of grant records and reviewed the records against the capital assets ledger once departments had completed their own review. We will continue to send the asset ledger to our consultant who prepares the data analysis and reporting to enter the AFR.



## CITY OF GOSHEN

202 South Fifth Street • Goshen, IN 46528-3714

Phone (574) 533-8621 • Fax (574) 533-9740 • TDD (574) 534-3185  
www.goshenindiana.org

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

#### **FINDING 2019-005**

Fiscal year in which the finding initially occurred: 2019

#### STATUS OF AUDIT FINDING

Throughout 2020 the Deputy Clerk-Treasurer compiled information on the City's open grants, maintaining record of all grant agreements, lists of receipts and disbursements, and authoritative guidance specific to the individual grants. The Deputy Clerk-Treasurer reviewed the grant agreements with the Clerk-Treasurer and a departmental representative for reporting and accounting requirements, and attempted to match each requirement in the City's records. In this review, both parties determine a path forward for reporting by establishing one responsible for preparing the reporting, and the other responsible for review. In cases where the grant requires detailed financial information or analysis, another knowledgeable might have submitted data for review or provide review in the reporting process. In instances where matching or maintenance of effort reports are required but do not need to be reported to the grant agency, the Deputy Clerk-Treasurer maintained reports in the grants records.



## CITY OF GOSHEN

202 South Fifth Street • Goshen, IN 46528-3714

Phone (574) 533-8621 • Fax (574) 533-9740 • TDD (574) 534-3185  
[www.goshenindiana.org](http://www.goshenindiana.org)

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

#### **FINDING 2019-006**

Fiscal year in which the finding initially occurred: 2019

#### STATUS OF AUDIT FINDING

Throughout 2020 the Deputy Clerk-Treasurer would review each grant agreement with the Clerk-Treasurer, who would participate with the departmental administrator throughout the grant period in order to provide the required review and oversight controls to insure reporting compliance. Within the review, the Clerk-Treasurer would look for information regarding intermittent reporting to the grant provider and other entities, internal reporting requirements, and submission requests as necessary. The Clerk-Treasurer would also request to review any submitted reports, provide sign-offs, and submit documents to grant portals when requested.



## CITY OF GOSHEN

202 South Fifth Street • Goshen, IN 46528-3714

Phone (574) 533-8621 • Fax (574) 533-9740 • TDD (574) 534-3185  
[www.goshenindiana.org](http://www.goshenindiana.org)

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

#### **FINDING 2019-007**

Fiscal year in which the finding initially occurred: 2019

#### STATUS OF AUDIT FINDING

Throughout 2020, the Deputy Clerk-Treasurer would review each grant agreement with the Clerk-Treasurer, who would participate with the departmental administrator, throughout the grant period in order to provide the required review and oversight controls to insure subrecipient compliance. Within the review, the Clerk-Treasurer would look for information regarding subrecipients and any related reporting. This might have included records of subrecipient receipts and disbursements flowing through the City, and requests for information from subrecipients.



## CITY OF GOSHEN

202 South Fifth Street • Goshen, IN 46528-3714

Phone (574) 533-8621 • Fax (574) 533-9740 • TDD (574) 534-3185  
www.goshenindiana.org

### CORRECTIVE ACTION PLAN

#### ***FINDING 2020-001***

Contact Person Responsible for Corrective Action: Richard R. Aguirre

Contact Phone Number: 574-533-8625

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: To remedy this finding—due largely to personnel changes and inadequate information shared between departments—the City created a new position and hired a grants manager in 2021 to ensure better communication with departments seeking or managing funds. For grants involving the Clerk-Treasurer’s Office, the Grants Manager arranges a meeting with the grantee’s department in which attendees review grant requirements and roles and responsibilities for all tasks within the Award and Post-Award stages, including, but not limited to:

- Determining the fund(s) in which the grant is received and spent, and required budgeting/accounting steps to keep the grant in compliance
- Determining the individual(s) preparing intermittent reporting and reviews
- Preparation of additional matching or maintenance of effort analysis required by the grant agreement
- Developing a checklist for grant reporting requirements to be maintained by the Grants Manager

A new grant management system called GrantHub will also help manage tasks and deadlines for all grants. By determining individuals responsible for each task and review, grant compliance should improve over time.

Anticipated Completion Date: We anticipate this process to be fully integrated by December, 2021.

#### ***FINDING 2020-002***

Contact Person Responsible for Corrective Action: Richard R. Aguirre

Contact Phone Number: 574-533-8625

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: To remedy this finding—due largely to personnel changes and inadequate information shared between departments—the City created a new position and hired a grants manager in 2021 to ensure better communication with departments in regards to their reporting requirements.

Our Grants Manager cooperates with departmental grants team members (Department Head, Administrator, Grant Team Coordinator) throughout the grant period in order to provide the required review and oversight controls to ensure compliance. The Grants Manager regularly reviews grant agreements in cooperation with departmental administrators to remind and assist with completing reporting requirements as needed.

Anticipated Completion Date: These procedures are already in place as of July, 2021.

## 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/>.