



Dave Yost • Auditor of State

GOSHEN TOWNSHIP
MAHONING COUNTY

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Dave Yost • Auditor of State

Goshen Township
Mahoning County
14003 West South Range Road
Salem, Ohio 44460-9127

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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Dave Yost
Auditor of State

February 18, 2011

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Goshen Township
Mahoning County
14003 West South Range Road
Salem, Ohio 44460-9127

To the Board of Trustees:

We have audited the accompanying financial statements Goshen Township, Mahoning County, (the Township) as of and for the years ended December 31, 2009 and 2008. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Township's larger (i.e. major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require townships to reformat their statements. The Township has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

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In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2009 and 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2009 and 2008 for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Goshen Township, Mahoning County, as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2011, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Dave Yost
Auditor of State

February 18, 2011

**GOSHEN TOWNSHIP
MAHONING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	GOVERNMENTAL FUND TYPES			FIDUCIARY FUND TYPE	TOTALS
	General	Special Revenue	Capital Projects	Agency	(Memorandum Only)
Cash Receipts:					
Property and Other Local Taxes	\$112,098	\$479,681	\$0	\$0	\$591,779
Charges for Services	0	187,829	0	0	187,829
Licenses, Permits, and Fees	19,511	12,410	0	0	31,921
Fines and Forfeitures	18,020	3,364	0	0	21,384
Intergovernmental	60,898	315,120	0	106,796	482,814
Special Assessments	0	4,615	0	0	4,615
Earnings on Investments	3,391	0	0	0	3,391
Miscellaneous	11,841	44,687	0	0	56,528
Total Cash Receipts	225,760	1,047,706	0	106,796	1,380,262
Cash Disbursements:					
Current:					
General Government	193,607	15,557	0	0	209,165
Public Safety	0	841,854	0	94,447	936,301
Public Works	0	195,578	0	0	195,578
Health	2,472	11,364	0	0	13,836
Capital Outlay	375	119,066	0	0	119,441
Debt Service:					
Redemption of Principal	0	67,795	0	0	67,795
Interest and Other Fiscal Charges	0	5,644	0	0	5,644
Total Cash Disbursements	196,455	1,256,858	0	94,447	1,547,759
Total Receipts (Under) Disbursements	29,305	(209,152)	0	12,349	(167,497)
Other Financing Receipts/(Disbursements):					
Other Debt Proceeds	0	100,000	0	0	100,000
Transfers-In	0	106,400	0	0	106,400
Transfers-Out	(106,400)	0	0	0	(106,400)
Advances-In	82,472	34,750	0	0	117,222
Advances-Out	(34,750)	(82,422)	(50)	0	(117,222)
Other Financing Sources	9,837	0	0	0	9,837
Other Financing Uses	(11,323)	(3,952)	0	0	(15,275)
Total Other Financing Receipts/(Disbursements)	(60,164)	154,776	(50)	0	94,562
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements And Other Financing Disbursements	(30,859)	(54,376)	(50)	12,349	(72,935)
Fund Cash Balance, January 1	71,704	202,637	50	0	274,391
Fund Cash Balance, December 31	\$40,845	\$148,261	\$0	\$12,349	\$201,456
Reserve for Encumbrances, December 31	\$184	\$168	\$0	\$0	\$351

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

**GOSHEN TOWNSHIP
MAHONING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	GOVERNMENTAL FUND TYPES			FIDUCIARY FUND TYPE	TOTALS
	General	Special Revenue	Capital Projects	Agency	(Memorandum Only)
Cash Receipts:					
Property and Other Local Taxes	\$129,352	\$503,962	\$0	\$0	\$633,314
Charges for Services	0	189,402	0	0	189,402
Licenses, Permits, and Fees	465	11,654	0	0	12,119
Fines and Forfeitures	0	47,144	0	0	47,144
Intergovernmental	60,395	312,611	0	60,700	433,706
Special Assessments	0	4,772	0	0	4,772
Earnings on Investments	7,294	16	0	0	7,311
Miscellaneous	15,680	26,416	0	0	42,096
Total Cash Receipts	213,187	1,095,978	0	60,700	1,369,865
Cash Disbursements:					
Current:					
General Government	257,131	12,668	0	0	269,800
Public Safety	0	738,316	0	106,610	844,926
Public Works	0	123,299	0	0	123,299
Health	23,582	13,845	0	0	37,427
Capital Outlay	0	75,533	0	0	75,533
Debt Service:					
Redemption of Principal	1,631	107,969	0	0	109,600
Total Cash Disbursements	282,344	1,071,630	0	106,610	1,460,584
Total Receipts (Under) Disbursements	(69,157)	24,348	0	(45,910)	(90,719)
Other Financing Receipts/(Disbursements):					
Other Debt Proceeds	0	23,513	0	0	23,513
Transfers-In	0	15,000	0	0	15,000
Transfers-Out	(15,000)	0	0	0	(15,000)
Advances-In	33,789	36,289	0	0	70,078
Advances-Out	(36,289)	(33,789)	0	0	(70,078)
Total Other Financing Receipts/(Disbursements)	(17,500)	41,013	0	0	23,513
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements And Other Financing Disbursements	(86,657)	65,361	0	(45,910)	(67,206)
Fund Cash Balance, January 1	158,361	137,276	50	45,910	341,597
Fund Cash Balance, December 31	\$71,704	\$202,637	\$50	\$0	\$274,391

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

**GOSHEN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Goshen Township, Mahoning County, (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides general government services, road and bridge maintenance, cemetery maintenance, and police protection. The Township contracts with the Damascus Volunteer Fire Department to provide fire services.

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposits and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Township invests in repurchase agreements and STAR OHIO which is recorded at share value. The repurchase agreements are reported at cost.

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Fund:

Police District Fund - This fund receives property tax money for providing police protection and equipment.

**GOSHEN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

3. Capital Project Funds

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Township had the following significant Capital Project Fund:

Calla Road Safety Upgrade Fund - The Township received a grant from the State of Ohio to fund the Calla Road Safety Upgrade.

4. Fiduciary Fund

Fiduciary funds include an agency fund. An agency fund is purely custodial in nature and is used to hold resources for individuals, organizations or other governments. The Township disburses these funds as directed by the individual, organization or other government. The Township's agency fund, OVI, accounts for grant monies to assist the police force with financing necessary to perform DUI traffic stops.

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2009 and 2008 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

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

**GOSHEN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

G. Accumulated Leave

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

2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS

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

	2009	2008
Demand deposits	\$15,000	\$10,153
Total deposits	15,000	10,153
STAR Ohio	43,610	43,490
Repurchase agreement	142,847	220,748
Total investments	186,457	264,238
Total deposits and investments	\$201,457	\$274,391

Deposits: Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form. Investments in repurchase agreements are reported at cost.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending 2009 and 2008 follow:

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$356,071	235,597	(\$120,474)
Special Revenue	1,338,142	1,154,106	(184,036)
			0
Total	\$1,694,213	\$1,389,703	(\$304,510)

**GOSHEN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

3. BUDGETARY ACTIVITY – (Continued)

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$335,998	\$314,362	\$21,636
Special Revenue	1,304,944	1,260,978	43,966
		0	
Total	\$1,640,942	\$1,575,340	\$65,602

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$322,573	\$213,187	(\$109,386)
Special Revenue	1,470,263	1,134,491	(335,772)
		0	
Total	\$1,792,836	\$1,347,678	(\$445,158)

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$321,532	\$297,344	\$24,188
Special Revenue	1,373,648	1,071,630	302,018
		0	
Total	\$1,695,180	\$1,368,974	\$326,206

4. PROPERTY TAX

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

Public utilities are also taxed on personal and real property located within the Township Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

**GOSHEN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

5. DEBT

Debt outstanding at December 31, 2009 was as follows:

	Principal	Interest Rate
Building Renovation Note	\$36,315	5.75%
Ford Expedition Note	9,542	4.75%
Police Cruiser Note	7,743	4.75%
Ford Police Cruiser note	16,004	4.25%
Chevy Tahoe - Police note	30,000	4.25%
Dodge Truck note	30,790	4.25%
Chevy Tahoe Police Cruiser note	30,000	4.24%
Total	\$160,394	

All of the general obligation notes are supported by the full faith and credit of the Township and are payable from unvoted property tax receipts to the extent that other resources are not available to meet annual principal and interest payments. The notes financed the purchase of new police vehicles and renovations to the police department building.

Amortization of the above debt, including interest, is scheduled as follows:

Year	Building Note		Cruiser Note		Expedition Note	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 3,247	\$ 2,123	\$ 5,200	\$ 721	\$ 7,500	\$ 887
2011	3,434	1,937	2,543	333	2,042	454
2012	3,631	1,739				
2013	3,840	1,530				
2014	4,016	1,310				
2015-17	18,147	2,760				
Total	\$ 36,315	\$ 11,399	\$ 7,743	\$ 1,054	\$ 9,542	\$ 1,341

Year	Dodge Truck Note		Ford Cruiser Note		Chevy Tahoe Notes	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 9,209	\$ 420	\$ 7,509	\$ 852	\$ 12,001	\$ 1,257
2011	9,209	401	7,617	741	15,236	1,086
2012	9,209	354	877	41	19,568	823
2013	3,163	185			13,195	479
Total	\$ 30,790	\$ 1,360	\$ 16,003	\$ 1,634	\$ 60,000	\$ 3,645

**GOSHEN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

6. RETIREMENT SYSTEMS

The Township's police officers and other employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes the plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, Township police officers and the Township's other employees contributed 10.10% and 10%, respectively, of their gross salaries and the Township contributed an amount equaling 17.40% and 14%, respectively, of participants' gross salaries. The Township has paid all contributions required through December 31, 2009.

7. RISK MANAGEMENT

The Township is exposed to various risks of property and casualty losses, and injuries to employees. The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2009, OTARMA retained \$350,000 for casualty claims and \$150,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Assets	\$38,982,088	\$40,737,740
Liabilities	<u>(12,880,766)</u>	<u>(12,981,818)</u>
Net Assets	<u>\$26,101,322</u>	<u>\$27,755,922</u>

**GOSHEN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

7. RISK MANAGEMENT- (Continued)

At December 31, 2009 and 2008, respectively, the liabilities above include approximately \$12.0 and \$12.1 million of estimated incurred claims payable. The assets above also include approximately \$11.5 and \$10.9 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2009 and 2008, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2009, the Township's share of these unpaid claims collectible in future years is approximately \$20,000

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<u>Contributions to OTARMA</u>	
<u>2009</u>	<u>2008</u>
17,950	17,250

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

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Dave Yost • Auditor of State

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

Goshen Township
Mahoning County
14003 South Range Road
Salem, Ohio 44460

To the Board of Trustees:

We have audited the financial statements of Goshen Township, Mahoning County, (the Township) as of and for the years ended December 31, 2009 and 2008 and have issued our report thereon dated February 18, 2011 wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted the Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to audit Ohio governments. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

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Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note a certain matter not requiring inclusion in this report that we reported to the Township's management in a separate letter dated February 18, 2011.

We intend this report solely for the information and use of management, Board of Trustees, and others within the Township. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

Dave Yost
Auditor of State

February 18, 2011

**GOSHEN TOWNSHIP
MAHONING COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2009 and 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2007-001	OAC 117-2-02(A) & ORC 149.351(A) – vendor invoices not maintained	Yes	
2007-002	ORC 5705.41(D) (1) – encumbering of obligations	Yes	
2007-003	AOS Bulletin 97-3 – Interfund advances	Yes	
2007-004	Ohio Rev. Code § 507.04 – accurate records	No	Partially corrected – repeated as a management letter comment

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Dave Yost • Auditor of State

GOSHEN TOWNSHIP

MAHONING COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 22, 2011**