



Dave Yost • Auditor of State

GOSHEN TOWNSHIP
MAHONING COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of Goshen Township, Mahoning County, (the Township) as of and for the years ended December 31, 2013 and 2012.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

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

As described in Note 1 of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy these requirements.

The effects on the financial statements 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 statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2013 and 2012, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Goshen Township, Mahoning County as of December 31, 2013 and 2012, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2014, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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 Township's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

October 22, 2014

**GOSHEN TOWNSHIP
MAHONING COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$119,711	\$477,212	\$596,923
Charges for Services		342,104	342,104
Licenses, Permits and Fees		8,414	8,414
Fines and Forfeitures	30,846	3,676	34,522
Intergovernmental	40,918	219,838	260,756
Earnings on Investments	106	13	119
Miscellaneous	5,469	55,235	60,704
<i>Total Cash Receipts</i>	<u>197,050</u>	<u>1,106,492</u>	<u>1,303,542</u>
Cash Disbursements			
Current:			
General Government	155,926	29,151	185,077
Public Safety	10,979	747,797	758,776
Public Works		208,887	208,887
Health	1,385	14,879	16,264
Conservation-Recreation		184	184
Capital Outlay		50,120	50,120
<i>Total Cash Disbursements</i>	<u>168,290</u>	<u>1,051,018</u>	<u>1,219,308</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>28,760</u>	<u>55,474</u>	<u>84,234</u>
Other Financing Receipts (Disbursements)			
Sale of Capital Assets		525	525
Transfers In		37,400	37,400
Transfers Out	(37,400)		(37,400)
Other Financing Uses	(392)	(2,588)	(2,980)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(37,792)</u>	<u>35,337</u>	<u>(2,455)</u>
<i>Net Change in Fund Cash Balances</i>	(9,032)	90,811	81,779
<i>Fund Cash Balances, January 1</i>	<u>129,111</u>	<u>402,576</u>	<u>531,687</u>
Fund Cash Balances, December 31			
Restricted	0	493,387	493,387
Unassigned (Deficit)	120,079	0	120,079
<i>Fund Cash Balances, December 31</i>	<u>\$120,079</u>	<u>\$493,387</u>	<u>\$613,466</u>

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

**GOSHEN TOWNSHIP
MAHONING COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2012**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$121,223	\$485,940	\$607,163
Charges for Services		333,200	333,200
Licenses, Permits and Fees	30	9,941	9,971
Fines and Forfeitures	33,647	11,566	45,213
Intergovernmental	68,104	213,876	281,980
Earnings on Investments	246	14	260
Miscellaneous	3,559	56,855	60,414
<i>Total Cash Receipts</i>	<u>226,809</u>	<u>1,111,392</u>	<u>1,338,201</u>
Cash Disbursements			
Current:			
General Government	163,525	33,607	197,132
Public Safety	10,868	761,249	772,117
Public Works		204,608	204,608
Health	2,878	10,957	13,835
Capital Outlay	4,166	40,000	44,166
Debt Service:			
Principal Retirement		20,831	20,831
Interest and Fiscal Charges		759	759
<i>Total Cash Disbursements</i>	<u>181,437</u>	<u>1,072,011</u>	<u>1,253,448</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>45,372</u>	<u>39,381</u>	<u>84,753</u>
Other Financing Receipts (Disbursements)			
Sale of Capital Assets	75	2,800	2,875
Transfers In		99,246	99,246
Transfers Out	(99,246)		(99,246)
Advances In	40,000	40,000	80,000
Advances Out	(40,000)	(40,000)	(80,000)
Other Financing Uses	(23,622)	(3,637)	(27,259)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(122,793)</u>	<u>98,409</u>	<u>(24,384)</u>
Special Item		1,733	1,733
<i>Net Change in Fund Cash Balances</i>	<u>(77,421)</u>	<u>139,523</u>	<u>62,102</u>
<i>Fund Cash Balances, January 1</i>	<u>206,532</u>	<u>263,053</u>	<u>469,585</u>
Fund Cash Balances, December 31			
Restricted	0	254,867	254,867
Assigned	0	147,709	147,709
Unassigned (Deficit)	129,111	0	129,111
<i>Fund Cash Balances, December 31</i>	<u>\$129,111</u>	<u>\$402,576</u>	<u>\$531,687</u>

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

**GOSHEN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

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 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 road and bridge maintenance, cemetery maintenance and police protection services. The Township contracts with the Damascus Volunteer Fire Department to provide fire services and ambulance services.

The Township participates in a public entity risk pool. Note 6 to the financial statements provide additional information for this entity. The organization is:

Public Entity Risk Pool:
OTARMA

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.

Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

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 accounts for and reports all financial resources not accounted for and reported in another fund.

**GOSHEN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

1. Summary of Significant Accounting Policies – (Continued)

2. Special Revenue Funds

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

Police District Fund – This fund receives property tax money and charges for services revenue for providing police protection to the Township and other contracted subdivisions.

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. 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 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 2013 and 2012 budgetary activity appears in Note 3.

F. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Nonspendable

The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**GOSHEN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

1. Summary of Significant Accounting Policies – (Continued)

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

3. Committed

Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

G. 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.

H. 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.

**GOSHEN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

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:

	2013	2012
Demand deposits	\$569,734	\$487,972
Total deposits	569,734	487,972
STAR Ohio		
Total investments	43,732	43,715
Total deposits and investments	\$613,466	\$531,687

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

Investments: The Township's financial institution transfers securities to the Township's agent to collateralize repurchase agreements. The securities are not in the Township's name.

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2013 and 2012 follows:

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$191,385	\$197,050	\$5,665
Special Revenue	1,136,383	1,144,417	8,034
Total	\$1,327,768	\$1,341,467	\$13,699

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$313,758	\$206,082	\$107,676
Special Revenue	1,392,090	1,053,606	338,484
Total	\$1,705,848	\$1,259,688	\$446,160

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$436,173	\$226,884	(\$209,289)
Special Revenue	1,191,788	1,215,171	23,383
Total	\$1,627,960	\$1,442,055	(\$185,905)

**GOSHEN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

3. Budgetary Activity – (Continued)

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$417,196	\$304,305	\$112,891
Special Revenue	1,305,759	1,075,648	230,111
Total	\$1,722,955	\$1,379,953	\$343,002

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.

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

5. Retirement Systems

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

The Ohio Revised Code also prescribes contribution rates. For 2013 and 2012, full-time township police officers contributed 12.60% and 12.10%, respectively, of their gross salaries and the Township contributed an amount equaling 18.10%, of participants' gross salaries. For 2013 and 2012, all other township employees contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of these participant's gross salaries.

The Township has paid all contributions required through December 31, 2013.

6. 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.

**GOSHEN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

6. Risk Management – (Continued)

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. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) (York or Management), functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool. 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

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2013, OTARMA retained \$350,000 for casualty claims and \$250,000 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 net position at December 31, 2013 and 2012 (the latest information available):

	<u>2013</u>	<u>2012</u>
Assets	\$34,954,286	\$34,771,270
Liabilities	8,486,363	9,355,082
Net Position	\$26,467,923	\$25,416,188

At December 31, 2013 and 2012, respectively, the liabilities above include approximately \$7.9 and \$8.7 million of estimated incurred claims payable. The assets above also include approximately \$7.4 and \$7.8 million of unpaid claims to be billed to approximately 948 member governments in the future, as of December 31, 2013 and 2012, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2013, the Township's share of these unpaid claims collectible in future years is approximately \$2,700.

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.

**GOSHEN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

6. Risk Management – (Continued)

<u>Contributions to OTARMA</u>	
<u>2013</u>	<u>2012</u>
\$12,004	\$12,436

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

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

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of Goshen Township, Mahoning County, (the Township) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements and have issued our report thereon dated October 22, 2014 wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38, and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Township's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

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 a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. A *significant deficiency* is a deficiency, or a 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. We consider finding 2013-001 described in the accompanying schedule of findings to be a material weakness.

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, opining 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*.

Entity's Response to Findings

The Township's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Township's response and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

October 22, 2014

**GOSHEN TOWNSHIP
MAHONING COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2013 AND 2012**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2013-001

Material Weakness

Ohio Revised Code Section 507.04 states that the fiscal officer must keep accurate record of all of the township's accounts and transactions.

The following errors were noted in the recording of receipts and expenditures for 2013 and 2012:

- 1) Homestead and Rollback receipts were posted as tax receipts instead of intergovernmental receipts. In 2012, \$15,598 and \$81,337 were reclassified from tax receipts to intergovernmental receipts in the General Fund and Special Revenue Funds, respectively. In 2013, \$14,207 and \$88,341 were reclassified from tax receipts to intergovernmental receipts in the General Fund and Special Revenue Funds, respectively.
- 2) Manufactured homes real estate monies were posted to intergovernmental receipts instead of tax receipts. In 2012, \$1,091 and \$59,384 were reclassified from intergovernmental receipts to tax receipts in the General Fund and Special Revenue Funds, respectively. In 2013, \$1,037 and \$65,176 were reclassified from intergovernmental receipts to tax receipts in the General Fund and Special Revenue Funds, respectively.
- 3) Tax settlements were posted using the net amount instead of the gross amount which resulted in the Township not reporting the associated expenses. In 2012 there was an increase of \$19,687 in the General Fund expenses and \$11,719 in the Special Revenue Funds expenses. For 2013 there was an increase of \$18,781 for the General Fund and \$10,367 for the Special Revenue Funds.
- 4) Permissive Motor Vehicle receipts were posted as tax receipts instead of intergovernmental receipts.
- 5) Gas tax receipts were posted as Permissive Motor Vehicle License taxes instead of intergovernmental receipts.
- 6) Special assessment tax receipts were posted as special assessment receipts instead of tax receipts. In the Special Revenue Funds there was a reclassification of \$4,592 in 2012 and a reclassification of \$4,331 in 2013 from special assessments to tax receipts.
- 7) Intergovernmental receipts were posted to Other Financing Sources instead of Intergovernmental receipts and Capital Outlay disbursements were posted as Other Financing Uses. In 2012, \$3,637 was reclassified from Other Financing Sources to Intergovernmental receipts in the Special Revenue Funds. In 2013, the amount was \$2,283. Also in 2012, there was a reclassification from Other Financing Uses to Capital Outlay in the Special Revenue Funds of \$22,622.
- 8) Receipts for fines were posted to Other State Receipts instead of Fines and Forfeitures in the Special Revenue Funds. In 2012, \$933 was reclassified from Other State Receipts and in 2013 the reclassification was for \$1,153.
- 9) Intergovernmental receipts were posted as miscellaneous receipts. In the Special Revenue Funds for 2013 there was a reclassification of miscellaneous revenue to intergovernmental receipts in the amount of \$3,800.

These adjustments were posted to the Township's accounting system and to the audited financial statements.

We recommend the fiscal officer reference UAN manuals and the Ohio Township Manual when posting receipts and processing unusual transactions.

Officials' Response: The Township agrees with the adjustments above and will work to correct the errors in 2014.

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**GOSHEN TOWNSHIP
MAHONING COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2013 AND 2012**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2011-01	ORC 507.04; misposting of revenue and expenditure	No	Reissued finding in current audit period as finding 2013-001
2011-02	ORC 5705.41(B); expenditures exceed appropriations	No	Repeated as a management letter comment for the current year.

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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
DECEMBER 2, 2014**