



Dave Yost • Auditor of State

GOSHEN TOWNSHIP
CLERMONT COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Combined Statement of Receipts, Disbursements, and Changes in Fund Cash Balances (Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2012	3
Combined Statement of Receipts, Disbursements, and Changes in Fund Cash Balances (Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2011	4
Notes to the Financial Statements	5
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	13
Schedule of Findings	15
Schedule of Prior Audit Findings	25

This page intentionally left blank.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Goshen Township
Clermont County
6757 Goshen Road
Goshen, Ohio 45122

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of Goshen Township, Clermont County, Ohio (the Township) as of and for the years ended December 31, 2012 and 2011.

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 of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03; 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, which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

Corporate Centre of Blue Ash, 11117 Kenwood Road, Blue Ash, Ohio 45242
Phone: 513-361-8550 or 800-368-7419 Fax: 513-361-8577

www.ohioauditor.gov

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, 2012 and 2011, or changes in financial position thereof for the year 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, Clermont County as of December 31, 2012 and 2011, 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 permits, described in Note 1.

Emphasis of Matter

As discussed in Note 1 to the financial statements, during 2011 Goshen Township adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 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

March 19, 2014

**GOSHEN TOWNSHIP
CLARMONT 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	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$306,409	\$2,376,037	\$0	\$2,682,446
Charges for Services	0	377,553	0	377,553
Licenses, Permits and Fees	150,947	69,327	0	220,274
Fines and Forfeitures	0	14,476	0	14,476
Intergovernmental	115,941	512,542	0	628,483
Earnings on Investments	913	134	0	1,047
Miscellaneous	19,043	146,859	0	165,902
<i>Total Cash Receipts</i>	<u>593,253</u>	<u>3,496,928</u>	<u>0</u>	<u>4,090,181</u>
Cash Disbursements				
Current:				
General Government	336,333	142,268	47,070	525,671
Public Safety	0	2,870,520	0	2,870,520
Public Works	0	481,186	0	481,186
Health	52,349	77,556	0	129,905
Conservation-Recreation	1,034	0	0	1,034
Capital Outlay	18,356	12,978	0	31,334
Debt Service:				
Principal Retirement	75,000	30,000	0	105,000
Interest and Fiscal Charges	55,750	56,554	0	112,304
<i>Total Cash Disbursements</i>	<u>538,822</u>	<u>3,671,062</u>	<u>47,069</u>	<u>4,256,954</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>54,431</u>	<u>(174,134)</u>	<u>(47,069)</u>	<u>(166,773)</u>
Other Financing Receipts (Disbursements)				
Advances In	822,177	996,125	0	1,818,302
Advances Out	(996,125)	(822,177)	0	(1,818,302)
Other Financing Sources	1,993	50	0	2,043
Other Financing Uses	(7,859)	0	0	(7,859)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(179,814)</u>	<u>173,998</u>	<u>0</u>	<u>(5,816)</u>
<i>Net Change in Fund Cash Balances</i>	<u>(125,383)</u>	<u>(136)</u>	<u>(47,069)</u>	<u>(172,588)</u>
<i>Fund Cash Balances, January 1</i>	<u>749,712</u>	<u>551,027</u>	<u>88,308</u>	<u>1,389,047</u>
Fund Cash Balances, December 31				
Restricted	0	509,709	41,239	550,948
Committed	0	41,182	0	41,182
Unassigned (Deficit)	624,329	0	0	624,329
<i>Fund Cash Balances, December 31</i>	<u>\$624,329</u>	<u>\$550,891</u>	<u>\$41,239</u>	<u>\$1,216,459</u>

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

**GOSHEN TOWNSHIP
CLARMONT COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$331,135	\$2,324,612	\$0	\$2,655,747
Charges for Services	0	409,562	0	409,562
Licenses, Permits and Fees	143,312	69,403	0	212,715
Fines and Forfeitures	0	26,060	0	26,060
Intergovernmental	185,145	570,838	0	755,983
Earnings on Investments	1,115	109	0	1,224
Miscellaneous	11,509	97,983	0	109,492
<i>Total Cash Receipts</i>	<u>672,216</u>	<u>3,498,567</u>	<u>0</u>	<u>4,170,783</u>
Cash Disbursements				
Current:				
General Government	364,935	144,470	0	509,405
Public Safety	0	3,071,665	0	3,071,665
Public Works	0	482,808	0	482,808
Health	52,519	74,229	0	126,748
Conservation-Recreation	1,527	0	0	1,527
Capital Outlay	8,000	228,583	0	236,583
Debt Service:				
Principal Retirement	75,000	30,000	0	105,000
Interest and Fiscal Charges	58,146	54,617	0	112,763
<i>Total Cash Disbursements</i>	<u>560,127</u>	<u>4,086,372</u>	<u>0</u>	<u>4,646,499</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>112,089</u>	<u>(587,805)</u>	<u>0</u>	<u>(475,716)</u>
Other Financing Receipts (Disbursements)				
Sale of Bonds	0	119,968	0	119,968
Transfers In	0	120,311	0	120,311
Transfers Out	(120,311)	0	0	(120,311)
Advances In	528,510	528,510	0	1,057,020
Advances Out	(528,510)	(528,510)	0	(1,057,020)
Other Financing Sources	29	26,488	0	26,517
Other Financing Uses	(9,995)	0	0	(9,995)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(130,277)</u>	<u>266,767</u>	<u>0</u>	<u>136,490</u>
<i>Net Change in Fund Cash Balances</i>	<u>(18,189)</u>	<u>(321,038)</u>	<u>0</u>	<u>(339,227)</u>
<i>Fund Cash Balances, January 1</i>	<u>767,901</u>	<u>872,065</u>	<u>88,308</u>	<u>1,728,274</u>
Fund Cash Balances, December 31				
Restricted	0	500,303	88,308	588,611
Committed	0	48,669	0	48,669
Assigned	0	2,055	0	2,055
Unassigned (Deficit)	749,712	0	0	749,712
<i>Fund Cash Balances, December 31</i>	<u>\$749,712</u>	<u>\$551,027</u>	<u>\$88,308</u>	<u>\$1,389,047</u>

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

**GOSHEN TOWNSHIP
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

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, Clermont 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, police protection, fire protection and emergency medical services.

The Township participates in the Ohio Plan Risk Management, Inc. public entity risk pool, an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to approximately 767 and 765 members as of December 31, 2012 and 2011 respectively. Note 7 of the financial statements provide additional information for this entity.

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 values its certificate of deposit 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 accounts for and reports all financial resources not accounted for and reported in another fund.

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.

**GOSHEN TOWNSHIP
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

Road and Bridge Fund - This fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.

Gasoline Tax Fund - This fund receives gasoline tax money to pay for constructing, maintaining, and repairing Township roads

Police Fund - This fund receives property tax money received for police protection.

Fire Fund - This fund receives property tax money received for fire protection

4. Capital Project Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project funds.

Miscellaneous Capital Projects – Pay remaining amounts on the administrative building.

E. Budgetary Process

The Ohio Revised Code requires that each fund 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. The Township did not encumber all commitments required by Ohio law.

A summary of 2012 and 2011 budgetary activity appears in Note 3.

**GOSHEN TOWNSHIP
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

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.

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.

**GOSHEN TOWNSHIP
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

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.

2. Equity in Pooled Deposits

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

	2012	2011
Demand deposits	\$1,214,959	\$1,387,547
Certificates of deposit	1,500	1,500
Total deposits	1,216,459	1,389,047
Total deposits and investments	\$1,216,459	\$1,389,047

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

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2012 and 2011 as follows:

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,216,082	\$595,246	(\$620,836)
Special Revenue	4,677,866	3,496,978	(1,180,888)
Total	\$5,893,948	\$4,092,224	(\$1,801,724)

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$578,487	\$546,680	\$31,807
Special Revenue	3,919,745	3,671,062	248,683
Capital Projects	53,201	47,070	6,131
Total	\$4,551,433	\$4,264,812	\$286,621

**GOSHEN TOWNSHIP
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

3. Budgetary Activity (Continued)

2011 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$840,382	\$737,070	(\$103,312)
Special Revenue	3,792,046	3,765,334	(26,712)
Total	\$4,632,428	\$4,502,404	(\$130,024)

2011 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$706,461	\$690,433	\$16,028
Special Revenue	4,251,704	4,086,372	165,332
Capital Projects	64,825	64,825	0
Total	\$5,022,990	\$4,841,630	\$181,360

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
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

5. Debt

Debt outstanding at December 31, 2012 was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$2,195,000	2%
General Obligation Bonds	59,968	3.5
Total	\$2,254,968	

The Township issued general obligation bonds to finance a new administrative building located on 6757 Goshen Rd. Also, the Township issued general obligation bonds to finance a new ambulance. The Township's taxing authority collateralized the bonds.

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

	General Obligation Bonds
Year ending December 31:	
2013	\$110,698
2014	106,836
2015	175,319
2016	172,819
2017	175,319
2018-2022	852,294
2023-2027	871,056
2028-2029	348,888
Total	\$2,813,228

In addition to the debt described above, the Township has defeased certain debt issues from prior years. Debt principal outstanding at December 31, 2012 was \$2,259,968. This disclosure does not include the related defeased debt or assets, since trustee assets should provide sufficient resources to retire the debt.

6. Retirement Systems

The Township's certified Fire Fighters belong to the Ohio Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2012 and 2011, OP&F participants contributed 10% of their wages. For 2012 and 2011, the Township contributed to OP&F an amount equal to 24% of full-time fire fighters' wages. For 2012 and 2011 OPERS Law Enforcement members contributed 11.61% of their gross salaries and the Township contributed an amount equaling 18,10% of participants' gross salaries. For 2012 and 2011, OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2012.

**GOSHEN TOWNSHIP
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

7. Risk Management

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Public Officials Liability
- Law Enforcement Liability
- Crime & Terrorism
- Storage Tank Third Party Liability
- Vehicles; and
- Errors and omissions.

The Township belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retains 41.5% (effective November 1, 2011) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Effective November 1, 2012 the plan increased its retention to 50% of the first \$250,000 casualty treaty. The Plan's property retention remained unchanged from prior years. This change was made to balance the reinsurance market conditions. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 767 and 765 members as of December 31, 2012 and 2011 respectively.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2012 and 2011.

**GOSHEN TOWNSHIP
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

7. Risk Management (Continued)

	<u>2012</u>	<u>2011</u>
Assets	\$13,100,381	\$12,501,280
Liabilities	(6,687,193)	(5,328,761)
Members' Equity	<u>\$6,413,188</u>	<u>\$7,172,519</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

8. Related Organizations

Goshen Township has one related organization; the Goshen Park District. The Goshen Park District was established for the betterment, operation, maintenance, and/or administration of park and recreation land and programs within Goshen Township. Members of the Governing Board of the Park District are related to Goshen Township's Board of Trustees through membership or initial appointment.



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
Clermont County
6757 Goshen Road
Goshen, Ohio 45122

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 the Goshen Township, Clermont County, Ohio (the Township) as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements and have issued our report thereon dated March 19, 2014 wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permits. We noted during 2011, the Township adopted the provisions of Governmental Accounting Standards Board No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

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 opinions 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 certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

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 findings 2012-002 and 2012-005 described in the accompanying schedule of findings material weaknesses.

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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2012-001 – 2012-006.

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

March 19, 2014

GOSHEN TOWNSHIP
CLERMONT COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2012 AND 2011

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2012-001

Noncompliance

Ohio Rev. Code, § 5705.36(A)(4), states that upon a determination by the fiscal officer of a subdivision that the revenue to be collected by the subdivision will be less than the amount included in an official certificate and that the amount of the deficiency will reduce available resources below the level of current appropriations, the fiscal officer shall certify the amount of the deficiency to the commission, and the commission shall certify an amended certificate reflecting the deficiency.

The following funds had receipts that were less than the amount included on the official certificate and the amount of the deficiency would have reduced available resources below the level of current appropriations.

Year	Fund	Actual Resources	Total Appropriations	Variance
2011	Road and Bridge	\$265,889	\$304,579	\$(38,690)
2011	Police District	703,967	762,657	(58,690)
2011	Zoning	52,662	60,070	(7,408)
2012	Police District	625,961	634,264	(8,303)
2012	Fire District	465,553	469,050	(3,497)
2012	Zoning	18,417	81,049	(62,632)
2012	Ambulance	879,251	924,621	(45,371)
2012	Special Levy	885,188	1,037,857	(152,669)

We recommend the Township monitor estimated receipts and request a reduced amended certificate when the actual receipts collected will reduce resources below the amount appropriated.

Officials' Response:

The county auditor did not wish to have appropriation changes sent to them throughout the year. As long as the actual expenses did not exceed actual resources, the appropriations were not changed in UAN. That process is being changed based on the new information.

FINDING NUMBER 2012-002

Noncompliance/Material Weakness

Ohio Admin. Code § 117-2-02 (C)(1) states all local public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted balances of appropriations.

The estimated receipts entered in the accounting system did not agree with estimated receipts certified by the budget commission on the latest amended certificate. Estimated receipts that were certified varied from those posted by material amounts as follows:

Fund Type	Estimated Receipts Certified by the Budget Commission	Estimated Receipts Posted	Variance
2011			
Special Revenue Funds:			
Zoning	\$36,000	\$30,000	\$6,000
2012			
General Fund	\$1,216,082	\$628,000	\$588,082
Special Revenue Funds:			
Motor Vehicle License Tax	20,126	20,000	126
Gasoline Tax	127,045	121,000	6,045
Road and Bridge	245,133	217,534	27,599
Police District	946,563	620,697	325,866
Fire District	587,887	468,449	119,438
Zoning	108,319	78,994	29,325
Ambulance	1,127,600	918,283	209,317
Special Levy	1,197,125	984,316	212,809
Drug Law Enforcement	57,218	56,700	518
Permissive Motor Vehicle	137,819	121,300	16,519
Enforcement and Education	12,237	9,333	2,904
Special Assessment	45,793	40,000	5,793

Failure to post the certified estimated receipts to the accounting system resulted in officials relying on inaccurate information. The officials should ensure current certified estimated receipts are posted.

Appropriations posted to the accounting system did not agree with appropriations made by the Board of Trustees in the following funds:

**FINDING NUMBER 2012-002
 (Continued)**

Fund Type	Appropriations Adopted or Filed	Appropriations Posted in the Accounting System	Variance
2011			
General Fund	\$706,461	\$757,531	\$(51,070)
Special Revenue Funds:			
Motor Vehicle License Tax	16,000	24,672	(8,672)
Road and Bridge	304,579	255,907	48,672
Ambulance	1,136,498	1,223,467	(86,968)
Permissive Motor Vehicle	129,660	169,660	(40,000)
Capital Project Fund	0	64,825	(64,825)
2012			
General Fund	\$578,487	\$568,815	\$9,672
Special Revenue:			
Fire District	469,050	484,482	(15,433)
Special Levy	1,037,857	1,030,657	7,200
Enforcement and Education	12,000	16,303	(4,303)
Special Assessment	39,025	69,025	(30,000)
Capital Project Fund	53,201	62,201	(9,000)

Failure to post the appropriations approved by the Board of Trustees increases the risk funds could be overspent.

We recommend the Board adopt appropriations and the amounts adopted should be recorded in the minute records. Only those adopted appropriations by the Board in the minute records should be posted in the accounting system and reported in the financial statements.

Officials' Response:

The county auditor changed the amended certificate in December and there was not enough time to make the changes in UAN prior to year end. That process is being changed to reflect the new information.

FINDING NUMBER 2012-003

Noncompliance

Ohio Rev. Code, § 5705.41(D), states no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

**FINDING NUMBER 2012-003
(Continued)**

1. “Then and Now” Certificate – If the fiscal officer can certify that both at the time that the contract or order was made (“then”), and at the time that the fiscal officer is completing the certification (“now”), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Township can authorize the drawing of a warrant for the payment of the amount due. The Township has thirty days from the receipt of the “then and now” certificate to approve payment by ordinance or resolution. Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the “then and now” certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Township.
2. Blanket Certificate – Fiscal officers may prepare “blanket” certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. (Prior to September 26, 2003, blanket certificates were limited to \$5,000 and three months.) The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate – The Township may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating disbursement. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

The Township did not properly certify the availability of funds for purchase commitments for five out of eight disbursements tested (63%) in 2012 and 2011, and none of the exceptions above applied. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Additionally, one out of eight (13%) blanket purchase orders tested were not signed by the Fiscal Officer.

Unless the Township uses the exceptions noted above, prior certification is not only required by statute but also is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Township's funds exceeding budgetary spending limitations, we recommend that the Fiscal Officer certify that funds are or will be available prior to obligation by the Township. When prior certification is not possible, “then and now” certification should be used.

Officials’ Response:

The information has been communicated by the Fiscal Officer, Trustees, and the State Auditor to let the department heads know the process. The process has been changed to incorporate Then and Now Purchase Orders to address the problem.

FINDING NUMBER 2012-004

Noncompliance

Ohio Rev. Code, § 507.04(A), states the Township Fiscal Officer shall keep an accurate record of the proceedings of the board of the township trustees at all its meetings, and all of its accounts and transactions. The 2011 and 2012 minutes, had the following deficiencies:

- Only ten of the twenty eight Board of Trustee meeting minutes were posted to the Township website for 2012.
- Of the ten 2012 meeting minutes files posted to the Township website, only nine files opened. Also, the Township listed additional date included on the website for which no meeting appears to have taken place.
- The Township's Board of Trustees held seven meetings in which the minutes were not approved at subsequent meetings; one Trustee commented in a regular meeting that the minutes were not submitted to Trustees early enough for timely review before approval.
- We identified one instance in which minutes were not signed by the Clerk and Board Official.
- We identified one instance in which an advance was noted as a transfer in the minutes.
- We identified two instances in which advances were approved by the Board in the minutes but not recorded in the accounting system.

Minutes which record the proceedings of the Board of Trustees should be promptly prepared, approved by the Board at the next meeting, and once approved signed by the President and the Fiscal Officer to authenticate the content of the minutes. Failure to prepare the minutes of the Board's meetings promptly could result in an inaccurate and/or incomplete record of the Board's actions that would not be detected in a timely manner, and a lack of availability for the public's inspection of the proceedings of the Board. Minute records are the official documents of the Board of Trustees, and all official approved transactions should be reflected in the Township's financial documents. Failure to complete financial transactions approved by the Board could result in inaccurate and/or incomplete financials and unauthorized transactions.

We recommend the Fiscal Officer prepare the minutes of the Board's meetings prior to the next scheduled meeting, submit them for approval, and the Trustees review and approve so actions of the Board are accurately recorded and available for public inspection. We also recommend all Board approved transactions are properly and timely completed by the Fiscal Officer.

Officials' Response:

We are working to have the minutes approved in a more timely manner to ensure accuracy.

FINDING NUMBER 2012-005

Noncompliance/Material Weakness

Ohio Rev. Code, § 5705.10(H), provides money paid into any fund shall be used only for the purposes for which such fund is established. Township records indicate employees completed activities for multiple funds which were restricted. Furthermore, Auditor of State Bulletin 2011-007 section IV states the township must provide documentation to show the expenditure is allowable. We identified the following compliance deficiencies:

**FINDING NUMBER 2012-005
(Continued)**

- The Township did not allocate the Service Department payroll based on the time sheets.
- The Township Administrator is also the Police Chief. Documentation was not maintained to support the amount charged to the restricted fund.
- The Fire and EMS employees are cross trained and are paid from multiple restricted funds. The Township did not maintain support for the allocation of the salaries to ensure that the services provided were allowable for the fund that was charged.

We recommend the Township document work performed by employees so funds can be charged accurately.

Officials' Response:

We are working with the payroll vendor to incorporate changes to address the problem.

FINDING NUMBER 2012-006

Finding for Recovery

The Township paid one employee amounts in excess of the contractually agreed upon amount; this occurred when the Township paid the employee for overtime and holiday pay, when based on the contract, he should have accrued compensatory time. Review of the Township labor agreement between Captain Bobby Rose and Goshen Township found Captain Rose was to accrue compensatory time for any hours worked over 40 hours in a work week. The following sections of the Township labor agreement explain overtime and holiday compensation for Captain Rose:

- Overtime

Hours worked in excess of 40 per week shall not be paid; however, you will earn compensatory time.

- Hours of Work

The nature of the position will require you to work varying hours. Your days of work will include weekends and some holidays. Since you do not earn overtime, when a holiday is worked you will be entitled to compensatory time.

Capt. Rose was paid overtime as well as holiday pay. These payments caused Captain Rose's total annual salary to exceed the contractually agreed upon amount \$62,000 by \$3,666.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended may be issued against Bobby Rose in the amount of \$3,666, in favor of the Police District Fund.

Additionally, under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of the expenditure. Seward v. National Surety Corp. (1929), 120 Ohio St. 47; 1980 Op. Att'y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State ex. Rel. Village of Linndale v. Masten (1985), 18 Ohio St. 3d 228. Public officials controlling public funds or property are secondary liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen. Public officials will be liable if and to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property, 1980 Op. Att'y Gen. No. 80-074.

FINDING NUMBER 2012-006
(Continued)

Township Officers approved payroll and signed the warrants resulting in improper payments. Township Fiscal Officer Lisa Allen, Township Administrator Ray Snyder, Township Trustees Ray Autenrieb, Bob Hausermann, Clair Cocoran, their bonding company, Ohio Plan Risk Management, Inc., will be jointly and severally liable.

Officials' Response:

From Lisa Allen, current Trustee, former Fiscal Officer: Two board members had indicated the change was to be made at an upcoming meeting, but the discussions continued for several months which delayed the approval. The Administrator and the two board members were confident that the approval was a formality and asked the Fiscal Officer to make the change. The motion was finally approved retroactive to the original date but the Memorandum of Employment, which was meant only to reiterate certain (not all) employment points, was considered a contract of employment which took precedence over the motion. We will work with the prosecuting attorney's office to determine the best way to handle employment processes in the future.

From Clair Cocoran, Trustee: The bills that I approve at each particular meeting were those I saw prior to the meetings and reviewed. I did have a conversation with the former Fiscal Officer when I found out that the issue was before us. I was assured it would be addressed and I expressed concern that she should not send out a payroll amount if it was not correct. I brought out this problem in an open meeting and voted two times not to approve. I have a statement that I made in a meeting which details my objections as there was no Policy adopted to approve overtime payments for the Captain and 2 Sergeants.

From Captain Bob Rose: On May 15, 2010 the Township Administrator, Ray Snyder, and employment applicant, Bob Rose, finalized entry level salary & benefits via a document titled, "Memorandum of Understanding, Employment," created by Administrator Snyder. The purpose of that document, as expressed by Administrator Snyder and understood by Rose, was to ensure that Rose and Snyder had an understanding of what Rose was to receive upon his initial township employment. This document was not intended to prohibit Rose from every receiving additional pay from overtime, holidays, or other salary augmentation, rather, it was to ensure that Rose understood what he was getting at the time of his appointment. At the time of Rose's appointment, he was accustomed to receiving paid overtime and holidays with his previous employer, however, at the time of his appointment, no police employees with Goshen PD received overtime or holiday pay.

At the March 16, 2010 Regular Trustees Meeting, Bob Rose was hired, "Ray Autenrieb moved to appoint Bobby Rose as Police Captain effective 3/16/10 with a starting salary of \$62,000.00 annually with a one year probationary period. Bob Hausermann seconds; motion carries. J. Juntz; yes. B. Hausermann; yes. R. Autenrieb; yes." Upon appointment, there was no mention of the, "Memorandum of Understanding, Employment," document or any other employment contract.

Upon the ratification of the first ever police officer's collective bargaining unit contract on August 24, 2012, Administrator Snyder, with the intentions of ensuring fair treatment for all of his police employees, authorized his police department supervisors, including Rose who is a supervisor, to immediately receive the same benefits as the police officer's collective bargaining unit, for which the supervisors are not a part of.

During the State Auditor's audit, it was expressed to Administrator Snyder that the Board of Trustee's must approve such an action of giving supervisors the same benefits as the bargaining unit. To rectify the deficiency, at the Regular Meeting of the Board of Trustees on August 13, 2013, by two-thirds vote, the Board moved, "to approve the change of the Policy Manual to read that non-bargaining members be awarded the same benefits as bargaining members, with the exception of the Police Chief and the Police Secretary with an effective date of August 24, 2012."

FINDING NUMBER 2012-006
(Continued)

With a better understanding of the chain-of-events, intent & purpose of the "Memorandum of Understanding, Employment," document, and approval of the Board of Trustees to make overtime and holiday pay benefits retroactive, we respectfully object to this finding for the following reasons:

- Administrator Snyder & Rose did not knowingly enter into a contract. No legal counsel was sought by either party.
- At the time of Rose's appointment, no police employee earned overtime pay or holiday pay.
- The purpose and intent of the document, as mutually understood & agreed upon verbally by Administrator Snyder & Rose, was to do nothing more than express the terms of employment on day-one, coming in the door. The document has now been taken out of context and was not intended by the author nor the recipient to be a long-term contractual document.
- At the trustees meeting on August 13, 2013, the trustees by two-thirds vote approved giving Rose & the other supervisors the same benefits as the police union – retroactive to the establishment of the union on August 24, 2012. Those benefits included paid overtime & paid holidays.
- Rose is governed by and held accountable for adhering to the Police Department General Orders. Those General Orders includes his pay & benefits. The policy before the August 13, 2013 motion that authorized the same pay & benefits for Rose and other supervisors reads; "22.1.4 Salary Augmentation. An employee of the Goshen Township Police Department may have pay added to the base of his/her salary through holiday pay, court pay, or by working off-duty details." Holiday pay, nor court pay are referred to as 'overtime.'

Auditor of State note: Captain Rose also delivered various documents pertaining to the finding that were previously reviewed by the Auditor of State during the determination of the initial finding for recovery. Captain Rose provided a description of the documents and concluded his correspondence with the following:

Mitigation and Closing:

- A. Bob Rose was appointed to a supervisory position within the police department as a regular permanent employee, not temporary.
- B. With the exception of the police officers collective bargaining unit ratified on August 24, 2012, no other police department employee has a contract, agreement, memo, or other employment document.
- C. The "Memorandum of Understanding, Employment" document was not written by or reviewed by legal counsel by either party because it was not considered by either party as a long-term binding contract, rather, it was considered by both as an entry level memo.
- D. The purpose and intent of the "Memorandum of Understanding, Employment" document has been overlooked; the face-value of the document is being considered, despite the author himself conveying that it is and has been taken out of context.

FINDING NUMBER 2012-006
(Continued)

1. Further expressing that the "Memorandum of understanding, Employment" document was not well constructed to reflect the verbal agreements that Administrator Snyder and Rose came to; the document reads in-part, "Hours worked in excess of 40 per week shall not be paid, however, you will earn compensatory time." The reality is that from week-one of employment, Rose routinely has worked in excess of 40 hours per week during one week and fewer than 40 per week the next to equal 80 hours worked per pay period for bi-weekly pay checks. Honoring the verbal agreement and understanding, Rose has not collected compensatory time for any hours that did not exceed 80 in a pay period.
- E. At the time of Rose's appointment, the trustees did not include as part of the motion or during any discussion that there existed any contract, agreement, or memo, rather they made a routine and traditional motion to appoint with a starting salary and a one-year probation.
- F. The Township Administrator that authored the "Memorandum of Understanding, Employment" document is the same Township Administrator who authorized Rose and the other supervisors to receive the same benefits as the collective bargaining police officers.
 1. Included in the collective bargaining agreement is paid overtime and holiday pay.
 2. It was only after the ratification of the collective bargaining unit on August 24, 2012 and the subsequent directive by the Township Administrator that Rose and the other supervisors began to receive paid overtime and paid holidays.
- H. At a regular Trustees Meeting on August 13, 2013, the trustees authorized Rose and the other supervisors to receive the same benefits as the collective bargaining police officers, retroactive to August 24, 2012
- I. As part of the discussions at the August 13, 2013 Trustees Meeting, the trustees acknowledged publicly that their motion superseded the memo.
- J. All of the facts contained herein can be easily verified as the Township Administrator who authored the document is still employed with the township and in the same capacity.

With a better understanding of the mutual intent and purpose of the "Memorandum of Understanding, Employment" document, combined with the chain-of-events which has included the approval of paid overtime and holidays by the Township Administrator and the ultimate approval of such action by the majority vote of the Board of Trustees, it is respectfully requested that the proposed finding for recovery be dismissed.

Auditor of State Conclusion:

It is the Auditor of State's opinion that the *Memorandum of Understanding, Employment*, which limited Captain Rose to earning compensatory time for any overtime or holidays worked, and which was signed by Ray C. Snyder, Administrator and Bobby L. Rose, Captain on March 15, 2010 and in effect at the time Captain Rose was paid the overtime and holiday pay, takes precedence over any verbal agreements or actions taken by the Township officials subsequent to this period.

This page intentionally left blank.

**GOSHEN TOWNSHIP
CLERMONT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2012 & 2011**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2010-001	Ohio Rev. Code § 5705.14 (A), (B), (C), (D), & (E), Transfers made from special revenue funds.	Yes	
2010-002	Ohio Rev. Code § 507.04(A), Township Fiscal Officer shall keep an accurate record of the proceedings of the board of the township trustees at all its meetings, and all of its accounts and transactions.	No	Partially Corrected; reissued as 2012-004.
2010-003	Ohio Admin. Code § 117-2-02(A) requires public offices to maintain an accounting system.	No	Partially Corrected; made management letter comment.
2010-004	Ohio Rev. Code § 5705.36(A)(4), Estimated Revenues exceeded Actual Revenues.	No	Reissued as 2012-001
2010-005	Ohio Rev. Code § 5705.39, Appropriations exceeded estimated revenues.	No	Reissued as management letter comment.
2010-006	Ohio Rev. Code § 5705.41B, Expenditures exceeded appropriations.	No	Reissued as management letter comment.
2010-007	Ohio Admin. Code § 117-2-02 (C)(1) Accounting system budgetary information does not match certificates	No	Reissued as 2012-002
2010-008	Ohio Rev. Code § 5705.41(D) Failure to encumber properly	No	Reissued as 2012-003
2010-009	Township did not have control procedures in place to make up for control deficiencies documented in various SAS 70/SOC I reports.	No	Partially Corrected; Reissued as management letter comment. The Township seems to have corrected issues noted with payroll processor and is continuing to work with the processor; noted no corrections regarding EMS billing and Health Insurance Claim Processing.
2010-010	Ohio Rev. Code § 5705.10(H), Employees compensated from ineligible funds.	No	Reissued as 2012-005

This page intentionally left blank.



Dave Yost • Auditor of State

GOSHEN TOWNSHIP

CLERMONT 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
MAY 13, 2014**