



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**GOSHEN TOWNSHIP
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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

250 West Court Street
Suite 150 E
Cincinnati, Ohio 45202
Telephone 513-361-8550
800-368-7419
Facsimile 513-361-8577
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Goshen Township
Clermont County
6759 Wood Street
P. O. Box 267
Goshen, Ohio 45122

To the Board of Trustees:

We have audited the accompanying financial statements of Goshen Township, Clermont County, Ohio (the Township), as of and for the years ended December 31, 1999 and 1998. 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 generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial 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. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

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, Clermont County, Ohio, as of December 31, 1999 and 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2000 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 grants.

This report is intended solely for the information and use of management, the Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

June 26, 2000

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**GOSHEN TOWNSHIP
 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, 1999**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Fiduciary Fund</u>	
Cash Receipts:					
Local Taxes	\$166,579	\$1,183,040	\$86,250		\$1,435,869
Intergovernmental	181,415	245,448			426,863
Special Assessments		1,873			1,873
Charges for Services		11,779			11,779
Licenses, Permits, and Fees		61,972			61,972
Earnings on Investments	29,545	3,510		\$74	33,129
Other Revenue	71,332	83,136			154,468
Total Cash Receipts	<u>448,871</u>	<u>1,590,758</u>	<u>86,250</u>	<u>74</u>	<u>2,125,953</u>
Cash Disbursements:					
Current:					
General Government	200,336	9,988			210,324
Public Safety		1,285,561			1,285,561
Public Works	73,882	224,923			298,805
Health	50,514	35,828			86,342
Conservation - Recreation	317				317
Debt Service:					
Redemption of Principal			80,000		80,000
Interest and Fiscal Charges			6,750		6,750
Capital Outlay	32,764	48,757			81,521
Total Cash Disbursements	<u>357,813</u>	<u>1,605,057</u>	<u>86,750</u>	<u>0</u>	<u>2,049,620</u>
Total Receipts Over/(Under) Disbursements	<u>91,058</u>	<u>(14,299)</u>	<u>(500)</u>	<u>74</u>	<u>76,333</u>
Other Financing Receipts/(Disbursements):					
Advances-In		25,000			25,000
Advances-Out	(25,000)				(25,000)
Other Sources	245				245
Total Other Financing Receipts/(Disbursements)	<u>(24,755)</u>	<u>25,000</u>	<u>0</u>	<u>0</u>	<u>245</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	66,303	10,701	(500)	74	76,578
Fund Cash Balances, January 1	300,291	400,871	500	2,062	703,724
Fund Cash Balances, December 31	<u>\$366,594</u>	<u>\$411,572</u>	<u>\$0</u>	<u>\$2,136</u>	<u>\$780,302</u>
Reserve for Encumbrances, December 31	<u>\$39,311</u>	<u>\$5</u>	<u>\$0</u>	<u>\$0</u>	<u>\$39,316</u>

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

**GOSHEN TOWNSHIP
 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, 1998**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Fiduciary Fund</u>	
Cash Receipts:					
Local Taxes	\$163,566	\$1,216,343	\$55,000	\$0	\$1,434,909
Intergovernmental	134,209	204,037			338,246
Special Assessments		1,911			1,911
Charges for Services		12,928			12,928
Licenses, Permits, and Fees		56,437			56,437
Earnings on Investments	26,020	2,532		82	28,634
Other Revenue	82,331	127,052			209,383
Total Cash Receipts	<u>406,126</u>	<u>1,621,240</u>	<u>55,000</u>	<u>82</u>	<u>2,082,448</u>
Cash Disbursements:					
Current:					
General Government	174,116	20,472			194,588
Public Safety		1,171,887			1,171,887
Public Works	3,510	225,043			228,553
Health	49,256	27,084			76,340
Conservation - Recreation	2,417				2,417
Debt Service:					
Redemption of Principal			50,000		50,000
Interest and Fiscal Charges			4,500		4,500
Capital Outlay	39,000	158,268			197,268
Total Cash Disbursements	<u>268,299</u>	<u>1,602,754</u>	<u>54,500</u>	<u>0</u>	<u>1,925,553</u>
Total Receipts Over/(Under) Disbursements	<u>137,827</u>	<u>18,486</u>	<u>500</u>	<u>82</u>	<u>156,895</u>
Other Financing Receipts/(Disbursements):					
Proceeds from Sale of Notes		90,000			90,000
Advances-In	1,500	1,500			3,000
Advances-Out	(1,500)	(1,500)			(3,000)
Other Sources	903				903
Total Other Financing Receipts/(Disbursements)	<u>903</u>	<u>90,000</u>	<u>0</u>	<u>0</u>	<u>90,903</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>138,730</u>	<u>108,486</u>	<u>500</u>	<u>82</u>	<u>247,798</u>
Fund Cash Balances, January 1	161,561	292,385	0	1,980	455,926
Fund Cash Balances, December 31	<u><u>\$300,291</u></u>	<u><u>\$400,871</u></u>	<u><u>\$500</u></u>	<u><u>\$2,062</u></u>	<u><u>\$703,724</u></u>

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

**GOSHEN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Goshen Township, Clermont County, Ohio (the Township), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected, three-member Board of Trustees. The Township provides general governmental services, fire and police services. The Township contracts with Medicount Management, Inc. to provide ambulance billing services.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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 prescribed or permitted by the Auditor of State.

C. Cash and Deposits

Certificates of deposit are valued at cost.

D. Fund Accounting

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

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Fire District Fund - This fund receives proceeds from property taxes for providing safety to the Township.

Police District Fund - This fund receives proceeds from property taxes for providing public safety to the Township.

Ambulance Fund - This fund receives proceeds from property taxes for providing emergency services to the Township.

**GOSHEN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Debt Service Fund

The Debt Service Fund is used to accumulate resources for the payment of bonds and note indebtedness. The Township had the following significant Debt Service Fund:

General Note Retirement - The purpose of this fund is to record the payment of the fire truck loan and the payments of a new ambulance.

4. Fiduciary Fund (Nonexpendable Trust Fund)

The trust fund is used to account for resources restricted by legally binding trust agreements. Because the agreement requires the Township to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. The Township had the following Fiduciary Fund:

Cemetery Bequest Fund - This nonexpendable trust fund earns interest on its investments which is spent on the care and beautification of the cemetery lots.

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 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 commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**GOSHEN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Township.

2. EQUITY IN POOLED CASH AND DEPOSITS

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$778,802	\$702,142
Certificates of deposit	<u>1,500</u>	<u>1,582</u>
Total deposits	<u><u>\$780,302</u></u>	<u><u>\$703,724</u></u>

Deposits

Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998 was as follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 423,327	\$ 449,116	\$ 25,789
Special Revenue	1,586,129	1,590,758	4,629
Debt Service	86,250	86,250	0
Fiduciary	<u>74</u>	<u>74</u>	<u>0</u>
Total	<u><u>\$ 2,095,780</u></u>	<u><u>\$ 2,126,198</u></u>	<u><u>\$ 30,418</u></u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 756,472	\$ 397,124	\$ 359,348
Special Revenue	2,054,932	1,605,062	449,870
Debt Service	86,750	86,750	0
Fiduciary	<u>563</u>	<u>0</u>	<u>563</u>
Total	<u><u>\$ 2,898,717</u></u>	<u><u>\$ 2,088,936</u></u>	<u><u>\$ 809,781</u></u>

**GOSHEN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 444,976	\$ 407,029	\$ (37,947)
Special Revenue	1,657,114	1,711,240	54,126
Debt Service	55,000	55,000	0
Fiduciary	0	82	82
Total	<u>\$ 2,157,090</u>	<u>\$ 2,173,351</u>	<u>\$ 16,261</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 504,940	\$ 268,299	\$ 236,641
Special Revenue	1,796,119	1,602,754	193,365
Debt Service	55,000	54,500	500
Fiduciary	2,053	0	2,053
Total	<u>\$ 2,358,112</u>	<u>\$ 1,925,553</u>	<u>\$ 432,559</u>

At December 31, 1999, the following funds had appropriations in excess of the amount certified as available by the budget commission for the year under audit:

<u>Fund</u>	<u>Amount in Excess</u>
Gasoline Tax Fund	\$ 3,496
Cemetery Fund	18,138
Fire District Fund	36,088
Ambulance Fund	95,860
Drug Law Enforcement Fund	1,306
Enforcement and Education Fund	135

4. PROPERTY TAX

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

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
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

5. DEBT

Debt outstanding at December 31, 1999 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ambulance Acquisition Notes	\$ 60,000	5%
Total	\$ 60,000	

The Ambulance Acquisition Notes are issued for the purpose of acquiring an ambulance. The notes will be paid in three annual installments of \$30,000 plus interest with the remaining payments due July 31, 2000 and 2001.

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

<u>Year ending December 31:</u>	<u>Ambulance Acquisition Notes</u>
2000	\$ 33,000
2001	31,500
Total	\$ 64,500

6. RETIREMENT SYSTEMS

The Township's firefighters belong to the Police and Firemen's Disability and Pension Funds (PFDPF). All other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, members of PFDPF contributed 10% of their wages to the PFDPF. The Township contributed an amount equal to 24% of their wages. PERS members contributed 8.5% of their gross salaries. Part-time members of the police department contributed 9% of their gross salaries. The Township contributed an amount equal to 13.55% and 16.70%, respectively, of participants' gross salaries. The Township has paid all contributions required through December 31, 1999.

7. RISK MANAGEMENT

The Township contracts with the Ohio Government Risk Management. The Ohio Government Risk Management assumes the risk of loss up to the limits of the Township policy. The following risks are covered by the policy:

- General liability and casualty
- Vehicles
- Public official's liability
- Property
- Township police liability

The Township also provides health insurance, dental insurance, disability coverage, and life insurance to full-time employees through a private carrier.

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OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

250 West Court Street
Suite 150 E
Cincinnati, Ohio 45202
Telephone 513-361-8550
800-368-7419
Facsimile 513-361-8577
www.auditor.state.oh.us

**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Goshen Township
Clermont County
6759 Wood Street
P. O. Box 267
Goshen, Ohio 45122

To the Board of Trustees:

We have audited the accompanying financial statements of Goshen Township, Clermont County, Ohio (the Township), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated June 26, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 1999-40413-001. We also noted other immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated June 26, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Goshen Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated June 26, 2000.

This report is intended for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

June 26, 2000

**GOSHEN TOWNSHIP
SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 1999-40413-001

Ohio Rev. Code, Section 5705.39, requires that the total appropriations from each fund shall not exceed the total of estimated revenue available for expenditures therefrom, as certified by the budget commission, or in case of appeal, by the board of tax appeals.

At December 31, 1999, the following funds has appropriations in excess of the amount certified as available by the budget commission for the year under audit:

<u>Fund</u>	<u>Amount in Excess</u>
Gasoline Tax Fund	\$ 3,496
Cemetery Fund	18,138
Fire District Fund	36,088
Ambulance Fund	95,860
Drug Law Enforcement Fund	1,306
Enforcement and Education Fund	135

We recommend the Township monitor appropriations and estimated resources for each fund to ensure the Township will not appropriate more funds than are certified as available.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

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
AUGUST 22, 2000**