



**GOSHEN TOWNSHIP
CHAMPAIGN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**GOSHEN TOWNSHIP
CHAMPAIGN COUNTY
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REPORT OF INDEPENDENT ACCOUNTANTS

Goshen Township
Champaign County
60 Mill Street
Mechanicsburg, OH 43044

To the Board of Trustees:

We have audited the accompanying financial statements of Goshen Township, Champaign County, Ohio, (the Township) as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 accounting principles generally accepted in the United States of America.

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, Champaign County, as of December 31, 2000 and 1999, 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 22, 2001 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the audit committee, management, the Board 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.

Jim Petro
Auditor of State

June 22, 2001

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**GOSHEN TOWNSHIP
CHAMPAIGN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FISCAL YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>			Total (Memorandum Only)
	<u>General Fund</u>	<u>Special Revenue</u>	<u>Capital Project</u>	
Cash Receipts:				
Taxes	\$29,069	\$99,644		\$128,713
Licenses, Permits and Fees	5,035			5,035
Intergovernmental Receipts	79,715	70,335	167,759	317,809
Interest	6,817	390		7,207
Other Revenue	119	10,400		10,519
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	120,755	180,769	167,759	469,283
Cash Disbursements:				
General Government	76,845	2,076		78,921
Public Safety	20	54,843		54,863
Public Works		106,284		106,284
Health	7,271	1,781		9,052
Capital Outlay		77,234	167,759	244,993
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	84,136	242,218	167,759	494,113
Total Receipts Over/(Under) Disbursements	<hr/>	<hr/>	<hr/>	<hr/>
	36,619	(61,449)	0	(24,830)
Other Financing Sources (Uses):				
Operating Transfers In		52,958		52,958
Operating Transfers Out	(52,958)			(52,958)
Other Financing Uses		(27)		(27)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(52,958)	52,931	0	(27)
Total Cash Receipts and Other Sources (Under) Cash Disbursements and Other Uses	<hr/>	<hr/>	<hr/>	<hr/>
	(16,339)	(8,518)	0	(24,857)
Fund Cash Balance, January 1,2000	<hr/>	<hr/>	<hr/>	<hr/>
	86,930	146,542	0	233,472
Fund Cash Balance, December 31, 2000	<hr/>	<hr/>	<hr/>	<hr/>
	\$70,591	\$138,024	\$0	\$208,615

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

**GOSHEN TOWNSHIP
CHAMPAIGN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FISCAL YEAR ENDED DECEMBER 31, 1999**

	Governmental Fund Types		Total (Memorandum Only)
	General Fund	Special Revenue	
Cash Receipts:			
Taxes	\$23,484	\$90,681	\$114,165
Licenses, Permits and Fees	2,900		2,900
Intergovernmental Receipts	69,013	69,946	138,959
Interest	6,640	725	7,365
Other Revenue		270	270
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	102,037	161,622	263,659
Cash Disbursements:			
General Government	69,625	2,233	71,858
Public Safety	239	51,699	51,938
Public Works		125,987	125,987
Health	6,723	906	7,629
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	76,587	180,825	257,412
Total Receipts Over/(Under) Disbursements	<hr/>	<hr/>	<hr/>
	25,450	(19,203)	6,247
Other Financing Sources (Uses):			
Operating Transfers In		12,573	12,573
Operating Transfers Out	(12,573)		(12,573)
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(12,573)	12,573	
Total Cash Receipts and Other Sources Over/ (Under) Cash Disbursements and Other Uses	12,877	(6,630)	6,247
Fund Cash Balance, January 1, 1999	<hr/>	<hr/>	<hr/>
	74,053	153,172	227,225
Fund Cash Balance, December 31, 1999	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$86,930	\$146,542	\$233,472
Reserve For Encumb, December 31, 1999	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$48,976	\$27,209	\$76,185

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

**GOSHEN TOWNSHIP
CHAMPAIGN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Goshen Township, Champaign County, (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, including road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Village of Mechanicsburg to provide fire services and ambulance 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 Investments

Certificates of deposit are valued 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 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 or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Motor Vehicle License Tax Fund - This fund receives motor vehicle license tax money to pay for constructing, maintaining and repairing Township roads.

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

**GOSHEN TOWNSHIP
CHAMPAIGN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Fire Fund - This fund receives property tax money for fire protection and fire facilities for the residents of the Township.

Emergency Medical Service Fund - This fund receives property tax money for emergency medical services for the residents of the Township.

3. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project fund:

Issue II Fund - The Township received a grant from the State of Ohio to reconstruct Allison Road.

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. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 canceled, and reappropriated in the subsequent year.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

**GOSHEN TOWNSHIP
CHAMPAIGN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2000</u>	<u>1999</u>
Demand deposits	\$140,728	\$178,879
Certificates of deposit	<u>67,887</u>	<u>54,593</u>
Total deposits	<u><u>\$208,615</u></u>	<u><u>\$233,472</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, 2000 and 1999 was as follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$95,149	\$120,755	\$25,606
Special Revenue	208,212	233,727	25,515
Capital Projects	<u>167,759</u>	<u>167,759</u>	<u>0</u>
Total	<u><u>\$471,120</u></u>	<u><u>\$522,241</u></u>	<u><u>\$51,121</u></u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$180,314	\$137,094	\$43,220
Special Revenue	355,098	242,245	112,853
Capital Projects	<u>167,759</u>	<u>167,759</u>	<u>0</u>
Total	<u><u>\$703,171</u></u>	<u><u>\$547,098</u></u>	<u><u>\$156,073</u></u>

**GOSHEN TOWNSHIP
CHAMPAIGN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$86,100	\$102,037	\$15,937
Special Revenue	168,944	174,195	5,251
Total	\$255,044	\$276,232	\$21,188

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$160,153	\$138,136	\$22,017
Special Revenue	322,117	208,034	114,083
Total	\$482,270	\$346,170	\$136,100

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by 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 semiannual payment, 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.

6. RETIREMENT SYSTEMS

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides 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 2000 and 1999, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for January 1999 through June 2000 and an amount equal to 8.13% of participants' gross salaries for July 2000 through December 2000. The Township has paid all contributions required through December 31, 2000.

**GOSHEN TOWNSHIP
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

6. RISK MANAGEMENT

The Township is a member of the Ohio Township Association Risk Management Authority. The Authority assumes the risk of loss up to the limits of the Township's policy. The Authority may assess supplemental premiums. The following risks are covered by the Authority:

- General liability and casualty
- Public official's liability
- Vehicle

The Township also provides health insurance to elected officials and full-time employees through a private carrier.

7. COMPLIANCE

The Township did not advertise and accept bids for the purchase of road equipment, the price of which exceeded \$15,000, as required by Ohio Rev. Code 5549.21.

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

Goshen Township
Champaign County
60 Mill Street
Mechanicsburg, OH 43044

To the Board of Trustees:

We have audited the accompanying financial statements of Goshen Township, Champaign County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 22, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 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 disclosed in the accompanying schedule of findings as item #2000-40311-001. We also noted an immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated June 22, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated June 22, 2001.

Goshen Township
Champaign County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
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This report is intended for the information and use of the audit committee, management, and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

June 22, 2001

**GOSHEN TOWNSHIP
CHAMPAIGN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999**

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

FINDING NUMBER 2000-40311-001

Ohio Rev. Code Section 5549.21 states that competitive bidding is required in the purchase of materials, machinery and tools to be used in constructing, maintaining and repairing roads and culverts, where the amount involved exceeds \$15,000. The Township purchased a 1-ton truck during 2000 without following the proper bid procedures. The purchase was over the \$15,000 bidding limit. This expenditure totaled \$19,500, or 8% of Special Revenue Fund expenditures for the year.

The Board of Trustees should advertise and accept bids for any purchase of equipment over the \$15,000 bid limit.

**GOSHEN TOWNSHIP
CHAMPAIGN COUNTY**

FISCAL YEAR ENDED DECEMBER 31, 2000

SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number	Finding Summary	Fully Corrected ?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1998-40311-001	Ohio Rev. Code Section 5705.41(D), failure to comply with certification requirements & procedures	No	Partially corrected; re-issued in the management letter



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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GOSHEN TOWNSHIP

CHAMPAIGN 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
JULY 24, 2001**