



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

GOSHEN TOWNSHIP
CLERMONT COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types and Nonexpendable Trust Fund - For the Year Ended December 31, 2001	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types and Nonexpendable Trust Fund - For the Year Ended December 31, 2000	4
Notes to the Financial Statements	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	13
Schedule of Findings.....	15
Schedule of Prior Audit Findings.....	17

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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, 2001 and 2000. 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 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 the Township as of December 31, 2001 and 2000, 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, 2002 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 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", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

June 26, 2002

GOSHEN TOWNSHIP
CLERMONT COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Governmental Fund Types				Nonexpendable Trust Fund	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects		
Cash Receipts:						
Local Taxes	\$196,364	\$1,362,919	\$31,500	\$0	\$0	\$1,590,783
Intergovernmental	214,558	295,360				509,918
Special Assessments		9,097				9,097
Charges for Services		47,083				47,083
Licenses, Permits, and Fees	80,843	68,506				149,349
Fines, Forfeitures, and Penalties		8,422				8,422
Earnings on Investments	49,033	5,474			77	54,584
Other Revenue	48,404	63,786				112,190
Total Cash Receipts	589,202	1,860,647	31,500	0	77	2,481,426
Cash Disbursements:						
Current:						
General Government	315,855	33,378				349,233
Public Safety		1,424,929				1,424,929
Public Works	107,902	278,498				386,400
Health	48,274	41,309				89,583
Debt Service:						
Redemption of Principal			30,000			30,000
Interest and Fiscal Charges			1,500			1,500
Capital Outlay	27,520	224,499				252,019
Total Cash Disbursements	499,551	2,002,613	31,500	0	0	2,533,664
Total Receipts Over/(Under) Disbursements	89,651	(141,966)	0	0	77	(52,238)
Other Financing Receipts and (Disbursements):						
Sale of Notes		150,000				150,000
Transfers-In				350,000		350,000
Transfers-Out	(350,000)					(350,000)
Total Other Financing Receipts/(Disbursements)	(350,000)	150,000	0	350,000	0	150,000
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(260,349)	8,034	0	350,000	77	97,762
Fund Cash Balances, January 1	440,028	536,769	0	0	2,219	979,016
Fund Cash Balances, December 31	\$179,679	\$544,803	\$0	\$350,000	\$2,296	\$1,076,778
Reserve for Encumbrances, December 31	\$25,272	\$8,004	\$0	\$0	\$0	\$33,276

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

**GOSHEN TOWNSHIP
CLERMONT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>			<u>Nonexpendable Trust Fund</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>		
Cash Receipts:					
Local Taxes	\$189,368	\$1,314,824	\$33,000	\$0	\$1,537,192
Intergovernmental	212,894	254,716			467,610
Special Assessments		9,684			9,684
Charges for Services		40,048			40,048
Licenses, Permits, and Fees	54,323	53,021			107,344
Fines, Forfeitures, and Penalties		8,917			8,917
Earnings on Investments	48,804	7,877		83	56,764
Other Revenue	7,808	40,498			48,306
Total Cash Receipts	<u>513,197</u>	<u>1,729,585</u>	<u>33,000</u>	<u>83</u>	<u>2,275,865</u>
Cash Disbursements:					
Current:					
General Government	331,312	13,957			345,269
Public Safety	65,477	1,290,374			1,355,851
Public Works	32,342	220,112			252,454
Health	26,698	50,954			77,652
Conservation - Recreation	2,000				2,000
Debt Service:					
Redemption of Principal			30,000		30,000
Interest and Fiscal Charges			3,000		3,000
Capital Outlay	6,934	3,991			10,925
Total Cash Disbursements	<u>464,763</u>	<u>1,579,388</u>	<u>33,000</u>	<u>0</u>	<u>2,077,151</u>
Total Receipts Over/(Under) Disbursements	<u>48,434</u>	<u>150,197</u>	<u>0</u>	<u>83</u>	<u>198,714</u>
Other Financing Receipts and (Disbursements):					
Advances-In	35,000	10,000			45,000
Advances-Out	(10,000)	(35,000)			(45,000)
Total Other Financing Receipts/(Disbursements)	<u>25,000</u>	<u>(25,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>73,434</u>	<u>125,197</u>	<u>0</u>	<u>83</u>	<u>198,714</u>
Fund Cash Balances, January 1	<u>366,594</u>	<u>411,572</u>	<u>0</u>	<u>2,136</u>	<u>780,302</u>
Fund Cash Balances, December 31	<u>\$440,028</u>	<u>\$536,769</u>	<u>\$0</u>	<u>\$2,219</u>	<u>\$979,016</u>
Reserve for Encumbrances, December 31	<u>\$38,312</u>	<u>\$38,565</u>	<u>\$0</u>	<u>\$0</u>	<u>\$76,877</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, 2001 AND 2000**

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 road and bridge maintenance, cemetery maintenance, police services, fire protection and emergency medical 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 Investments

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Certificates of deposit are valued at cost. The STAROhio investment and the money market fund are recorded at share values reported by the fund.

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:

**GOSHEN TOWNSHIP
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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.

4. Capital Project Fund

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:

Capital Projects Fund - The Township transferred money from the General Fund for major capital projects in the Township.

5. Fiduciary Fund (Nonexpendable Trust Fund)

This 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 significant fiduciary fund:

Cemetery Bequest Fund - This nonexpendable trust fund earns interest on its investments to be 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, 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.

**GOSHEN TOWNSHIP
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2001 and 2000 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.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's basis of accounting.

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:

	2001	2000
Demand deposits	(\$92,614)	(\$100,275)
Certificates of deposit	1,660	1,582
Total deposits	(90,954)	(98,693)
Money market fund	355,619	297,909
STAR Ohio Investment	812,113	779,800
Total Investments	1,167,732	1,077,709
Total deposits and investments	\$1,076,778	\$979,016

The demand deposit account shows a negative balance because of checks that are outstanding. The Village has an overnight money market fund where funds from the demand deposit are swept into the money market fund and are swept back into the demand deposits to cover any outstanding checks.

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

Investments: Investments in STAR Ohio and the money market fund are not evidenced by securities that exist in physical or book-entry form.

**GOSHEN TOWNSHIP
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$618,899	\$589,202	(\$29,697)
Special Revenue	1,926,492	2,010,647	84,155
Debt Service	31,500	31,500	0
Capital Projects	0	350,000	350,000
Fiduciary	77	77	0
Total	\$2,576,968	\$2,981,426	\$404,458

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$960,705	\$874,822	\$85,883
Special Revenue	2,285,083	2,010,617	274,466
Debt Service	31,500	31,500	0
Fiduciary	802	0	802
Total	\$3,278,090	\$2,916,939	\$361,151

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$570,532	\$513,197	(\$57,335)
Special Revenue	1,718,363	1,729,586	11,223
Debt Service	33,000	33,000	0
Fiduciary	82	82	0
Total	\$2,321,977	\$2,275,865	(\$46,112)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$896,986	\$503,075	\$393,911
Special Revenue	1,997,027	1,617,953	379,074
Debt Service	33,000	33,000	0
Fiduciary	719	0	719
Total	\$2,927,732	\$2,154,028	\$773,704

**GOSHEN TOWNSHIP
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

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.

5. DEBT

Debt outstanding at December 31, 2001 was as follows:

	Principal	Interest Rate
Fire Truck Acquisition Notes	150,000	4.07%

The Fire Truck Acquisition Notes were issued in 2001 to finance the purchase of a new fire truck to be used for Township fire safety services. The bonds are collateralized solely by the Township's taxing authority.

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

	Fire Truck Acquisition Notes
Year ending December 31:	
2002	56,105
2003	54,070
2004	52,035
Total	\$162,210

**GOSHEN TOWNSHIP
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

6. RETIREMENT SYSTEMS

The Township's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. OP&F and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement 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 2001 and 2000, members of OP&F participants contributed 10% of their wages. The Township contributed an amount equal to 24% of their wages to OP&F. 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 for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Township has paid all contributions required through December 31, 2001.

7. RISK MANAGEMENT

Risk Pool Membership

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

OTARMA retains casualty risks up to \$250,000 per occurrence. Claims exceeding \$250,000 are reinsured with APEEP up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000, which the General Reinsurance Corporation will reinsure.

If losses exhaust OTARMA's retained earnings, APEEP covers OTARMA losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Coverage

OTARMA retains property risks including automobile physical damage up to \$100,000 on any specific loss. The Travelers Indemnity Company reinsures specific losses exceeding \$100,000. The Travelers Indemnity Company also provides aggregate excess coverage for property including automobile physical damage subject to an annual stop loss. When the stop loss is reached in any year, The Travelers Indemnity Company provides coverage in excess of \$10,000.

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

GOSHEN TOWNSHIP
CLERMONT COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)

7. RISK MANAGEMENT

Financial Position

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

<u>Casualty Coverage</u>	<u>2001</u>	<u>2000</u>
Assets	\$23,703,776	\$22,684,383
Liabilities	<u>9,379,003</u>	<u>8,924,977</u>
Retained earnings	<u>\$14,324,773</u>	<u>\$13,759,406</u>
 <u>Property Coverage</u>	 <u>2001</u>	 <u>2000</u>
Assets	\$5,011,131	\$4,156,784
Liabilities	<u>647,667</u>	<u>497,831</u>
Retained earnings	<u>\$4,363,464</u>	<u>\$3,658,953</u>

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**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, 2001 and 2000, and have issued our report thereon dated June 26, 2002. 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 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 2001-40413-001.

We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated June 26, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Township's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 2001-40413-001 and 2001-40413-2002.

Goshen Township
Clermont County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

We also 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 Village in a separate letter dated June 26, 2002.

This report is intended solely 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.

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, 2002

**GOSHEN TOWNSHIP
CLERMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000**

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

FINDING NUMBER 2001-30413-001

Material Noncompliance/Reportable Condition

Ohio Admin. Code, Section 117-7-01, provides a Township chart of accounts detailing receipt and expenditure classifications townships may elect to use. The proper classifications can help demonstrate legal compliance, financial accountability and to provide management with information for decision making. Several receipts were found to have been improperly posted. All material adjustments were posted to the accompanying financial statements.

The Clerk and Trustees should review the chart of accounts and familiarize themselves with the proper account codes for receipts and disbursements. The Board of Trustees should periodically review receipt and appropriation ledgers to check that transactions have been properly recorded. Without accurate financial information, the Board cannot make informed decisions regarding the financial status of the Township.

FINDING NUMBER 2001-30413-002

Reportable Conditions - Monitoring Controls

An effective monitoring control system has not been implemented to assist management in detecting material misstatements in financial or other information and the consistent monitoring of budgetary financial information. The Township should develop and implement a monitoring system to reduce the risk of not detecting material misstatements.

The lack of such monitoring controls: 1) reduces the Township's ability to determine its financial status at any given time; and 2) may result in obligations being incurred without the available resources.

We noted mispostings of taxes, intergovernmental revenue, interest, charges for services, fees, proceeds of notes, and other revenues. The financial statements reflect adjustments to properly reflect these receipts. Misclassification or misposting of receipts results in inaccurate financial reporting.

Monitoring controls are comprised of regular management and supervisory activities established to oversee whether management's objectives are being achieved. These controls should address operational, legal compliance, and financial control objectives. Effective monitoring controls should identify unexpected results or exceptions (including significant compliance exceptions), investigate underlying causes, and take corrective action. There was no documentation in the minutes that the Board of Trustees reviews a report for detail receipts and detail disbursements on a regular basis and of budgetary information.

FINDING NUMBER 2001-30413-002
(Continued)

Monitoring controls may be in the nature of ongoing activities or separate periodic evaluation by management. They can relate to a specific transaction cycle or can be more overview in nature. Monitoring controls should assist management in detecting material misstatements in financial or other information and can include:

- regular review of budget and actual expenditures;
- regular review of financial report summaries of sufficient detail (monthly detailed revenue and expenditure reports);
- review of key performance indicators;
- review of revenues/expenditures with independently accumulated information (budgets, past performance, etc.);
- review of unusual or significant items, long outstanding items, etc.;
- identification of unusual fluctuations;
- ensuring an adequate segregation of duties exist;
- review of monthly reconciliations and;
- approval of grants.

**GOSHEN TOWNSHIP
CLERMONT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2001**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1999-40413-001	Appropriations in excess of estimated revenues	No	Partially Corrected - Appropriations in excess of estimated revenues are not material in the current audit. Management Letter Cite issued.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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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
JULY 30, 2002**