

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

ANNUAL FINANCIAL REPORT

2010

CITY OF GOSHEN

ELKHART COUNTY, INDIANA



FILED
06/07/2011

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Tina M. Bontrager	01-01-08 to 12-31-11
Mayor	Allan J. Kauffman	01-01-08 to 12-31-11
President of the Board of Public Works and Safety	Allan J. Kauffman	01-01-08 to 12-31-11
President of the Common Council	Thomas W. Stump	01-01-10 to 12-31-11
Superintendent of Water Utility	James D. Kerezman	01-01-10 to 12-31-11
Superintendent of Wastewater Utility	Kent A. Holdren	01-01-10 to 12-31-11
Utility Office Manager	Tana Brooks Tina M. Bontrager	01-01-10 to 12-31-10 01-01-11 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE CITY OF GOSHEN, ELKHART COUNTY, INDIANA

We have audited the accompanying financial statement of the City of Goshen (City), for the year ended December 31, 2010. This financial statement is the responsibility of the City's management. Our responsibility is to express opinions on this financial statement 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 statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 opinions.

As discussed in Note 1, the City prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting noted above is a different basis than that used in the prior year.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the City for the year ended December 31, 2010, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated April 27, 2011, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The Combining Schedule(s) of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the financial statement. The Combining Schedule(s) of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the City's management, Board of Public Works and Safety, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

April 27, 2011



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE CITY OF GOSHEN, ELKHART COUNTY, INDIANA

We have audited the financial statement of the City of Goshen (City), for the year ended December 31, 2010, and have issued our report thereon dated April 27, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the City's management, Board of Public Works and Safety, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

April 27, 2011

FINANCIAL STATEMENT(S)

CITY OF GOSHEN
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ 8,409,305	\$ 14,872,365	\$ 18,395,301	\$ 4,886,369
Motor Vehicle Highway	1,318,685	2,423,191	2,729,145	1,012,731
Local Road and Street	259,574	273,943	282,528	250,989
Aviation	104,683	147,941	95,841	156,783
Probation	74,611	109,288	134,349	49,550
Economic Development Operating	1,310,151	1,413,209	1,340,540	1,382,820
Parking Lot	15,360	-	-	15,360
Federal and State Grant	293,521	74,733	43,636	324,618
Rainy Day	2,140	1,683,643	250,000	1,435,783
Levy Excess	-	36,414	-	36,414
Law Enforcement Continuing Education #2	27,706	26,538	21,687	32,557
TIF Keystone I	1,156,255	2,606,656	1,602,422	2,160,489
TIF Keystone II	237,312	333,748	228,812	342,248
TIF Century Drive	384,881	1,079,471	411,092	1,053,260
Major Moves Construction	283,351	2,560,194	800,000	2,043,545
TIF North US 33	254,073	1,584,495	344,266	1,494,302
TIF Riverrace	218,356	1,489,961	1,260,431	447,886
TIF Plymouth Avenue	-	114,364	29,583	84,781
Court Fees	84,251	24,347	13,976	94,622
Economic Improvement	42,590	75,180	73,920	43,850
Beautification/Restoration Operating	3,206	12	-	3,218
TIF Bond & Interest	1	1,084,200	1,084,200	1
Redevelopment Non-Reverting Operating	106,992	260,728	155,790	211,930
Park and Recreation	2,341,379	1,804,201	2,633,777	1,511,803
Downtown TIF	-	52,355	13,783	38,572
TIF Debt Service Reserve	-	219,674	-	219,674
Riverrace 2008 Debt Service Reserve	319,500	-	-	319,500
South Goshen 2008 Debt Service Reserve	491,000	-	-	491,000
Debt Service - Other	456,869	14,144	471,013	-
Cumulative Capital Improvement Cigarette Tax	-	86,033	86,033	-
Cumulative Capital Development	1,211,749	599,958	1,021,499	790,208
Redevelopment Capital	151,674	368	-	152,042
Cumulative Fire	309,885	222,612	178,333	354,164
Cumulative Sewer	642,755	220,631	226,560	636,826
General Improvement	119,029	11,376	10,386	120,019
2010 General Obligation Bond	-	2,000,000	10,000	1,990,000
HUD Neighborhood Stabilization	-	1,149,244	1,149,244	-
HUD Home	19,281	-	-	19,281
HUD Rental Rehabilitation	37,812	52	-	37,864
Cemetery Capital Improvement	30,322	6,311	-	36,633
Storm Water Management	797,982	445,514	181,000	1,062,496
CDBG/HUD	37,503	298,291	287,221	48,573
Riverrace Capital Projects 2008	1,816,821	6,620	190,407	1,633,034
South Goshen 2008 Capital Projects	(121,476)	121,675	-	199
Police Pension	683,217	398,514	571,968	509,763
Fire Pension	574,710	540,246	777,537	337,419
Cemetery Permanent Maintenance	37,747	6,311	-	44,058
Donation	214,948	83,167	37,644	260,471
Park Gift	82,275	58,133	19,939	120,469
Electric Utility Sale	144,647	1,776,696	-	1,921,343
Oakridge Cemetery Endowment	24,712	91	-	24,803
Violett Cemetery Endowment	81,034	297	-	81,331
West Goshen Cemetery Endowment	19,502	71	-	19,573
Beautification/Restoration Trust	10,698	39	-	10,737
Millrace Trust	58,498	460	-	58,958
Health Insurance	25,599	3,197,174	3,184,073	38,700
Law Enforcement Continuing Education #1	17,787	1,012	901	17,898
Old Utility Payroll	25,759	-	-	25,759
Wastewater Utility - Operating	704,728	6,912,374	7,008,144	608,958
Wastewater Utility - Bond and Interest	3,269,855	28,112,332	28,682,834	2,699,353
Wastewater Utility - Depreciation/Improvement	852,160	23,841,154	21,428,510	3,264,804
Wastewater Utility - Customer Deposit	209,811	9,572	-	219,383
Wastewater Utility - Construction	320,046	26,143	-	346,189
Sewer Repair Fee	151,594	2,201	17,401	136,394
Sewer 2004 CSO Bonds	984,733	10,930	120,564	875,099
Water Utility - Operating	876,635	3,486,659	3,982,064	381,230
Water Utility - Bond and Interest	949,843	1,351,315	1,721,944	579,214
Water Utility - Depreciation/Improvement	1,511,182	2,395,036	1,655,670	2,250,548
Water Utility - Customer Deposit	191,222	12,593	-	203,815
Water Repair Fee	9,823	55,023	21,061	43,785
City Court Cash Book	86,239	829,185	848,750	66,674
Probation Cash Book	5,580	-	5,580	-
	<u>\$ 35,373,673</u>	<u>\$ 112,640,408</u>	<u>\$ 105,841,359</u>	<u>\$ 42,172,722</u>

The notes to the financial statement(s) are an integral part of this statement.

CITY OF GOSHEN
NOTES TO FINANCIAL STATEMENT(S)

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The City was established under the laws of the State of Indiana. The City operates under a Council-Mayor form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

The accompanying financial statement(s) present(s) the financial information for the City (primary government), and does not include financial information for any of the City's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the City (primary government).

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts may include, but are not limited to, the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the City.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

CITY OF GOSHEN
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements may include, but are not limited to, the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the City. It includes all expenditures for the reduction of the principal and interest of the City's general obligation indebtedness.

CITY OF GOSHEN
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The City may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the City. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the City. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the City in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the City submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the City in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

CITY OF GOSHEN
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the City to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

The City may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the City to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the City by recording as a disbursement and replacement items purchased.

Note 6. Pension Plan(s)

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the City authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

CITY OF GOSHEN
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

B. 1925 Police Officers' Pension Plan

Plan Description

The 1925 Police Officers' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute.

On Behalf Payments

The 1925 Police Officers' Pension Plan is funded by the State of Indiana through the Public Employees' Retirement Fund as provided under Indiana Code 5-10.3-11.

C. 1937 Firefighters' Pension Plan

Plan Description

The 1937 Firefighters' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-7). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute.

On Behalf Payments

The 1937 Firefighters' Pension Plan is funded by the State of Indiana through the Public Employees' Retirement Fund as provided under Indiana Code 5-10.3-11.

CITY OF GOSHEN
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

D. 1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Employees' Retirement Plan (PERF) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

PERF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy

The contribution requirements of plan members and the City are established by the Board of Trustees of PERF.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City of Goshen's Annual Report(s) can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

	General	Motor Vehicle Highway	Local Road and Street	Aviation	Probation	Economic Development Operating	Parking Lot
Cash and investments - beginning	\$ 8,409,305	\$ 1,318,685	\$ 259,574	\$ 104,683	\$ 74,611	\$ 1,310,151	\$ 15,360
Receipts:							
Taxes	8,336,450	975,177	-	-	-	1,236,192	-
Licenses and permits	265,253	-	-	-	-	-	-
Intergovernmental	4,247,022	1,387,183	273,943	-	-	-	-
Charges for services	1,331,828	19,651	-	132,021	-	-	-
Fines and forfeits	131,647	29,945	-	-	107,700	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	560,165	11,235	-	15,920	1,588	177,017	-
Total receipts	<u>14,872,365</u>	<u>2,423,191</u>	<u>273,943</u>	<u>147,941</u>	<u>109,288</u>	<u>1,413,209</u>	<u>-</u>
Disbursements:							
Personal services	10,763,919	1,062,993	-	-	134,349	-	-
Supplies	766,551	390,599	-	1,312	-	-	-
Other services and charges	2,600,805	556,278	142,969	94,354	-	581,608	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	237,178	19,273	139,559	-	-	723,932	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	4,026,848	700,002	-	175	-	35,000	-
Total disbursements	<u>18,395,301</u>	<u>2,729,145</u>	<u>282,528</u>	<u>95,841</u>	<u>134,349</u>	<u>1,340,540</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(3,522,936)</u>	<u>(305,954)</u>	<u>(8,585)</u>	<u>52,100</u>	<u>(25,061)</u>	<u>72,669</u>	<u>-</u>
Cash and investments - ending	<u>\$ 4,886,369</u>	<u>\$ 1,012,731</u>	<u>\$ 250,989</u>	<u>\$ 156,783</u>	<u>\$ 49,550</u>	<u>\$ 1,382,820</u>	<u>\$ 15,360</u>

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Federal and State Grant	Rainy Day	Levy Excess	Law Enforcement Continuing Education #2	TIF Keystone I	TIF Keystone II
Cash and investments - beginning	\$ 293,521	\$ 2,140	\$ -	\$ 27,706	\$ 1,156,255	\$ 237,312
Receipts:						
Taxes	-	73,886	-	-	2,239,312	332,504
Licenses and permits	-	-	-	-	-	-
Intergovernmental	74,733	199,757	-	-	-	-
Charges for services	-	-	-	18,482	-	-
Fines and forfeits	-	-	-	8,056	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	1,410,000	36,414	-	367,344	1,244
Total receipts	<u>74,733</u>	<u>1,683,643</u>	<u>36,414</u>	<u>26,538</u>	<u>2,606,656</u>	<u>333,748</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	13,661	-	-
Other services and charges	-	250,000	-	8,026	946,243	31,379
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	43,636	-	-	-	134,289	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	521,890	197,433
Total disbursements	<u>43,636</u>	<u>250,000</u>	<u>-</u>	<u>21,687</u>	<u>1,602,422</u>	<u>228,812</u>
Excess (deficiency) of receipts over disbursements	<u>31,097</u>	<u>1,433,643</u>	<u>36,414</u>	<u>4,851</u>	<u>1,004,234</u>	<u>104,936</u>
Cash and investments - ending	<u>\$ 324,618</u>	<u>\$ 1,435,783</u>	<u>\$ 36,414</u>	<u>\$ 32,557</u>	<u>\$ 2,160,489</u>	<u>\$ 342,248</u>

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	TIF Century Drive	Major Moves Construction	TIF North US 33	TIF Riverrace	TIF Plymouth Avenue	Court Fees
Cash and investments - beginning	\$ 384,881	\$ 283,351	\$ 254,073	\$ 218,356	\$ -	\$ 84,251
Receipts:						
Taxes	1,076,348	-	1,580,444	1,487,983	114,364	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	24,347
Utility fees	-	-	-	-	-	-
Other receipts	3,123	2,560,194	4,051	1,978	-	-
Total receipts	<u>1,079,471</u>	<u>2,560,194</u>	<u>1,584,495</u>	<u>1,489,961</u>	<u>114,364</u>	<u>24,347</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	7,162
Other services and charges	120,823	-	316,585	532,152	29,583	6,814
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	27,681	391,969	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	290,269	800,000	-	336,310	-	-
Total disbursements	<u>411,092</u>	<u>800,000</u>	<u>344,266</u>	<u>1,260,431</u>	<u>29,583</u>	<u>13,976</u>
Excess (deficiency) of receipts over disbursements	<u>668,379</u>	<u>1,760,194</u>	<u>1,240,229</u>	<u>229,530</u>	<u>84,781</u>	<u>10,371</u>
Cash and investments - ending	<u>\$ 1,053,260</u>	<u>\$ 2,043,545</u>	<u>\$ 1,494,302</u>	<u>\$ 447,886</u>	<u>\$ 84,781</u>	<u>\$ 94,622</u>

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Economic Improvement	Beautification/ Restoration/ Operating	TIF Bond & Interest	Redevelopment Non-Reverting Operating	Park and Recreation	Downtown TIF
Cash and investments - beginning	\$ 42,590	\$ 3,206	\$ 1	\$ 106,992	\$ 2,341,379	\$ -
Receipts:						
Taxes	51,180	-	-	-	1,444,448	52,355
Licenses and permits	-	-	-	-	266	-
Intergovernmental	-	-	-	-	72,271	-
Charges for services	-	-	-	-	215,860	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	24,000	12	1,084,200	260,728	71,356	-
Total receipts	<u>75,180</u>	<u>12</u>	<u>1,084,200</u>	<u>260,728</u>	<u>1,804,201</u>	<u>52,355</u>
Disbursements:						
Personal services	-	-	-	105,432	795,893	-
Supplies	162	-	-	180	201,185	-
Other services and charges	31,891	-	1,084,200	50,177	383,750	13,783
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	41,867	-	-	-	227,653	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	1	1,025,296	-
Total disbursements	<u>73,920</u>	<u>-</u>	<u>1,084,200</u>	<u>155,790</u>	<u>2,633,777</u>	<u>13,783</u>
Excess (deficiency) of receipts over disbursements	<u>1,260</u>	<u>12</u>	<u>-</u>	<u>104,938</u>	<u>(829,576)</u>	<u>38,572</u>
Cash and investments - ending	<u>\$ 43,850</u>	<u>\$ 3,218</u>	<u>\$ 1</u>	<u>\$ 211,930</u>	<u>\$ 1,511,803</u>	<u>\$ 38,572</u>

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	TIF Debt Service Reserve	Riverrace 2008 Debt Service Reserve	South Goshen 2008 Debt Service Reserve	Debt Service- Other	Cumulative Capital Improvement Cigarette Tax	Cumulative Capital Development
Cash and investments - beginning	\$ -	\$ 319,500	\$ 491,000	\$ 456,869	\$ -	\$ 1,211,749
Receipts:						
Taxes	-	-	-	12,975	-	514,437
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	1,169	86,033	25,376
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	219,674	-	-	-	-	60,145
Total receipts	219,674	-	-	14,144	86,033	599,958
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	48,393
Other services and charges	-	-	-	461,013	-	643,254
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	329,852
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	10,000	86,033	-
Total disbursements	-	-	-	471,013	86,033	1,021,499
Excess (deficiency) of receipts over disbursements	219,674	-	-	(456,869)	-	(421,541)
Cash and investments - ending	\$ 219,674	\$ 319,500	\$ 491,000	\$ -	\$ -	\$ 790,208

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Redevelopment Capital	Cumulative Fire	Cumulative Sewer	General Improvement	2010 General Obligation Bond	HUD Neighborhood Stabilization
Cash and investments - beginning	\$ 151,674	\$ 309,885	\$ 642,755	\$ 119,029	\$ -	\$ -
Receipts:						
Taxes	-	210,278	210,278	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	10,353	10,353	-	-	1,149,244
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	368	1,981	-	11,376	2,000,000	-
Total receipts	<u>368</u>	<u>222,612</u>	<u>220,631</u>	<u>11,376</u>	<u>2,000,000</u>	<u>1,149,244</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	24,334	226,560	-	10,000	1,149,244
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	153,999	-	10,386	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>178,333</u>	<u>226,560</u>	<u>10,386</u>	<u>10,000</u>	<u>1,149,244</u>
Excess (deficiency) of receipts over disbursements	<u>368</u>	<u>44,279</u>	<u>(5,929)</u>	<u>990</u>	<u>1,990,000</u>	<u>-</u>
Cash and investments - ending	<u>\$ 152,042</u>	<u>\$ 354,164</u>	<u>\$ 636,826</u>	<u>\$ 120,019</u>	<u>\$ 1,990,000</u>	<u>\$ -</u>

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	HUD Home	HUD Rental Rehabilitation	Cemetery Capital Improvement	Storm Water Management	CDBG/HUD	Riverrace Capital Projects 2008
Cash and investments - beginning	\$ 19,281	\$ 37,812	\$ 30,322	\$ 797,982	\$ 37,503	\$ 1,816,821
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	285,221	-
Charges for services	-	-	6,311	445,514	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	52	-	-	13,070	6,620
Total receipts	-	52	6,311	445,514	298,291	6,620
Disbursements:						
Personal services	-	-	-	68,472	-	-
Supplies	-	-	-	7,355	-	-
Other services and charges	-	-	-	52,345	287,221	175,113
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	52,828	-	15,294
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	-	-	181,000	287,221	190,407
Excess (deficiency) of receipts over disbursements	-	52	6,311	264,514	11,070	(183,787)
Cash and investments - ending	\$ 19,281	\$ 37,864	\$ 36,633	\$ 1,062,496	\$ 48,573	\$ 1,633,034

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	South Goshen 2008 Capital Projects	Police Pension	Fire Pension	Cemetery Permanent Maintenance	Donation	Park Gift
Cash and investments - beginning	\$ (121,476)	\$ 683,217	\$ 574,710	\$ 37,747	\$ 214,948	\$ 82,275
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	393,638	540,172	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	121,675	4,876	74	6,311	83,167	58,133
Total receipts	<u>121,675</u>	<u>398,514</u>	<u>540,246</u>	<u>6,311</u>	<u>83,167</u>	<u>58,133</u>
Disbursements:						
Personal services	-	571,818	777,417	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	150	120	-	37,644	19,939
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>571,968</u>	<u>777,537</u>	<u>-</u>	<u>37,644</u>	<u>19,939</u>
Excess (deficiency) of receipts over disbursements	<u>121,675</u>	<u>(173,454)</u>	<u>(237,291)</u>	<u>6,311</u>	<u>45,523</u>	<u>38,194</u>
Cash and investments - ending	<u>\$ 199</u>	<u>\$ 509,763</u>	<u>\$ 337,419</u>	<u>\$ 44,058</u>	<u>\$ 260,471</u>	<u>\$ 120,469</u>

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Electric Utility Sale	Oakridge Cemetery Endowment	Violett Cemetery Endowment	West Goshen Cemetery Endowment	Beautification/ Restoration Trust	Millrace Trust
Cash and investments - beginning	\$ 144,647	\$ 24,712	\$ 81,034	\$ 19,502	\$ 10,698	\$ 58,498
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	1,776,696	91	297	71	39	460
Total receipts	<u>1,776,696</u>	<u>91</u>	<u>297</u>	<u>71</u>	<u>39</u>	<u>460</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>1,776,696</u>	<u>91</u>	<u>297</u>	<u>71</u>	<u>39</u>	<u>460</u>
Cash and investments - ending	<u>\$ 1,921,343</u>	<u>\$ 24,803</u>	<u>\$ 81,331</u>	<u>\$ 19,573</u>	<u>\$ 10,737</u>	<u>\$ 58,958</u>

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Health Insurance	Law Enforcement Continuing Education #1	Old Utility Payroll	Wastewater Utility- Operating	Wastewater Utility- Bond and Interest	Wastewater Utility- Depreciation/ Improvement
Cash and investments - beginning	\$ 25,599	\$ 17,787	\$ 25,759	\$ 704,728	\$ 3,269,855	\$ 852,160
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	6,668,500	-	-
Other receipts	3,197,174	1,012	-	243,874	28,112,332	23,841,154
Total receipts	<u>3,197,174</u>	<u>1,012</u>	<u>-</u>	<u>6,912,374</u>	<u>28,112,332</u>	<u>23,841,154</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	8,505,921	-
Capital outlay	-	-	-	-	-	20,855,785
Utility operating expenses	-	-	-	2,946,138	-	-
Other disbursements	3,184,073	901	-	4,062,006	20,176,913	572,725
Total disbursements	<u>3,184,073</u>	<u>901</u>	<u>-</u>	<u>7,008,144</u>	<u>28,682,834</u>	<u>21,428,510</u>
Excess (deficiency) of receipts over disbursements	<u>13,101</u>	<u>111</u>	<u>-</u>	<u>(95,770)</u>	<u>(570,502)</u>	<u>2,412,644</u>
Cash and investments - ending	<u>\$ 38,700</u>	<u>\$ 17,898</u>	<u>\$ 25,759</u>	<u>\$ 608,958</u>	<u>\$ 2,699,353</u>	<u>\$ 3,264,804</u>

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Wastewater Utility- Customer Deposit	Wastewater Utility- Construction	Sewer Repair Fee	Sewer 2004 CSO Bonds	Water Utility- Operating	Water Utility- Bond and Interest
Cash and investments - beginning	\$ 209,811	\$ 320,046	\$ 151,594	\$ 984,733	\$ 876,635	\$ 949,843
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	3,203,250	-
Other receipts	9,572	26,143	2,201	10,930	283,409	1,351,315
Total receipts	9,572	26,143	2,201	10,930	3,486,659	1,351,315
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	896,812
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	17,401	119,979	1,345,300	-
Other disbursements	-	-	-	585	2,636,764	825,132
Total disbursements	-	-	17,401	120,564	3,982,064	1,721,944
Excess (deficiency) of receipts over disbursements	9,572	26,143	(15,200)	(109,634)	(495,405)	(370,629)
Cash and investments - ending	\$ 219,383	\$ 346,189	\$ 136,394	\$ 875,099	\$ 381,230	\$ 579,214

CITY OF GOSHEN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Water Utility- Depreciation/ Improvement	Water Utility- Customer Deposit	Water Repair Fee	City Court Cash Book	Probation Cash Book	Totals
Cash and investments - beginning	\$ 1,511,182	\$ 191,222	\$ 9,823	\$ 86,239	\$ 5,580	\$ 35,373,673
Receipts:						
Taxes	-	-	-			19,948,611
Licenses and permits	-	-	-			265,519
Intergovernmental	-	-	-			8,756,468
Charges for services	-	-	-			2,169,667
Fines and forfeits	-	-	-	829,185		1,130,880
Utility fees	-	-	-			9,871,750
Other receipts	2,395,036	12,593	55,023	-	-	70,497,513
Total receipts	<u>2,395,036</u>	<u>12,593</u>	<u>55,023</u>	<u>829,185</u>	<u>-</u>	<u>112,640,408</u>
Disbursements:						
Personal services	-	-	-			14,280,293
Supplies	-	-	-			1,436,560
Other services and charges	-	-	-	848,750		11,717,107
Debt service - principal and interest	-	-	-			9,402,733
Capital outlay	1,644,476	-	-			25,049,657
Utility operating expenses	-	-	21,061			4,449,879
Other disbursements	11,194	-	-	-	5,580	39,505,130
Total disbursements	<u>1,655,670</u>	<u>-</u>	<u>21,061</u>	<u>848,750</u>	<u>5,580</u>	<u>105,841,359</u>
Excess (deficiency) of receipts over disbursements	<u>739,366</u>	<u>12,593</u>	<u>33,962</u>	<u>(19,565)</u>	<u>(5,580)</u>	<u>6,799,049</u>
Cash and investments - ending	<u>\$ 2,250,548</u>	<u>\$ 203,815</u>	<u>\$ 43,785</u>	<u>\$ 66,674</u>	<u>\$ -</u>	<u>\$ 42,172,722</u>

SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
December 31, 2010

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 23,322,373
Infrastructure	82,697,708
Buildings	12,484,696
Improvements other than buildings	7,435,289
Machinery and equipment	<u>6,943,538</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 132,883,604</u>
<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 51,701
Construction in progress	1,922,060
Buildings	181,521
Improvements other than buildings	20,339,340
Machinery and equipment	<u>1,758,972</u>
Total Water Utility capital assets	<u>24,253,594</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	717,721
Construction in progress	23,073,579
Buildings	236,981
Improvements other than buildings	26,009,807
Machinery and equipment	<u>16,692,394</u>
Total Wastewater Utility capital assets	<u>66,730,482</u>
Total business-type activities, capital assets not being depreciated	<u>\$ 90,984,076</u>

CITY OF GOSHEN
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2010

The City has entered into the following debt:

Description of Debt	Ending Principal Amount	Principal and Interest Due Within One Year
Governmental activities:		
Capital lease payable:		
Ambulance	\$ 6,044	\$ 6,289
2009 sweeper and police cars	66,278	69,403
Notes and loan payable:		
Aviation Loan	55,991	22,164
Bonds payable:		
General obligation bonds:		
2005 Series A Redevelopment District Bonds	2,620,000	111,350
2006 Series B Redevelopment District Bonds	2,505,000	365,200
2010 Revenue Bonds	2,000,000	22,472
Revenue bonds:		
2008 TIF South Goshen Capital Project	4,830,000	270,140
2008 TIF Riverrace Project	3,080,000	334,390
Total governmental activities long-term debt	<u>\$ 15,163,313</u>	<u>\$ 1,201,408</u>
Business-type activities:		
Water Utility:		
Revenue bonds:		
2003 Revenue bonds	\$ 340,000	\$ 60,108
2005 Refunding revenue bonds	3,670,000	438,500
2009 Revenue bonds	1,156,000	44,374
Loans payable:		
2009 SRF Bonds	979,959	*
Total Water Utility	<u>6,145,959</u>	<u>542,982</u>
Wastewater Utility:		
Loans payable:		
2009 SRF Bonds	18,844,182	*
Revenue bonds:		
2004 Revenue bonds	3,815,000	612,150
2010 Refunding revenue bonds, series A	4,835,000	816,375
2010 refunding revenue bonds, series B	460,000	72,763
Total Wastewater Utility	<u>27,954,182</u>	<u>1,501,288</u>
Total business-type activities long-term debt	<u>\$ 34,100,141</u>	<u>\$ 2,044,270</u>

*Final payment schedule has not been determined.

CITY OF GOSHEN
AUDIT RESULT(S) AND COMMENT(S)

OLD OUTSTANDING CHECKS (WARRANTS)

Our review of the bank reconcilements as of December 31, 2010, revealed checks (warrants) outstanding in excess of two years. The City has three bank accounts, with checks outstanding for periods in excess of two years totaling \$91,754.65. The Utilities' control cash account has \$4,908.08 in outstanding checks that are dated from March 25, 2002 to December 1, 2008. The City Operation control cash account has \$80,293.99 in outstanding checks that are dated from February 19, 2002 to November 25, 2008. The Payroll control cash account has \$6,552.58 in outstanding checks that are dated from July 19, 2002 to November 7, 2008.

Indiana Code 5-11-10.5-2 states in part: "All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void."

Indiana Code 5-11-10.5-3 states in part:

"Not later than March 1 of each year, the treasurer of each political subdivision shall prepare or cause to be prepared a list in triplicate of all warrants or checks that have been outstanding for a period of two (2) or more years as of December 31 of the preceding year. The original copy of each list shall be filed with the board of finance of the political subdivision or the fiscal body of a city or town. The duplicate copy shall be transmitted to the disbursing officer of the political subdivision. The triplicate copy of each list shall be filed in the office of the treasurer of the political subdivision. If the treasurer serves also as the disbursing officer of the political subdivision, only two (2) copies of each list need be prepared or caused to be prepared by the treasurer."

Indiana Code 5-11-10.5-5 states:

"(a) Upon the preparation and transmission of the copies of the list of the outstanding warrants or checks, the treasurer of the political subdivision shall enter the amounts so listed as a receipt into the fund or funds from which they were originally drawn and shall also remove the warrants or checks from the record of outstanding warrants or checks.

(b) If the disbursing officer does not serve also as treasurer of the political subdivision, the disbursing officer shall also enter the amounts so listed as a receipt into the fund or funds from which the warrants or checks were originally drawn. If the fund from which the warrant or check was originally drawn is not in existence, or cannot be ascertained, the amount of the outstanding warrant or check shall be receipted into the general fund of the political subdivision."

BANK ACCOUNT RECONCILIATIONS

The City Court performed reconcilements of the City Court collections and disbursements to the bank statement transactions for 2010. The City Court no longer maintains a cash book, which is prescribed Form 213CT (City/Town Court Cash Book), nor does it use prescribed Form 219CT (City/Town Court Daily/Monthly Balance Record). Therefore, monthly bank reconcilements to a cash book balance were not completed. The reconciled bank balance performed by the State Board of Accounts exceeds the amount estimated to be the cash book balance as of December 31, 2010, by \$13,081. The First Deputy in the City Court office indicated that the excess amount is mostly prior years' trust and restitution that were not recorded in the Bond and Trust book and, therefore, they were not paid out and/or identifiable.

CITY OF GOSHEN
AUDIT RESULT(S) AND COMMENT(S)
(Continued)

Financial records of a city or town court shall be reconciled with the balance statements provided by the respective depository (or depositories) at least monthly. (Accounting and Uniform Compliance Guidelines Manual for City and Town Courts, Chapter 4)

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for City and Town Courts, Chapter 4)

Prescribed Form No. 213CT, City/Town Court Cash Book, is to be used to record receipts and checks issued. The receipts and disbursements should be recorded and totaled daily. For those courts using the City/Town Court Daily/Monthly Balance Record (Form No. 219CT) on a daily basis, the totals of all receipts and checks would also be recorded in the appropriate columns of that form. (Accounting and Uniform Compliance Guidelines Manual for City and Town Courts, Chapter 1)

The form (City/Town Court Daily/Monthly Balance Record Form 219CT) is a summary of the court cash book. It can be kept daily or monthly and is posted from the court cash book. It is a record that should reveal a cumulative total of all funds received and disbursed, the depository balance at the end of each day or month and the amount of cash in the office at the close of each day or month. It is a very valuable aid in bookkeeping procedures. Courts that do not properly use this record usually experience difficulty in making a cash reconciliation and balancing the records at the end of the month. (Accounting and Uniform Compliance Guidelines Manual for City and Town Courts, Chapter 1)

Each city and town court is required to use official records and forms that are designated by the legislature or prescribed or approved by the State Board of Accounts or the State Court Administration office of the Supreme Court. (Accounting and Uniform Compliance Guidelines Manual for City and Town Courts, Chapter 1)

ANNUAL REPORT NOT FILED TIMELY

The 2010 Annual Report for the City of Goshen was filed on March 14, 2011. The Annual Report should have been filed by March 1, 2011.

Indiana Code 5-3-1-3(a) states in part: "Within sixty (60) days after the expiration of each calendar year, the fiscal officer of each civil city and town in Indiana shall publish an annual report of the receipts and expenditures of the city or town . . ."

Indiana Code 5-11-1-4 states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be filed electronically, in a manner prescribed by the state examiner that is compatible with the technology employed by the political subdivision."

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE CITY OF GOSHEN, ELKHART COUNTY, INDIANA

Compliance

We have audited the compliance of the City of Goshen (City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2010. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2010.

Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the City's management, Board of Public Works and Safety, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

April 27, 2011

CITY OF GOSHEN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2010

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Pass-Through Indiana Department of Natural Resources: Cooperative Forestry Assistance	10.664	08-DG-11420004-208	\$ <u>3,272</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Direct grant:			
CDBG-Entitlement and (HUD Administered) Small Cities Cluster Community Development Block Grants/Entitlement Grants	14.218	B-09-MC-18-0019 B-10-MC-18-0019	123,251 147,550 <u>16,420</u>
ARRA - Community Development Block Grants/Entitlement Grants			<u>16,420</u>
Total for Cluster			<u>287,221</u>
Pass-Through Indiana Housing & Community Development Authority: CDBG - State-Administered Small Cities Program Cluster ARRA - Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	NSP1-009-024	<u>1,149,244</u>
Total for federal grantor agency			<u>1,436,465</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-through Indiana Criminal Justice Institute: Bulletproof Vest Partnership Program	16.607	2009BUBX09047921	<u>17,191</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-through Elkhart County: Highway Safety Cluster Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	K8-2010-03-03-08	9,154
Pass-Through Indiana Governor's Council on Impaired and Dangerous Driving: Highway Safety Cluster Safety Belt Performance Grants	20.609	2008-NHTSA-406	<u>7,210</u>
Total for Cluster			<u>16,364</u>
Direct grant: Airport Improvement Program	20.106	3-18-0029-09-PP9 3-18-0029-11-PP2	21,681 <u>5,262</u>
Total for program			<u>26,943</u>
Total for federal grantor agency			<u>43,307</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Direct grant: Brownfields Assessment and Cleanup Cooperative Agreements	66.818	BF-00E6221-0 BF-00E00354-0 BF-00E00356-0 BL-00E48101-2 WW0907-002-02	12,378 3,517 2,036 12,253 <u>113,764</u>
Total for program			<u>143,948</u>
Pass-Through Indiana Finance Authority: Capitalization Grants for Clean Water State Revolving Funds ARRA-Capitalization Grants for Clean Water State Revolving Funds	66.458 66.458	WW09072002 WW09072002	6,996,845 <u>3,615,816</u>
Total for program			<u>10,612,661</u>
Capitalization Grants for Drinking Water State Revolving Funds ARRA- Capitalization Grants for Drinking Water State Revolving Funds	66.468 66.468	DW09032001 DW09032001	437,802 <u>448,252</u>
Total for program			<u>886,054</u>
Total for federal grantor agency			<u>11,642,663</u>
Total federal awards expended			<u>\$ 13,142,898</u>

The accompanying note(s) are an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF GOSHEN
NOTE(S) TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Goshen (City) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

2. Subrecipients

Of the federal expenditures presented in the schedule, the City provided federal awards to subrecipients as follows for the year ended December 31, 2010:

Program Title	Federal CFDA Number		
Community Development Block Grant/Entitlement Grants	14.218	\$	105,103
ARRA – Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228		1,114,954

CITY OF GOSHEN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statements noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
	CDBG – State-Administered Small Cities Program Cluster
66.458	Capitalization Grants for Clean Water State Revolving Funds
66.468	Capitalization Grants for Drinking Water State Revolving Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$394,287

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

CITY OF GOSHEN
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

CITY OF GOSHEN
EXIT CONFERENCE

The contents of this report were discussed on April 27, 2011, with Tina M. Bontrager, Clerk-Treasurer; Allan J. Kauffman, Mayor; and Thomas W. Stump, President of the Common Council.