

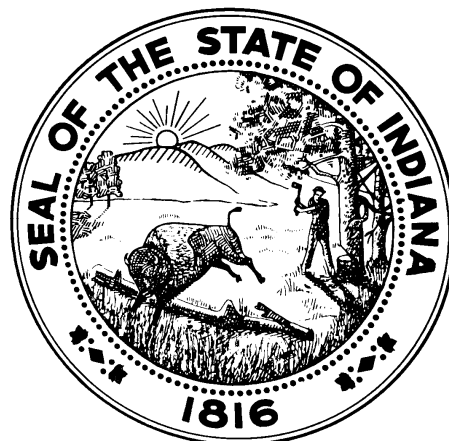
STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

ANNUAL FINANCIAL REPORT

2007

CITY OF GOSHEN

ELKHART COUNTY, INDIANA



FILED
09/29/2008

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards	3-4
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	5-6
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets – Cash and Investment Basis	7
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Governmental Funds	8
Proprietary Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Proprietary Funds.....	9
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds	10
Notes to Financial Statements	11-22
Required Supplementary Information:	
Schedules of Funding Progress	23
Schedules of Contributions From the Employer and Other Contributing Entities	24
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds.....	25-29
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Pension Trust Funds	30
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Private-Purpose Trust Funds	31-32
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Agency Funds.....	33
Schedule of Capital Assets.....	34
Schedule of Long-Term Debt	35
Other Report	36
Audit Results and Comments:	
City Payroll Bank Account Reconciliations	37
Ordinances and Resolutions – Utilities.....	37
Supplemental Audit of Federal Awards:	
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.....	40-41
Schedule of Expenditures of Federal Awards	42
Notes to Schedule of Expenditures of Federal Awards.....	43
Schedule of Findings and Questioned Costs	44
Auditee Prepared Schedule:	
Summary Schedule of Prior Audit Findings.....	45
Exit Conference.....	46

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Tina M. Bontrager	01-01-04 to 12-31-11
Mayor	Allan J. Kauffman	01-01-04 to 12-31-11
President of the Board of Public Works and Safety and Storm Water Management	Allan J. Kauffman	01-01-04 to 12-31-11
President of the Common Council	Everett J. Thomas Thomas W. Stump	01-01-07 to 12-31-07 01-01-08 to 12-31-08
Superintendent of Utilities	Douglas Perry	01-01-07 to 12-31-08
Utilities Office Manager	Tana Brooks	01-01-07 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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 statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Goshen (City), as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions 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 opinions.

As discussed in Note I, the City prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2007, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated August 26, 2008, 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 audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of

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

Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedules of Funding Progress, Schedule of Contributions From the Employer and Other Contributing Entities, as listed in the Table of Contents, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The City has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined are necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining Schedules, as listed in the Table of Contents, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The 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 basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

August 26, 2008



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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 statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Goshen (City), as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements and have issued our report thereon dated August 26, 2008. 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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or 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 statements are 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, the Board of Public Works and Safety and Storm Water Management 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

August 26, 2008

CITY OF GOSHEN
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2007

Functions/Programs	Program Receipts				Net (Disbursement) Receipt and Changes in Net Assets		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Totals
					Governmental Activities	Business-Type Activities	
Primary government:							
Governmental activities:							
General government	\$ 11,079,245	\$ 1,808,984	\$ -	\$ -	\$ (9,270,261)	\$ -	\$ (9,270,261)
Public safety	8,455,898	701,836	-	-	(7,754,062)	-	(7,754,062)
Highways and streets	2,976,150	385,913	1,387,193	805,632	(397,412)	-	(397,412)
Sanitation	736,280	-	-	-	(736,280)	-	(736,280)
Economic development	2,803,563	-	467,266	239,087	(2,097,210)	-	(2,097,210)
Culture and recreation	1,735,915	203,720	85,421	-	(1,446,774)	-	(1,446,774)
Principal	1,110,545	-	-	-	(1,110,545)	-	(1,110,545)
Interest on long-term debt	286,779	-	-	-	(286,779)	-	(286,779)
Total governmental activities	29,184,375	3,100,453	1,939,880	1,044,719	(23,099,323)	-	(23,099,323)
Business-type activities:							
Water	3,126,072	3,693,405	-	-	-	567,333	567,333
Wastewater	5,943,115	6,456,118	-	-	-	513,003	513,003
Total business-type activities	9,069,187	10,149,523	-	-	-	1,080,336	1,080,336
Total primary government	\$ 38,253,562	\$ 13,249,976	\$ 1,939,880	\$ 1,044,719	(23,099,323)	1,080,336	(22,018,987)
General receipts:							
Property taxes					14,750,897	-	14,750,897
Intergovernmental revenue					5,119,981	-	5,119,981
Other local sources					3,062,631	-	3,062,631
Grants and contributions not restricted to specific programs					46,278	-	46,278
Unrestricted investment earnings					609,604	-	609,604
Sale of property, rentals, adjustments and refunds					527,526	-	527,526
Transfers					(138,975)	138,975	-
Total general receipts, special items, and transfers					23,977,942	138,975	24,116,917
Change in net assets					878,619	1,219,311	2,097,930
Net assets - beginning					16,909,824	7,448,799	24,358,623
Net assets - ending					\$ 17,788,443	\$ 8,668,110	\$ 26,456,553
Assets							
Cash and investments					\$ 16,643,979	\$ 1,906,204	\$ 18,550,183
Restricted assets:							
Cash and investments					1,144,464	6,761,906	7,906,370
Total assets					\$ 17,788,443	\$ 8,668,110	\$ 26,456,553
Net Assets							
Restricted for:							
Culture and recreation					\$ 705,035	\$ -	\$ 705,035
Debt service					439,429	1,782,436	2,221,865
Other purposes					-	4,979,470	4,979,470
Unrestricted					16,643,979	1,906,204	18,550,183
Total net assets					\$ 17,788,443	\$ 8,668,110	\$ 26,456,553

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

CITY OF GOSHEN
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2007

	General	Local Major Moves Construction	Redevelopment District Capital	Other Governmental Funds	Totals
Receipts:					
Taxes	\$ 8,113,113	\$ -	\$ -	\$ 6,637,784	\$ 14,750,897
Licenses and permits	277,100	-	-	66	277,166
Intergovernmental	4,304,215	-	-	3,846,643	8,150,858
Charges for services	1,268,295	-	-	855,586	2,123,881
Fines and forfeits	200,461	-	-	217,349	417,810
Other	3,209,577	171,404	96,541	1,003,835	4,481,357
Total receipts	17,372,761	171,404	96,541	12,561,263	30,201,969
Disbursements:					
General government	8,374,653	-	-	839,265	9,213,918
Public safety	7,862,244	-	-	108,568	7,970,812
Highways and streets	-	2,005,862	-	2,190,305	4,196,167
Sanitation	736,280	-	-	-	736,280
Culture and recreation	-	-	-	1,551,270	1,551,270
Economic development	-	-	-	708,046	708,046
Debt service:					
Principal	-	-	-	1,110,545	1,110,545
Interest	-	-	-	286,779	286,779
Capital outlay:					
General government	394,024	-	-	1,556,797	1,950,821
Public safety	86,658	-	-	398,428	485,086
Highways and streets	3,667	-	29,972	752,206	785,845
Culture and recreation	-	-	-	184,645	184,645
Economic development	-	-	-	89,655	89,655
Total disbursements	17,457,526	2,005,862	29,972	9,776,509	29,269,869
Excess (deficiency) of receipts over disbursements	(84,765)	(1,834,458)	66,569	2,784,754	932,100
Other financing sources (uses):					
Transfers in	151,804	48,601	-	138,000	338,405
Transfers out	(44,000)	-	-	(347,886)	(391,886)
Total other financing sources (uses)	107,804	48,601	-	(209,886)	(53,481)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	23,039	(1,785,857)	66,569	2,574,868	878,619
Cash and investment fund balance - beginning	3,239,500	4,341,030	2,006,105	7,323,189	16,909,824
Cash and investment fund balance - ending	<u>\$ 3,262,539</u>	<u>\$ 2,555,173</u>	<u>\$ 2,072,674</u>	<u>\$ 9,898,057</u>	<u>\$ 17,788,443</u>
<u>Cash and Investment Assets - December 31</u>					
Cash and investments	\$ 3,262,539	\$ 2,555,173	\$ 2,072,674	\$ 8,753,593	\$ 16,643,979
Restricted assets:					
Cash and investments	-	-	-	1,144,464	1,144,464
Total cash and investment assets - December 31	<u>\$ 3,262,539</u>	<u>\$ 2,555,173</u>	<u>\$ 2,072,674</u>	<u>\$ 9,898,057</u>	<u>\$ 17,788,443</u>
<u>Cash and Investment Fund Balance - December 31</u>					
Restricted for:					
Culture and recreation	\$ -	\$ -	\$ -	\$ 705,035	\$ 705,035
Debt service	-	-	-	439,429	439,429
Unrestricted	3,262,539	2,555,173	2,072,674	8,753,593	16,643,979
Total cash and investment fund balance - December 31	<u>\$ 3,262,539</u>	<u>\$ 2,555,173</u>	<u>\$ 2,072,674</u>	<u>\$ 9,898,057</u>	<u>\$ 17,788,443</u>

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

CITY OF GOSHEN
STATEMENT OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUNDS
As of and for the Year Ended December 31, 2007

	Water Utility	Wastewater Utility	Totals
Operating receipts:			
Metered water receipts	\$ 2,738,151	\$ -	\$ 2,738,151
Public fire protection	414,945	-	414,945
Industrial hydrants and sprinklers	219,193	-	219,193
Penalties	62,971	99,104	162,075
Food service charge	-	66,364	66,364
Industrial service charge	-	20,054	20,054
Reconnection fees	38,490	-	38,490
Taps	90,977	124,927	215,904
Inspection fees	9,775	8,585	18,360
Industrial and fog permits	-	11,891	11,891
Measured revenue	-	5,797,333	5,797,333
Catch basin rental	-	32,558	32,558
Merchandise and labor sales	35,430	5,896	41,326
Other	4,342	4,320	8,662
	<u>3,614,274</u>	<u>6,171,032</u>	<u>9,785,306</u>
Total operating receipts			
Operating disbursements:			
Equipment and capital improvements	174,815	825,087	999,902
Source of supply and disbursements - operations and maintenance	745,991	-	745,991
Transmission and distribution	440,434	-	440,434
Collection system - operations and maintenance	-	507,580	507,580
Treatment and disposal disbursements - operations and maintenance	-	1,243,317	1,243,317
Customer accounts	141,976	134,927	276,903
Administration and general	969,932	1,153,245	2,123,177
Sludge removal	-	107,312	107,312
Chemicals	-	159,847	159,847
Insurance premiums	25,269	25,269	50,538
Regulatory commission disbursements	-	10,380	10,380
Payment in lieu of taxes	100,000	210,000	310,000
	<u>2,598,417</u>	<u>4,376,964</u>	<u>6,975,381</u>
Total operating disbursements			
Excess of operating receipts over operating disbursements	<u>1,015,857</u>	<u>1,794,068</u>	<u>2,809,925</u>
Nonoperating receipts (disbursements):			
Interest receipts	73,296	219,723	293,019
Miscellaneous receipts	5,835	65,363	71,198
Debt service of principal	(317,795)	(1,036,996)	(1,354,791)
Interest and investment disbursements	(209,860)	(529,155)	(739,015)
	<u>(448,524)</u>	<u>(1,281,065)</u>	<u>(1,729,589)</u>
Total nonoperating receipts (disbursements)			
Excess of receipts over disbursements and nonoperating receipts (disbursements)	567,333	513,003	1,080,336
Transfers in	<u>60,628</u>	<u>78,347</u>	<u>138,975</u>
Excess of receipts, contributions and transfers in over disbursements	627,961	591,350	1,219,311
Cash and investment fund balance - beginning	<u>2,097,588</u>	<u>5,351,211</u>	<u>7,448,799</u>
Cash and investment fund balance - ending	<u>\$ 2,725,549</u>	<u>\$ 5,942,561</u>	<u>\$ 8,668,110</u>
<u>Cash and Investment Assets - December 31</u>			
Cash and investments	\$ 774,174	\$ 1,132,030	\$ 1,906,204
Restricted assets:			
Cash and investments	<u>1,951,375</u>	<u>4,810,531</u>	<u>6,761,906</u>
Total cash and investment assets - December 31	<u>\$ 2,725,549</u>	<u>\$ 5,942,561</u>	<u>\$ 8,668,110</u>
<u>Cash and Investment Fund Balance - December 31</u>			
Restricted for:			
Debt service	\$ 429,229	\$ 1,353,207	\$ 1,782,436
Other purposes	1,522,146	3,457,324	4,979,470
Unrestricted	<u>774,174</u>	<u>1,132,030</u>	<u>1,906,204</u>
Total cash and investment fund balance - December 31	<u>\$ 2,725,549</u>	<u>\$ 5,942,561</u>	<u>\$ 8,668,110</u>

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

CITY OF GOSHEN
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For The Year Ended December 31, 2007

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Intergovernmental	\$ 1,746,249	\$ -	\$ -
Plan members	5,833	-	-
Other	<u>8,433</u>	<u>141,402</u>	<u>-</u>
Total contributions	<u>1,760,515</u>	<u>141,402</u>	<u>-</u>
Investment earnings:			
Interest	-	111,484	-
Loan principal	-	413,372	-
Transfer in	-	12,106	-
Agency fund additions	<u>-</u>	<u>-</u>	<u>19,830,538</u>
Total additions	<u>1,760,515</u>	<u>678,364</u>	<u>19,830,538</u>
Deductions:			
Benefits	1,356,307	-	-
Capital outlay	4,076	638,448	-
Administrative and general	-	-	-
Transfer out	-	97,600	-
Agency fund deductions	<u>-</u>	<u>-</u>	<u>19,717,860</u>
Total deductions	<u>1,360,383</u>	<u>736,048</u>	<u>19,717,860</u>
Excess (deficiency) of total additions over total deductions	400,132	(57,684)	112,678
Cash and investment fund balance - beginning	<u>739,158</u>	<u>1,686,742</u>	<u>113,099</u>
Cash and investment fund balance - ending	<u>\$ 1,139,290</u>	<u>\$ 1,629,058</u>	<u>\$ 225,777</u>

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

CITY OF GOSHEN
NOTES TO FINANCIAL STATEMENTS

I. 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 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, and urban redevelopment and housing.

The City's financial reporting entity is composed of the following:

Primary Government: City of Goshen

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Related Organizations

The City's officials are also responsible for appointing the members of the boards of other organizations, but the City's accountability for these organizations does not extend beyond making the appointments. The City appoints the board members of the Goshen Housing Authority, Goshen Redevelopment Commission, and the Goshen Community Relations Commission.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The local major moves construction fund is used to account for grants and contributions received from the State of Indiana and is used for construction projects.

CITY OF GOSHEN
NOTES TO FINANCIAL STATEMENTS
(Continued)

The redevelopment district capital fund is used to account for redevelopment bond proceeds and the interest income earned thereon and is used for highway and other infrastructure costs.

The City reports the following major proprietary funds:

The water utility fund accounts for the operation of the water distribution system.

The wastewater utility fund accounts for the operation of the wastewater treatment plant, pumping stations, and collection systems.

Additionally, the City reports the following fund types:

The pension trust funds account for the activities of the 1925 police and 1937 fire pension funds, which accumulate resources for pension benefit payments.

The private-purpose trust funds report trust arrangements under which principal and income benefit private organizations.

Agency funds account for assets held by the City as an agent for other governments.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, 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 cash and investment 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. Investment transactions are not presented on the financial statements.

If the City utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the Water and Wastewater Utilities. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

CITY OF GOSHEN
NOTES TO FINANCIAL STATEMENTS
(Continued)

Enterprise funds distinguish operating receipts and disbursements from nonoperating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating receipts of the enterprise funds are charges to customers for sales and services. Operating disbursements for enterprise funds include the cost of sales and services and administrative costs. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements. Internal service funds are used to account for activities provided to other departments or agencies primarily with the government. The City does not have any internal service funds.

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the City in June and in December. 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% 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 become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to December 31 of the year collected.

3. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

4. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

5. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

CITY OF GOSHEN
NOTES TO FINANCIAL STATEMENTS
(Continued)

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the City's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds and the similar discretely presented component unit result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

- 1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
- 2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
- 3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

CITY OF GOSHEN
NOTES TO FINANCIAL STATEMENTS
(Continued)

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the City submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the City receives approval of the Indiana Department of Local Government Finance.

The City's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

III. Detailed Notes on All Funds

A. Deposits and Investments

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

CITY OF GOSHEN
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2007, were as follows:

Transfer From	Transfer To	2007
General Fund	Other governmental funds	\$ 44,000
Other governmental funds	General Fund	54,204
Other governmental funds	Local Major Moves Construction Fund	48,601
Other governmental funds	Private-Purpose Trust Fund	12,106
Other governmental funds	Other governmental funds	94,000
Private-Purpose Trust Fund	General Fund	97,600
Other governmental funds	Water Utility Fund	60,628
Other governmental funds	Wastewater Utility Fund	78,347
		\$ 489,486
Total		\$ 489,486

The City typically uses transfers for cash flow purposes as provided by various statutory provisions.

C. Segment Information

The City issued revenue bonds to finance Water and Wastewater Utility Improvements. Investors in the revenue bonds rely solely on the revenue generated by the individual activities for repayment. Summary financial information for the Water and Wastewater Utilities is presented below.

Condensed Statement of Cash and Investment Net Assets	
Cash and investment assets:	
Cash and investments	\$ 1,906,204
Restricted assets	6,761,906
	\$ 8,668,110
Total cash and investment assets	
	\$ 8,668,110
Cash and investment net assets:	
Restricted for:	
Debt service	\$ 1,782,436
Other purposes	4,979,470
Unrestricted	1,906,204
	\$ 8,668,110
Total cash and investment net assets	
	\$ 8,668,110

CITY OF GOSHEN
NOTES TO FINANCIAL STATEMENTS
(Continued)

Condensed Statement of Receipts, Disbursements
and Changes in Cash and Investment Net Assets

Receipts (pledged against bond)	\$ 9,785,306
Operating disbursements	<u>(6,975,381)</u>
Excess of receipts over disbursements	<u>2,809,925</u>
Nonoperating receipts (disbursements):	
Interest received	293,019
Miscellaneous receipts	71,198
Principal and interest disbursed	(2,093,806)
Transfers	<u>138,975</u>
Total nonoperating receipts (disbursements)	<u>(1,590,614)</u>
Excess of receipts over disbursements and nonoperating receipts (disbursements)	1,219,311
Beginning cash and investment net assets	<u>7,448,799</u>
Ending cash and investment net assets	<u>\$ 8,668,110</u>

IV. Other Information

A. Risk Management

The City is 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; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

B. Subsequent Events

Beginning in 2009, the State Pension Relief Fund shall pay to each unit of local government with Pre-1977 Local Police and Fire Fighter Pension obligations, the total amount of pension, disability, and survivor benefit payments. The Pre-1977 funds include the 1925 Police Pension Fund, the 1937 Firefighters' Fund, and the 1953 Police Pension Fund. For property taxes due and payable after December 31, 2008, the Department of Local Government Finance shall reduce the maximum permissible property tax levy of any civil taxing unit and special service district by the amount of the payment to be made in 2009 by the State for the obligations.

CITY OF GOSHEN
NOTES TO FINANCIAL STATEMENTS
(Continued)

In 2008, the City plans to issue two new Tax Incremental Financing (TIF) District Revenue Bond issues. Resolution 2008-6 was adopted on March 4, 2008, authorizing up to \$6,000,000 of new bonds to fund construction of certain road improvements in the Keystone I, Keystone II, and Century Drive TIF districts. Resolution 2008-7 was adopted on March 4, 2008, authorizing up to \$3,500,000 to finance the acquisition for future developments and construction of utility lines in the River Race Corridor TIF district.

C. Conduit Debt Obligation

From time to time, the City has issued Economic Development Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying notes to the financial statements.

As of December 31, 2007, there were five series of Economic Development Revenue Bonds outstanding with an aggregate principal amount payable of \$44,450,000.

D. Postemployment Benefits

In addition to the pension benefits described below, the City provides postemployment health insurance benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the City with at least 20 years of service. Currently, three retirees meet these eligibility requirements. The City and retirees provide 42.1% and 57.9%, respectively, of these postemployment benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended December 31, 2007, disbursements of \$14,820 were recognized for postemployment benefits.

E. Rate Structure – Enterprise Funds

Water Utility

On April 14, 2001, the City Council adopted Ordinance 3895 to withdraw from the jurisdiction of the Indiana Utility Regulatory Commission. The current rate structure was approved by the City Council on May 3, 2005.

Wastewater Utility

The current rate structure was approved by the City Council on December 20, 2005.

CITY OF GOSHEN
NOTES TO FINANCIAL STATEMENTS
(Continued)

F. Pension Plans

1. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

a. Public Employees' Retirement Fund

Plan Description

The City contributes to the Indiana Public Employees' Retirement Fund (PERF), 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 the 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 member's contributions, set by state statute at 3% 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. The 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 and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The City's annual pension cost and related information, as provided by the actuary, is presented in this note.

Information to segregate the assets/liabilities and the actuarial study figures between the City and the Utilities is not available.

b. 1925 Police Officers' Pension Plan

Plan Description

The City contributes to the 1925 Police Officers' Pension Plan, which 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.

CITY OF GOSHEN
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute. The City's annual pension cost and related information as provided by the actuary, is presented in this note.

The use of the pay-as-you-go actuarial cost method by the City results in significant underfunding of the plan. Therefore, the Net Pension Obligation (NPO) is not reflected in the financial statements of the pension trust funds.

c. 1937 Firefighters' Pension Plan

Plan Description

The City contributes to the 1937 Firefighters' Pension Plan, which 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 and Annual Pension Cost

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute. The City's annual pension cost and related information, as provided by the actuary, is presented in this note.

The use of the pay-as-you-go actuarial cost method by the City results in significant underfunding of the plan. Therefore, the Net Pension Obligation (NPO) is not reflected in the financial statements of the pension trust funds.

Actuarial Information for the Above Plans

	<u>PERF</u>	<u>1925 Police Officers' Pension</u>	<u>1937 Firefighters' Pension</u>
Annual required contribution	\$ 368,545	\$ 493,300	\$ 1,302,300
Interest on net pension obligation	(11,249)	89,700	131,900
Adjustment to annual required contribution	<u>12,819</u>	<u>(111,500)</u>	<u>(163,900)</u>
Annual pension cost	370,115	471,500	1,270,300
Contributions made	<u>377,404</u>	<u>784,485</u>	<u>961,764</u>
Increase (decrease) in net pension obligation	(7,289)	(312,985)	308,536
Net pension obligation, beginning of year	<u>(155,155)</u>	<u>1,494,874</u>	<u>2,198,362</u>
Net pension obligation, end of year	<u>\$ (162,444)</u>	<u>\$ 1,181,889</u>	<u>\$ 2,506,898</u>

CITY OF GOSHEN
NOTES TO FINANCIAL STATEMENTS
(Continued)

	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Contribution rates:			
City	7.88%	241%	804%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-07	01-01-07	01-01-07
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Amortization period	30 years	30 years	30 years
Amortization period (from date)	07-01-97	01-01-05	01-01-05
Asset valuation method	75% of expected actuarial value plus 25% of market value	4 year phase in of unrealized and realized capital	4 year phase in of unrealized and realized capital

Actuarial Assumptions

Investment rate of return	7.25%	6%	6%
Projected future salary increases:			
Total	5%	4%	4%
Attributed to inflation	4%	4%	4%
Attributed to merit/seniority	1%	0%	0%
Cost-of-living adjustments	2%	2.75/4%*	2.75/4%*

*2.75% converted members; 4% nonconverted members

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-05	\$ 289,269	106%	\$ (143,236)
	06-30-06	341,659	103%	(155,155)
	06-30-07	370,115	102%	(162,444)
1925 Police Officers' Pension Plan	12-31-05	491,000	35%	1,462,268
	12-31-06	514,200	94%	1,494,874
	12-31-07	471,500	166%	1,181,889
1937 Firefighters' Pension Plan	12-31-05	630,300	36%	2,325,942
	12-31-06	623,800	120%	2,198,362
	12-31-07	1,270,300	76%	2,506,898

CITY OF GOSHEN
NOTES TO FINANCIAL STATEMENTS
(Continued)

Membership in the 1925 Police Officers' Pension Plan and the 1937 Firefighters' Pension Plan at January 1, 2007, was comprised of the following:

	1925 Police Officers' Pension	1937 Firefighters' Pension
Retirees and beneficiaries currently receiving benefits	16	29
Terminated employees entitled to but not yet receiving benefits	-	-
Current active employees	1	-

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The City contributes to the 1977 Police Officers' and Firefighters' Pension and Disability Fund, 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 55 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 55. 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 and Annual Pension Costs

Plan members are required to contribute 6% of the first-class police officers' and firefighters' salary and the City is to contribute at an actuarially determined rate. The current rate, which has not changed since the inception of the plan, is 21% of the first-class police officers' and firefighters' salary. The contribution requirements of plan members and the City are established by the Board of Trustees of PERF. The City's contributions to the plan for the years ending December 31, 2007, 2006, and 2005, were \$881,572, \$830,206, and \$752,632, respectively, equal to the required contributions for each year.

CITY OF GOSHEN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-05	\$ 4,141,497	\$ 5,732,988	\$ (1,591,491)	72%	\$ 4,263,978	(37%)
07-01-06	4,880,071	6,083,551	(1,203,480)	80%	4,785,906	(25%)
07-01-07	5,612,680	6,654,486	(1,041,806)	84%	5,155,488	(20%)

1925 Police Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-02	\$ 453,025	\$ 7,063,100	\$ (6,610,075)	6%	\$ 208,200	(3,175%)
01-01-03	589,129	5,572,700	(4,983,571)	11%	215,600	(2,311%)
01-01-04	464,472	6,237,300	(5,772,828)	7%	223,600	(2,582%)
01-01-05	470,144	6,194,500	(5,724,356)	8%	230,600	(2,482%)
01-01-06	295,294	6,492,100	(6,196,806)	5%	23,800	(26,037%)
01-01-07	319,813	6,010,300	(5,690,487)	5%	204,600	(2,781%)

1937 Firefighters' Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-02	\$ 573,501	\$ 8,861,700	\$ (8,288,199)	6%	\$ 243,300	(3,407%)
01-01-03	672,774	8,486,200	(7,813,426)	8%	250,500	(3,119%)
01-01-04	515,333	8,908,100	(8,392,767)	6%	257,900	(3,254%)
01-01-05	369,035	8,421,100	(8,052,065)	4%	228,000	(3,532%)
01-01-06	151,752	8,438,400	(8,286,648)	2%	196,100	(4,226%)
01-01-07	419,345	17,381,600	(16,962,255)	2%	161,900	(10,477%)

CITY OF GOSHEN
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF CONTRIBUTIONS FROM THE
 EMPLOYER AND OTHER CONTRIBUTING ENTITIES

	Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed
1925 Police Officers' Pension Plan	12-31-02	\$ 786,600	63%
	12-31-03	728,100	33%
	12-31-04	767,300	46%
	12-31-05	505,500	34%
	12-31-06	534,100	90%
	12-31-07	493,300	159%
1937 Firefighters' Pension Plan	12-31-02	980,200	53%
	12-31-03	1,026,900	26%
	12-31-04	1,080,000	27%
	12-31-05	654,600	35%
	12-31-06	655,400	115%
	12-31-07	1,302,300	74%

CITY OF GOSHEN
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007

	Motor Vehicle Highway	Local Road and Street	Park and Recreation	Aviation	Probation	Law Enforcement Continuing Education	Parking Lot
Receipts:							
Taxes	\$ 301,359	\$ -	\$ 1,371,449	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	66	-	-	-	-
Intergovernmental	1,690,486	305,174	85,421	-	-	-	-
Charges for services	20,927	-	203,654	135,533	-	16,319	2,125
Fines and forfeits	5,000	-	-	-	166,118	8,759	-
Other	153,064	-	150,541	100	25,474	-	-
Total receipts	<u>2,170,836</u>	<u>305,174</u>	<u>1,811,131</u>	<u>135,633</u>	<u>191,592</u>	<u>25,078</u>	<u>2,125</u>
Disbursements:							
General government	-	-	-	96,420	196,495	-	-
Public safety	-	-	-	-	-	17,870	-
Highways and streets	2,036,092	134,175	-	-	-	-	-
Culture and recreation	-	-	1,548,270	-	-	-	-
Economic development	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	24,584	-	-	44,935
Public safety	-	-	-	-	-	-	-
Highways and streets	106,776	205,735	-	-	-	-	-
Culture and recreation	-	-	184,645	-	-	-	-
Economic development	-	-	-	-	-	-	-
Total disbursements	<u>2,142,868</u>	<u>339,910</u>	<u>1,732,915</u>	<u>121,004</u>	<u>196,495</u>	<u>17,870</u>	<u>44,935</u>
Excess (deficiency) of receipts over disbursements	<u>27,968</u>	<u>(34,736)</u>	<u>78,216</u>	<u>14,629</u>	<u>(4,903)</u>	<u>7,208</u>	<u>(42,810)</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	(12,106)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(12,106)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>27,968</u>	<u>(34,736)</u>	<u>66,110</u>	<u>14,629</u>	<u>(4,903)</u>	<u>7,208</u>	<u>(42,810)</u>
Cash and investment fund balance - beginning	<u>603,498</u>	<u>221,261</u>	<u>638,925</u>	<u>41,843</u>	<u>104,314</u>	<u>16,737</u>	<u>56,015</u>
Cash and investment fund balance - ending	<u>\$ 631,466</u>	<u>\$ 186,525</u>	<u>\$ 705,035</u>	<u>\$ 56,472</u>	<u>\$ 99,411</u>	<u>\$ 23,945</u>	<u>\$ 13,205</u>
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ 631,466	\$ 186,525	\$ -	\$ 56,472	\$ 99,411	\$ 23,945	\$ 13,205
Restricted assets:							
Cash and investments	-	-	705,035	-	-	-	-
Total cash and investment assets - December 31	<u>\$ 631,466</u>	<u>\$ 186,525</u>	<u>\$ 705,035</u>	<u>\$ 56,472</u>	<u>\$ 99,411</u>	<u>\$ 23,945</u>	<u>\$ 13,205</u>
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Culture and recreation	\$ -	\$ -	\$ 705,035	\$ -	\$ -	\$ -	\$ -
Debt service	-	-	-	-	-	-	-
Unrestricted	<u>631,466</u>	<u>186,525</u>	<u>-</u>	<u>56,472</u>	<u>99,411</u>	<u>23,945</u>	<u>13,205</u>
Total cash and investment fund balance - December 31	<u>\$ 631,466</u>	<u>\$ 186,525</u>	<u>\$ 705,035</u>	<u>\$ 56,472</u>	<u>\$ 99,411</u>	<u>\$ 23,945</u>	<u>\$ 13,205</u>

CITY OF GOSHEN
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	Economic Development Income Tax	Economic Improvement District	Federal and State Grants	Beautification and Restoration Operating	Rainy Day	Redevelopment
Receipts:						
Taxes	\$ 1,224,559	\$ 44,967	\$ -	\$ -	\$ 48,761	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	1,217,128	-	38,724	-
Charges for services	-	-	90,000	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	359,986	19,959	-	164	2,704	130,218
	<u>1,584,545</u>	<u>64,926</u>	<u>1,307,128</u>	<u>164</u>	<u>90,189</u>	<u>130,218</u>
Total receipts						
Disbursements:						
General government	101,300	30,714	-	181	75,696	-
Public safety	-	-	1,023	-	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Economic development	19,423	-	-	-	-	90,835
Debt service:						
Principal	492,066	-	-	-	-	-
Interest	11,597	-	-	-	-	-
Capital outlay:						
General government	66,817	-	1,320,488	-	-	-
Public safety	94,000	-	-	-	-	-
Highways and streets	295,770	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
	<u>1,080,973</u>	<u>30,714</u>	<u>1,321,511</u>	<u>181</u>	<u>75,696</u>	<u>90,835</u>
Total disbursements						
Excess (deficiency) of receipts over disbursements	<u>503,572</u>	<u>34,212</u>	<u>(14,383)</u>	<u>(17)</u>	<u>14,493</u>	<u>39,383</u>
Other financing sources (uses):						
Transfers in	138,000	-	-	-	-	-
Transfers out	-	-	-	-	-	-
	<u>138,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)						
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	641,572	34,212	(14,383)	(17)	14,493	39,383
Cash and investment fund balance - beginning	<u>511,406</u>	<u>36,243</u>	<u>372,785</u>	<u>3,144</u>	<u>600,152</u>	<u>109,870</u>
Cash and investment fund balance - ending	<u>\$ 1,152,978</u>	<u>\$ 70,455</u>	<u>\$ 358,402</u>	<u>\$ 3,127</u>	<u>\$ 614,645</u>	<u>\$ 149,253</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ 1,152,978	\$ 70,455	\$ 358,402	\$ 3,127	\$ 614,645	\$ 149,253
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - December 31	<u>\$ 1,152,978</u>	<u>\$ 70,455</u>	<u>\$ 358,402</u>	<u>\$ 3,127</u>	<u>\$ 614,645</u>	<u>\$ 149,253</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service	-	-	-	-	-	-
Unrestricted	<u>1,152,978</u>	<u>70,455</u>	<u>358,402</u>	<u>3,127</u>	<u>614,645</u>	<u>149,253</u>
Total cash and investment fund balance - December 31	<u>\$ 1,152,978</u>	<u>\$ 70,455</u>	<u>\$ 358,402</u>	<u>\$ 3,127</u>	<u>\$ 614,645</u>	<u>\$ 149,253</u>

CITY OF GOSHEN
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	Court Records	Cumulative Capital Improvement Fire	Cumulative Capital Improvement Storm Sewer	Cumulative Capital Improvement Cigarette Tax	Cemetery Capital Improvement	Cumulative Capital Development
Receipts:						
Taxes	\$ -	\$ 213,238	\$ 213,238	\$ -	\$ -	\$ 695,897
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	11,851	36,851	103,204	-	38,676
Charges for services	-	-	-	-	7,914	-
Fines and forfeits	37,472	-	-	-	-	-
Other	-	-	-	-	-	200
Total receipts	37,472	225,089	250,089	103,204	7,914	734,773
Disbursements:						
General government	13,439	-	228,432	-	4,333	50,021
Public safety	-	21,192	-	-	-	68,483
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	3,000
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	90,617
Public safety	-	107,677	-	-	-	196,751
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Total disbursements	13,439	128,869	228,432	-	4,333	408,872
Excess (deficiency) of receipts over disbursements	24,033	96,220	21,657	103,204	3,581	325,901
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(103,204)	-	-
Total other financing sources (uses)	-	-	-	(103,204)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	24,033	96,220	21,657	-	3,581	325,901
Cash and investment fund balance - beginning	46,011	149,468	368,036	-	16,507	458,252
Cash and investment fund balance - ending	<u>\$ 70,044</u>	<u>\$ 245,688</u>	<u>\$ 389,693</u>	<u>\$ -</u>	<u>\$ 20,088</u>	<u>\$ 784,153</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ 70,044	\$ 245,688	\$ 389,693	\$ -	\$ 20,088	\$ 784,153
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - December 31	<u>\$ 70,044</u>	<u>\$ 245,688</u>	<u>\$ 389,693</u>	<u>\$ -</u>	<u>\$ 20,088</u>	<u>\$ 784,153</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service	-	-	-	-	-	-
Unrestricted	70,044	245,688	389,693	-	20,088	784,153
Total cash and investment fund balance - December 31	<u>\$ 70,044</u>	<u>\$ 245,688</u>	<u>\$ 389,693</u>	<u>\$ -</u>	<u>\$ 20,088</u>	<u>\$ 784,153</u>

CITY OF GOSHEN
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	General Improvement	Community Development Block Grant	HUD Home	HUD Rental Rehab	TIF Rivertrace	TIF Keystone I Cash
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 512,163	\$ 796,784
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	294,857	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	10,744	19,194	-	323	9,329	55,041
Total receipts	10,744	314,051	-	323	521,492	851,825
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Economic development	-	259,816	-	-	88,672	49,612
Debt service:						
Principal	-	-	-	-	-	100,000
Interest	-	-	-	-	-	122,769
Capital outlay:						
General government	9,356	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	143,925
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Total disbursements	9,356	259,816	-	-	88,672	416,306
Excess (deficiency) of receipts over disbursements	1,388	54,235	-	323	432,820	435,519
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	(45,000)	-	-	(48,601)	(83,385)
Total other financing sources (uses)	-	(45,000)	-	-	(48,601)	(83,385)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,388	9,235	-	323	384,219	352,134
Cash and investment fund balance - beginning	102,405	29,682	19,281	37,214	122,839	998,287
Cash and investment fund balance - ending	<u>\$ 103,793</u>	<u>\$ 38,917</u>	<u>\$ 19,281</u>	<u>\$ 37,537</u>	<u>\$ 507,058</u>	<u>\$ 1,350,421</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ 103,793	\$ 38,917	\$ 19,281	\$ 37,537	\$ 507,058	\$ 1,350,421
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - December 31	<u>\$ 103,793</u>	<u>\$ 38,917</u>	<u>\$ 19,281</u>	<u>\$ 37,537</u>	<u>\$ 507,058</u>	<u>\$ 1,350,421</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service	-	-	-	-	-	-
Unrestricted	103,793	38,917	19,281	37,537	507,058	1,350,421
Total cash and investment fund balance - December 31	<u>\$ 103,793</u>	<u>\$ 38,917</u>	<u>\$ 19,281</u>	<u>\$ 37,537</u>	<u>\$ 507,058</u>	<u>\$ 1,350,421</u>

CITY OF GOSHEN
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	TIF Keystone II Cash	TIF Century Drive Cash	Storm Water Management Control	North U.S. 30 Allocation TIF	Debt Service	Totals
Receipts:						
Taxes	\$ 151,031	\$ 572,241	\$ -	\$ 55,406	\$ 436,691	\$ 6,637,784
Licenses and permits	-	-	-	-	-	66
Intergovernmental	-	-	-	-	24,271	3,846,643
Charges for services	-	-	379,114	-	-	855,586
Fines and forfeits	-	-	-	-	-	217,349
Other	24,473	40,598	100	1,065	558	1,003,835
Total receipts	175,504	612,839	379,214	56,471	461,520	12,561,263
Disbursements:						
General government	-	-	41,684	-	550	839,265
Public safety	-	-	-	-	-	108,568
Highways and streets	20,038	-	-	-	-	2,190,305
Culture and recreation	-	-	-	-	-	1,551,270
Economic development	-	188,353	-	11,335	-	708,046
Debt service:						
Principal	66,000	34,000	-	-	418,479	1,110,545
Interest	81,030	41,740	-	-	29,643	286,779
Capital outlay:						
General government	-	-	-	-	-	1,556,797
Public safety	-	-	-	-	-	398,428
Highways and streets	-	-	-	-	-	752,206
Culture and recreation	-	-	-	-	-	184,645
Economic development	-	89,655	-	-	-	89,655
Total disbursements	167,068	353,748	41,684	11,335	448,672	9,776,509
Excess (deficiency) of receipts over disbursements	8,436	259,091	337,530	45,136	12,848	2,784,754
Other financing sources (uses):						
Transfers in	-	-	-	-	-	138,000
Transfers out	(55,590)	-	-	-	-	(347,886)
Total other financing sources (uses)	(55,590)	-	-	-	-	(209,886)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(47,154)	259,091	337,530	45,136	12,848	2,574,868
Cash and investment fund balance - beginning	462,691	740,457	600	28,685	426,581	7,323,189
Cash and investment fund balance - ending	\$ 415,537	\$ 999,548	\$ 338,130	\$ 73,821	\$ 439,429	\$ 9,898,057
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ 415,537	\$ 999,548	\$ 338,130	\$ 73,821	\$ -	\$ 8,753,593
Restricted assets:						
Cash and investments	-	-	-	-	439,429	1,144,464
Total cash and investment assets - December 31	\$ 415,537	\$ 999,548	\$ 338,130	\$ 73,821	\$ 439,429	\$ 9,898,057
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 705,035
Debt service	-	-	-	-	439,429	439,429
Unrestricted	415,537	999,548	338,130	73,821	-	8,753,593
Total cash and investment fund balance - December 31	\$ 415,537	\$ 999,548	\$ 338,130	\$ 73,821	\$ 439,429	\$ 9,898,057

CITY OF GOSHEN
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For The Year Ended December 31, 2007

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Totals</u>
Additions:			
Contributions:			
Intergovernmental	\$ 784,485	\$ 961,764	\$ 1,746,249
Plan members	5,833	-	5,833
Other	<u>8,304</u>	<u>129</u>	<u>8,433</u>
 Total contributions	 <u>798,622</u>	 <u>961,893</u>	 <u>1,760,515</u>
 Deductions:			
Benefits	561,766	794,541	1,356,307
Administrative and general	<u>1,983</u>	<u>2,093</u>	<u>4,076</u>
 Total deductions	 <u>563,749</u>	 <u>796,634</u>	 <u>1,360,383</u>
 Excess of total additions over total deductions	 234,873	 165,259	 400,132
 Cash and investment fund balance - beginning	 <u>319,813</u>	 <u>419,345</u>	 <u>739,158</u>
 Cash and investment fund balance - ending	 <u>\$ 554,686</u>	 <u>\$ 584,604</u>	 <u>\$ 1,139,290</u>

CITY OF GOSHEN
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For The Year Ended December 31, 2007

	<u>Donation</u>	<u>Park Gift</u>	<u>Electric Utility Sale</u>	<u>Violet Cemetery Endowment</u>	<u>West Goshen Cemetery Endowment</u>
Additions:					
Contributions:					
Charges for services	\$ -	\$ 29,497	\$ -	\$ -	\$ -
Other	<u>69,868</u>	<u>31,223</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total contributions	<u>69,868</u>	<u>60,720</u>	<u>-</u>	<u>-</u>	<u>-</u>
Investment earnings:					
Interest	-	-	101,834	4,045	974
Loan principal received	-	-	413,372	-	-
Transfer in	<u>12,106</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total additions	<u>81,974</u>	<u>60,720</u>	<u>515,206</u>	<u>4,045</u>	<u>974</u>
Deductions:					
Capital outlay	43,882	91,066	503,500	-	-
Interfund transfers	<u>-</u>	<u>-</u>	<u>97,600</u>	<u>-</u>	<u>-</u>
Total deductions	<u>43,882</u>	<u>91,066</u>	<u>601,100</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of total additions over total deductions	38,092	(30,346)	(85,894)	4,045	974
Cash and cash equivalents - beginning	<u>124,978</u>	<u>107,882</u>	<u>1,260,090</u>	<u>74,977</u>	<u>18,044</u>
Cash and cash equivalents - ending	<u>\$ 163,070</u>	<u>\$ 77,536</u>	<u>\$ 1,174,196</u>	<u>\$ 79,022</u>	<u>\$ 19,018</u>

CITY OF GOSHEN
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	Cemetery Permanent Maintenance	Oakridge Cemetery Endowment	Millrace Trust	Beautification and Restoration Trust	Totals
Additions:					
Contributions:					
Charges for services	\$ 7,914	\$ -	\$ -	\$ -	\$ 37,411
Other	-	-	-	2,900	103,991
Total contributions	<u>7,914</u>	<u>-</u>	<u>-</u>	<u>2,900</u>	<u>141,402</u>
Investment earnings:					
Interest	-	1,259	2,932	440	111,484
Loan principal received	-	-	-	-	413,372
Transfer in	-	-	-	-	12,106
Total additions	<u>7,914</u>	<u>1,259</u>	<u>2,932</u>	<u>3,340</u>	<u>678,364</u>
Deductions:					
Capital outlay	-	-	-	-	638,448
Interfund transfers	-	-	-	-	97,600
Total deductions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>736,048</u>
Excess (deficiency) of total additions over total deductions	7,914	1,259	2,932	3,340	(57,684)
Cash and cash equivalents - beginning	<u>16,486</u>	<u>22,840</u>	<u>54,353</u>	<u>7,092</u>	<u>1,686,742</u>
Cash and cash equivalents - ending	<u>\$ 24,400</u>	<u>\$ 24,099</u>	<u>\$ 57,285</u>	<u>\$ 10,432</u>	<u>\$ 1,629,058</u>

CITY OF GOSHEN
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2007

	City Payroll	Utility Payroll	Court Cashbook	Probation Cashbook	Continuing Education Others	Health Insurance Premiums	Totals
Additions:							
Agency fund additions	\$ 15,288,282	\$ -	\$ 1,064,063	\$ 406,317	\$ 1,818	\$ 3,070,058	\$ 19,830,538
Deductions:							
Agency fund deductions	15,395,041	-	1,055,698	391,177	1,749	2,874,195	19,717,860
Excess (deficiency) of total additions over total deductions	(106,759)	-	8,365	15,140	69	195,863	112,678
Cash and investment fund balance - beginning	124,464	25,759	46,322	87,411	14,910	(185,767)	113,099
Cash and investment fund balance - ending	<u>\$ 17,705</u>	<u>\$ 25,759</u>	<u>\$ 54,687</u>	<u>\$ 102,551</u>	<u>\$ 14,979</u>	<u>\$ 10,096</u>	<u>\$ 225,777</u>

CITY OF GOSHEN
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

As Of December 31, 2007

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	\$ 24,392,620
Infrastructure	70,423,871
Buildings	11,529,089
Improvements other than buildings	6,181,524
Machinery and equipment	6,305,157
Construction in progress	<u>382,859</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 119,215,120</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 47,585
Construction in progress	77,659
Capital assets being depreciated:	
Buildings	1,861,347
Improvements other than buildings	17,674,342
Machinery and equipment	<u>878,397</u>
 Total Water Utility capital assets	 <u>20,539,330</u>
 Wastewater Utility:	
Capital assets, not being depreciated:	
Land	717,721
Construction in progress	1,086,434
Capital assets being depreciated:	
Buildings	14,872,883
Improvements other than buildings	23,778,931
Machinery and equipment	<u>2,222,380</u>
 Total Wastewater Utility capital assets	 <u>42,678,349</u>
 Total business-type activities capital assets	 <u>\$ 63,217,679</u>

CITY OF GOSHEN
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT

As Of December 31, 2007

Description of Asset	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
13 Police Cars	\$ 140,197	\$ 68,903
6 Dump Trucks	256,274	125,470
1 Ambulance & Defibrillators	208,879	77,811
2 Dump Trucks	66,224	66,224
Computer Server & Incode Software	75,811	23,991
1 Fire Truck	210,406	66,941
Fire Monitors	43,246	10,084
Notes and loans payable:		
Aviation Loan	35,803	35,803
Real Estate Loan to Purchase two Properties	114,750	45,900
Bonds payable:		
General obligation bonds:		
2000 Issue	1,605,000	400,000
2005 Series A Redevelopment District Bonds	2,620,000	-
2006 Series B Redevelopment District Bonds	3,180,000	205,000
Total governmental activities long-term debt	<u>\$ 8,556,590</u>	<u>\$ 1,126,127</u>
Business-type Activities:		
Water Utility		
Capital leases:		
Vactor (40%)	\$ 38,831	\$ 19,070
Computer Server & Incode Software	30,783	9,814
Revenue bonds:		
2003 Refunding Bonds	395,000	195,000
2003 TIF Bonds	460,000	40,000
2005 Refinancing Bonds	4,080,000	65,000
Total Water Utility	<u>5,004,614</u>	<u>328,884</u>
Wastewater Utility		
Capital leases:		
Vactor (60%)	58,247	28,604
Computer Server & Incode Software	30,782	9,814
SRF Loan	3,580,000	540,000
Revenue bonds:		
2002 Bonds	3,020,000	5,000
2003 TIF Bonds	635,000	55,000
2004 Bonds	5,165,000	435,000
Total Wastewater Utility	<u>12,489,029</u>	<u>1,073,418</u>
Total business-type activities long-term debt	<u>\$ 17,493,643</u>	<u>\$ 1,402,302</u>

CITY OF GOSHEN
OTHER REPORT

The annual audit report presented herein was prepared in addition to another official report prepared for the individual City offices listed below:

Water and Wastewater Utilities

CITY OF GOSHEN
AUDIT RESULTS AND COMMENTS

CITY PAYROLL BANK ACCOUNT RECONCILIATIONS

The monthly reconciliation of the City Payroll Fund to the payroll bank account balance was incorrect for every month during 2007. This was due to the Clerk-Treasurer using a record balance with the same error in it every month. The unreconciled difference as of December 31, 2007, was \$3,989.91. The erroneous amount was discovered during the audit and has been corrected.

Indiana Code 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

ORDINANCES AND RESOLUTIONS – UTILITIES

The Water and Wastewater Utilities have ordinances concerning the calculation of penalties on delinquent accounts. Ordinance 4232 and Ordinance 4333 approved August 3, 2004, and December 20, 2005, respectively, stated that a penalty for delinquent payments would be assessed at the rate of 10% on any outstanding balances. However, the new billing software system assesses the 10% penalty only on the previous month's bill. There have been no amendments to these ordinances approving the current manner of calculating the penalty. This audit comment also appeared in Report B30184.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

(This page intentionally left blank.)

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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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, 2007. 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, 2007.

Internal Control Over Compliance

The 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, 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.

A control deficiency in a City's 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 noncompliance with a type of compliance requirement of a

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)

federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

This report is intended solely for the information and use of the City's management, the Board of Public Works and Safety and Storm Water Management, 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

August 26, 2008

CITY OF GOSHEN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2007

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 HOUSING AND URBAN DEVELOPMENT</u>			
Direct Grant			
Community Development Block Grant Cluster			
Community Development Block Grants/Entitlement Grants	14.218	B-06-MC-18-0019 B-07-MC-18-0019	\$ 71,293 <u>233,523</u>
Total for federal grantor agency			<u>304,816</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Grant			
Public Safety Partnership and Community Policing Grants	16.710		<u>12,500</u>
Pass-Through Indiana Criminal Justice Institute			
Bulletproof Vest Partnership Program	16.607		<u>1,023</u>
Total for federal grantor agency			<u>13,523</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Direct Grant			
Airport Improvement Program	20.106	3-18-0029-08 3-18-0029-09	452,934 <u>281,913</u>
Total for program			<u>734,847</u>
Pass-Through Elkhart County			
Highway Safety Cluster			
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601		<u>22,392</u>
Total for federal grantor agency			<u>757,239</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Direct Grant			
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	Hazardous Substances Petroleum	178,527 <u>175,228</u>
Total for federal grantor agency			<u>353,755</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security			
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036		<u>19,726</u>
Total for federal grantor agency			<u>\$ 1,449,059</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF GOSHEN
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. 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 requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

II. Subrecipients

Of the federal expenditures presented in the schedule, the City provided federal awards to subrecipients as follows for the year ended December 31, 2007:

Program Title	Federal CFDA Number	2007
Community Development Block Grants/Entitlement Grants	14.218	<u>\$ 152,483</u>

CITY OF GOSHEN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:
 Material weaknesses identified? no
 Significant deficiencies identified that are not considered to be material weaknesses? none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:
 Material weaknesses identified? no
 Significant deficiencies identified that are not considered to be material weaknesses? 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
14.218	Community Development Block Grants/Entitlement Grants
20.106	Airport Improvement Program
66.818	Brownfields Assessment and Cleanup Cooperative Agreements

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? no

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 August 26, 2008, with Tina M. Bontrager, Clerk-Treasurer; Allan J. Kauffman, Mayor; Thomas W. Stump, President of the Common Council; and Tana Brooks, Utilities Office Manager. The officials concurred with our audit findings.