

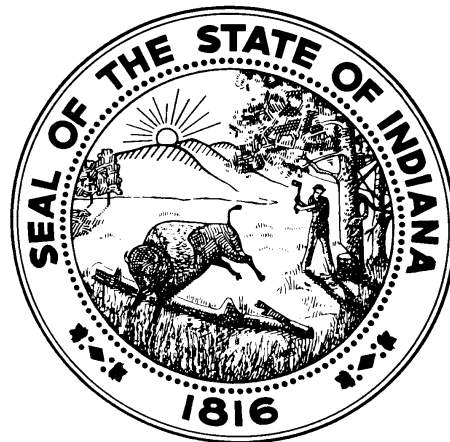
**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

ANNUAL FINANCIAL REPORT

2008

CITY OF GOSHEN

ELKHART COUNTY, INDIANA



**FILED**

10/13/2009



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
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.....	38-39
Schedule of Expenditures of Federal Awards .....	40
Notes to Schedule of Expenditures of Federal Awards.....	41
Schedule of Findings and Questioned Costs .....	42
Auditee Prepared Schedule:	
Summary Schedule of Prior Audit Findings .....	43
Exit Conference.....	44

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	Allan J. Kauffman	01-01-08 to 12-31-11
President of the Common Council	Thomas W. Stump	01-01-08 to 12-31-09
Superintendent of Utilities	Douglas Perry	01-01-08 to 12-31-09
Utilities Office Manager	Tana Brooks	01-01-08 to 12-31-09



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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 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, 2008, 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, 2008, 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 September 15, 2009, 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.

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 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 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, Schedules 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 is 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

September 15, 2009



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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 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, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 15, 2009. 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, Common Council, 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

September 15, 2009

CITY OF GOSHEN  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For The Year Ended December 31, 2008

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	\$ 15,686,345	\$ 1,271,223	\$ 31,457	\$ -	\$ (14,383,665)	\$ -	\$ (14,383,665)
Public safety	205,458	725,591	29,050	-	549,183	-	549,183
Highways and streets	2,618,380	2,125	1,249,677	-	(1,366,578)	-	(1,366,578)
Sanitation	69,899	366,250	-	-	296,351	-	296,351
Economic development	8,167,029	-	-	249,845	(7,917,184)	-	(7,917,184)
Culture and recreation	1,657,930	62,506	105,952	-	(1,489,472)	-	(1,489,472)
Principal and interest on indebtedness	1,291,952	-	-	-	(1,291,952)	-	(1,291,952)
Total governmental activities	29,696,993	2,427,695	1,416,136	249,845	(25,603,317)	-	(25,603,317)
Business-type activities:							
Wastewater Utility	7,915,848	5,880,392	-	1,173,357	-	(862,099)	(862,099)
Water Utility	4,061,601	3,587,878	-	508,307	-	34,584	34,584
Total business-type activities	11,977,449	9,468,270	-	1,681,664	-	(827,515)	(827,515)
Total primary government	\$ 41,674,442	\$ 11,895,965	\$ 1,416,136	\$ 1,931,509	(25,603,317)	(827,515)	(26,430,832)
General receipts:							
Property taxes					6,947,189	-	6,947,189
Intergovernmental					7,043,280	-	7,043,280
Other local sources					2,572,823	-	2,572,823
Net proceeds from borrowings					8,105,000	-	8,105,000
Grants and contributions not restricted to specific programs					25,907	-	25,907
Investment earnings					397,985	126,755	524,740
Total general receipts					25,092,184	126,755	25,218,939
Change in net assets					(511,133)	(700,760)	(1,211,893)
Net assets - beginning					17,818,662	8,664,111	26,482,773
Net assets - ending					\$ 17,307,529	\$ 7,963,351	\$ 25,270,880
<b>Assets</b>							
Cash and investments					\$ 10,623,984	\$ 2,532,948	\$ 13,156,932
Restricted assets:							
Cash and investments					6,683,545	5,430,403	12,113,948
Total assets					\$ 17,307,529	\$ 7,963,351	\$ 25,270,880
<b>Net Assets</b>							
Restricted for:							
Highways and streets					\$ 171,859	\$ -	\$ 171,859
Debt service					1,072,654	1,970,828	3,043,482
Capital outlay					5,439,032	-	5,439,032
Other purposes					-	3,459,575	3,459,575
Unrestricted					10,623,984	2,532,948	13,156,932
Total net assets					\$ 17,307,529	\$ 7,963,351	\$ 25,270,880

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, 2008

	General	Riverrace Capital Project 2008	South Goshen Capital Project 2008	Other Governmental Funds	Totals
<b>Receipts:</b>					
Taxes	\$ 5,079,182	\$ -	\$ -	\$ 2,089,923	\$ 7,169,105
Licenses and permits	280,832	-	-	108	280,940
Intergovernmental	4,297,857	-	-	4,437,311	8,735,168
Charges for services	1,226,836	-	-	375,968	1,602,804
Fines and forfeits	301,221	-	-	242,730	543,951
Interfund loans	4,397,300	-	-	568,500	4,965,800
Other	281,383	34,613	50,253	775,909	1,142,158
<b>Total receipts</b>	<b>15,864,611</b>	<b>34,613</b>	<b>50,253</b>	<b>8,490,449</b>	<b>24,439,926</b>
<b>Disbursements:</b>					
General government	14,135,869	-	-	582,660	14,718,529
Public safety	-	-	-	205,458	205,458
Highways and streets	-	-	-	2,338,263	2,338,263
Sanitation	-	-	-	56,608	56,608
Economic development	-	102,985	152,160	1,961,574	2,216,719
Culture and recreation	-	-	-	1,510,658	1,510,658
Interfund loans	-	-	-	3,476,800	3,476,800
Debt service:					
Principal	-	-	-	775,000	775,000
Interest	-	-	-	516,952	516,952
Capital outlay:					
General government	155,193	-	-	812,623	967,816
Highways and streets	-	-	-	280,117	280,117
Sanitation	-	-	-	13,291	13,291
Economic development	-	421,663	2,335,802	3,192,845	5,950,310
Culture and recreation	-	-	-	147,272	147,272
<b>Total disbursements</b>	<b>14,291,062</b>	<b>524,648</b>	<b>2,487,962</b>	<b>15,870,121</b>	<b>33,173,793</b>
Excess (deficiency) of receipts over disbursements	1,573,549	(490,035)	(2,437,709)	(7,379,672)	(8,733,867)
<b>Other financing sources (uses):</b>					
Net proceeds from borrowings	-	3,195,000	4,910,000	-	8,105,000
Transfers in	95,555	-	-	810,500	906,055
Transfers out	-	(319,500)	(491,000)	(95,555)	(906,055)
Other receipts	106,867	-	-	10,867	117,734
<b>Total other financing sources (uses)</b>	<b>202,422</b>	<b>2,875,500</b>	<b>4,419,000</b>	<b>725,812</b>	<b>8,222,734</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,775,971	2,385,465	1,981,291	(6,653,860)	(511,133)
Cash and investment fund balance - beginning	3,291,825	-	-	14,526,837	17,818,662
Cash and investment fund balance - ending	<u>\$ 5,067,796</u>	<u>\$ 2,385,465</u>	<u>\$ 1,981,291</u>	<u>\$ 7,872,977</u>	<u>\$ 17,307,529</u>
<b><u>Cash and Investment Assets - Ending</u></b>					
Cash and investments	\$ 5,067,796	\$ -	\$ -	\$ 5,556,188	\$ 10,623,984
Restricted assets:					
Cash and investments	-	2,385,465	1,981,291	2,316,789	6,683,545
<b>Total cash and investment assets - ending</b>	<u>\$ 5,067,796</u>	<u>\$ 2,385,465</u>	<u>\$ 1,981,291</u>	<u>\$ 7,872,977</u>	<u>\$ 17,307,529</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>					
Restricted for:					
Highways and streets	\$ -	\$ -	\$ -	\$ 171,859	\$ 171,859
Debt service	-	-	-	1,072,654	1,072,654
Capital outlay	-	2,385,465	1,981,291	1,072,276	5,439,032
Unrestricted	5,067,796	-	-	5,556,188	10,623,984
<b>Total cash and investment fund balance - ending</b>	<u>\$ 5,067,796</u>	<u>\$ 2,385,465</u>	<u>\$ 1,981,291</u>	<u>\$ 7,872,977</u>	<u>\$ 17,307,529</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, 2008

	<u>Wastewater Utility</u>	<u>Water Utility</u>	<u>Totals</u>
Operating receipts:			
Metered/measured	\$ 5,637,152	\$ 3,416,244	\$ 9,053,396
Miscellaneous	<u>243,240</u>	<u>171,634</u>	<u>414,874</u>
Total operating receipts	<u>5,880,392</u>	<u>3,587,878</u>	<u>9,468,270</u>
Operating disbursements:			
Salaries and wages	1,348,536	1,005,632	2,354,168
Employee pensions and benefits	644,226	484,778	1,129,004
Sludge removal	121,129	-	121,129
Chemicals	-	16,201	16,201
Material and supplies	660,808	354,066	1,014,874
Contractual services	772,184	513,670	1,285,854
Insurance claims and expense	33,855	33,855	67,710
Equipment and capital improvements	1,718,912	597,866	2,316,778
Miscellaneous	<u>1,047,507</u>	<u>558,196</u>	<u>1,605,703</u>
Total operating disbursements	<u>6,347,157</u>	<u>3,564,264</u>	<u>9,911,421</u>
Excess (deficiency) of operating receipts over operating disbursements	<u>(466,765)</u>	<u>23,614</u>	<u>(443,151)</u>
Nonoperating receipts (disbursements):			
Investment income	86,496	40,259	126,755
Debt service principal	(1,073,419)	(328,884)	(1,402,303)
Interest disbursements	<u>(495,272)</u>	<u>(168,453)</u>	<u>(663,725)</u>
Total nonoperating receipts (disbursements)	<u>(1,482,195)</u>	<u>(457,078)</u>	<u>(1,939,273)</u>
Deficiency of receipts over disbursements and nonoperating receipts (disbursements)	(1,948,960)	(433,464)	(2,382,424)
Capital contributions	<u>1,173,357</u>	<u>508,307</u>	<u>1,681,664</u>
Excess (deficiency) of receipts, contributions and transfers in over disbursements and transfers out	(775,603)	74,843	(700,760)
Cash and investment fund balance - beginning	<u>5,938,562</u>	<u>2,725,549</u>	<u>8,664,111</u>
Cash and investment fund balance - ending	<u>\$ 5,162,959</u>	<u>\$ 2,800,392</u>	<u>\$ 7,963,351</u>
<u>Cash and Investment Assets - December 31</u>			
Cash and investments	\$ 1,396,834	\$ 1,136,114	\$ 2,532,948
Restricted assets:			
Cash and investments	<u>3,766,125</u>	<u>1,664,278</u>	<u>5,430,403</u>
Total cash and investment assets - December 31	<u>\$ 5,162,959</u>	<u>\$ 2,800,392</u>	<u>\$ 7,963,351</u>
<u>Cash and Investment Fund Balance - December 31</u>			
Restricted for:			
Debt service	\$ 1,516,375	\$ 454,453	\$ 1,970,828
Other purposes	2,249,750	1,209,825	3,459,575
Unrestricted	<u>1,396,834</u>	<u>1,136,114</u>	<u>2,532,948</u>
Total cash and investment fund balance - December 31	<u>\$ 5,162,959</u>	<u>\$ 2,800,392</u>	<u>\$ 7,963,351</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, 2008

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Intergovernmental	\$ 943,213	\$ -	
Plan members	2,691	-	
Other	<u>1,291</u>	<u>164,262</u>	
Total contributions	<u>947,195</u>	<u>164,262</u>	
Investment earnings:			
Interest	-	61,783	
Loan principal	<u>-</u>	<u>476,443</u>	
Total additions	<u>947,195</u>	<u>702,488</u>	
Deductions:			
Benefits	1,030,277	10,022	
Interfund loan	-	1,489,000	
Administrative and general	<u>715</u>	<u>201,616</u>	
Total deductions	<u>1,030,992</u>	<u>1,700,638</u>	
Deficiency of total additions over total deductions	(83,797)	(998,150)	
Cash and investment fund balance - beginning	<u>1,122,135</u>	<u>1,629,058</u>	
Cash and investment fund balance - ending	<u>\$ 1,038,338</u>	<u>\$ 630,908</u>	<u>\$ 140,587</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.

CITY OF GOSHEN  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The riverrace capital project 2008 fund is used to account for tax incremental revenue bond proceeds to be used for the acquisition and development of property for future development benefiting the River Race Corridor Economic Development Area.

The south goshen capital project 2008 fund is used to account for tax incremental revenue bond proceeds to be used to fund the construction of road improvements benefiting the Keystone I and II Economic Development Areas and the Century Drive Economic Development Area.

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 the 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.

CITY OF GOSHEN  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 City and the Water and Wastewater Utilities. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

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 should be 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 City 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.

CITY OF GOSHEN  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

5. Equity Classification

Government-Wide Statements

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

- 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 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.

CITY OF GOSHEN  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 is reported as transfers in and out.

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.

CITY OF GOSHEN  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

1. 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.

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2008, were as follows:

Transfer From	Transfer To	2008
Riverrace Capital Project 2008	Other governmental funds	\$ 319,500
South Goshen Capital Project 2008	Other governmental funds	491,000
Other governmental funds	General Fund	<u>95,555</u>
Total		<u>\$ 906,055</u>

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

C. Restatements and Reclassifications

For the year ended December 31, 2008, certain changes have been made to the financial statements to more appropriately reflect financial activity of the City. The following schedule presents a summary of restated beginning balances by opinion unit. Prior period adjustments represent corrections to timing of activities.

Opinion Unit	Balance as Reported December 31, 2007	Prior Period Adjustments	Balance as Restated January 1, 2008
Government-Wide	\$ 26,456,553	\$ 26,220	\$ 26,482,773
Governmental Funds	17,788,443	30,219	17,818,662
Proprietary Funds	8,668,110	(3,999)	8,664,111
Fiduciary Funds:			
Pension Trust	1,139,290	(17,155)	1,122,135

CITY OF GOSHEN  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 Indiana 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.

The Water and Wastewater Utilities plan improvements to their facilities beginning in 2009. The Water improvements will cost around \$1.5 million and will be financed with grants and SRF loans. The Wastewater improvements will cost an estimated \$36.8 million and will be financed through grants and SRF loans. Additionally, due to the magnitude of the Wastewater improvements, a Wastewater rate increase will be enacted which will take effect in 2009 and 2011.

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, 2008, there were five series of Economic Development Revenue Bonds outstanding with an aggregate principal amount issued of \$44,450,000.

D. 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 Council on May 3, 2005.

CITY OF GOSHEN  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Wastewater Utility

The current rate structure was approved by the City Council on December 23, 2005.

E. 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

CITY OF GOSHEN  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 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.

CITY OF GOSHEN  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Actuarial Information for the Above Plans

	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Annual required contribution	\$ 391,430	\$ 414,600	\$ 1,225,900
Interest on net pension obligation	(11,777)	70,900	150,400
Adjustment to annual required contribution	13,421	(89,500)	(189,800)
Annual pension cost	393,074	396,000	1,186,500
Contributions made	412,717	463,531	479,682
Increase (decrease) in net pension obligation	(19,643)	(67,531)	706,818
Net pension obligation, beginning of year	(162,444)	1,181,889	2,506,898
Net pension obligation, end of year	\$ (182,087)	\$ 1,114,358	\$ 3,213,716

	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Contribution rates:			
City	7.88%	327%	1,458%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-08	01-01-08	01-01-08
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

<u>Actuarial Assumptions</u>	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
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

CITY OF GOSHEN  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-06	\$ 341,659	103%	\$ (155,155)
	06-30-07	370,115	102%	(162,444)
	06-30-08	393,074	105%	(182,087)
1925 Police Officers' Pension Plan	12-31-06	514,200	94%	1,494,874
	12-31-07	471,500	166%	1,181,889
	12-31-08	396,000	117%	1,114,358
1937 Firefighters' Pension Plan	12-31-06	623,800	120%	2,198,362
	12-31-07	1,270,300	76%	2,506,898
	12-31-08	1,186,500	40%	3,213,716

Membership in the 1925 Police Officers' Pension Plan and the 1937 Firefighters' Pension Plan at January 1, 2008, was comprised of the following:

	1925 Police Officers' Pension	1937 Firefighters' Pension
Retirees and beneficiaries currently receiving benefits	20	28
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:

CITY OF GOSHEN  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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, 2008, 2007, and 2006, were \$946,832, \$881,572, and \$830,206, 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)
07-01-06	\$ 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%)
07-01-08	6,072,812	7,243,959	(1,171,147)	84%	5,239,548	(22%)

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)
01-01-03	\$ 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%	238,000	(2,604%)
01-01-07	319,813	6,010,300	(5,690,487)	5%	204,600	(2,781%)
01-01-08	554,686	5,177,000	(4,622,314)	11%	126,700	(3,648%)

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)
01-01-03	\$ 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%)
01-01-08	584,604	16,529,500	(15,944,896)	4%	84,100	(18,959%)

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

	<u>Year Ending</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Of ARC Contributed</u>
1925 Police Officers' Pension Plan	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%
	12-31-08	414,600	112%
1937 Firefighters' Pension Plan	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%
	12-31-08	1,225,900	39%

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, 2008

	Motor Vehicle Highway	Local Road And Street	Aviation	Probation	Parking Lot	Federal and State Grant	Parks And Recreation
Receipts:							
Taxes	\$ 217,864	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 766,952
Licenses and permits	-	-	-	-	-	-	108
Intergovernmental	1,390,730	285,424	-	-	-	597,751	75,957
Charges for services	11,658	-	125,845	-	2,125	-	212,686
Fines and forfeits	36,466	-	-	161,387	-	-	-
Interfund loans	-	-	-	-	-	-	568,500
Other	1,944	-	-	50	-	-	33,518
Total receipts	<u>1,658,662</u>	<u>285,424</u>	<u>125,845</u>	<u>161,437</u>	<u>2,125</u>	<u>597,751</u>	<u>1,657,721</u>
Disbursements:							
General government	-	-	91,940	-	-	-	-
Public safety	-	-	-	182,183	-	-	-
Highways and streets	2,188,173	150,090	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	1,510,658
Interfund loans	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	23,184	-	-	564,606	-
Highways and streets	49,646	150,000	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	147,272
Total disbursements	<u>2,237,819</u>	<u>300,090</u>	<u>115,124</u>	<u>182,183</u>	<u>-</u>	<u>564,606</u>	<u>1,657,930</u>
Excess (deficiency) of receipts over disbursements	<u>(579,157)</u>	<u>(14,666)</u>	<u>10,721</u>	<u>(20,746)</u>	<u>2,125</u>	<u>33,145</u>	<u>(209)</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	359	-	-	-	-	-	1,838
Total other financing sources (uses)	<u>359</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,838</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(578,798)</u>	<u>(14,666)</u>	<u>10,721</u>	<u>(20,746)</u>	<u>2,125</u>	<u>33,145</u>	<u>1,629</u>
Cash and investment fund balance - beginning	<u>631,477</u>	<u>186,525</u>	<u>56,472</u>	<u>99,411</u>	<u>13,205</u>	<u>358,402</u>	<u>706,058</u>
Cash and investment fund balance - ending	<u>\$ 52,679</u>	<u>\$ 171,859</u>	<u>\$ 67,193</u>	<u>\$ 78,665</u>	<u>\$ 15,330</u>	<u>\$ 391,547</u>	<u>\$ 707,687</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 52,679	\$ -	\$ 67,193	\$ 78,665	\$ 15,330	\$ 391,547	\$ 707,687
Restricted assets:							
Cash and investments	-	171,859	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 52,679</u>	<u>\$ 171,859</u>	<u>\$ 67,193</u>	<u>\$ 78,665</u>	<u>\$ 15,330</u>	<u>\$ 391,547</u>	<u>\$ 707,687</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Highways and streets	\$ -	\$ 171,859	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	52,679	-	67,193	78,665	15,330	391,547	707,687
Total cash and investment fund balance - ending	<u>\$ 52,679</u>	<u>\$ 171,859</u>	<u>\$ 67,193</u>	<u>\$ 78,665</u>	<u>\$ 15,330</u>	<u>\$ 391,547</u>	<u>\$ 707,687</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, 2008  
 (Continued)

	Rainy Day	EDIT	Court Fees	Law Enforcement Continuing Education	Economic Improvement District	Beautification Operating	Debt Service Reserve Riverrace 2008
<b>Receipts:</b>							
Taxes	\$ 221,050	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	423,761	1,239,583	-	-	-	-	-
Charges for services	-	-	-	15,519	-	-	-
Fines and forfeits	-	-	33,283	11,594	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	191,401	182	-	1,170	66	-
<b>Total receipts</b>	<b>644,811</b>	<b>1,430,984</b>	<b>33,465</b>	<b>27,113</b>	<b>1,170</b>	<b>66</b>	<b>-</b>
<b>Disbursements:</b>							
General government	66,582	-	32,740	-	42,840	-	-
Public safety	-	-	-	23,275	-	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Economic development	-	1,301,673	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Interfund loans	1,192,800	-	-	-	-	-	-
<b>Debt service:</b>							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
<b>Capital outlay:</b>							
General government	-	-	-	-	14,847	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Economic development	-	379,617	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>1,259,382</b>	<b>1,681,290</b>	<b>32,740</b>	<b>23,275</b>	<b>57,687</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	(614,571)	(250,306)	725	3,838	(56,517)	66	-
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	319,500
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>319,500</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(614,571)	(250,306)	725	3,838	(56,517)	66	319,500
Cash and investment fund balance - beginning	614,645	1,152,978	70,044	23,945	70,455	3,127	-
Cash and investment fund balance - ending	\$ 74	\$ 902,672	\$ 70,769	\$ 27,783	\$ 13,938	\$ 3,193	\$ 319,500
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 74	\$ 902,672	\$ 70,769	\$ 27,783	\$ 13,938	\$ 3,193	\$ -
<b>Restricted assets:</b>							
Cash and investments	-	-	-	-	-	-	319,500
<b>Total cash and investment assets - ending</b>	<b>\$ 74</b>	<b>\$ 902,672</b>	<b>\$ 70,769</b>	<b>\$ 27,783</b>	<b>\$ 13,938</b>	<b>\$ 3,193</b>	<b>\$ 319,500</b>
<b>Cash and Investment Fund Balance - Ending</b>							
<b>Restricted for:</b>							
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service	-	-	-	-	-	-	319,500
Capital outlay	-	-	-	-	-	-	-
Unrestricted	74	902,672	70,769	27,783	13,938	3,193	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 74</b>	<b>\$ 902,672</b>	<b>\$ 70,769</b>	<b>\$ 27,783</b>	<b>\$ 13,938</b>	<b>\$ 3,193</b>	<b>\$ 319,500</b>

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, 2008  
 (Continued)

	Debt Service Reserve South Goshen 2008	Debt Service	Cumulative Capital Improvement Cigarette Tax	Cumulative Capital Development	Redevelopment Capital	Cumulative Capital Improvement Fire Station	Cumulative Capital Improvement Storm Sewer
Receipts:							
Taxes	\$ -	\$ 250,833	\$ -	\$ 381,634	\$ -	\$ 125,795	\$ 125,795
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	22,430	95,555	33,577	-	11,349	11,349
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	3,692	59,877	-	-
<b>Total receipts</b>	<b>-</b>	<b>273,263</b>	<b>95,555</b>	<b>418,903</b>	<b>59,877</b>	<b>137,144</b>	<b>137,144</b>
Disbursements:							
General government	-	-	-	203,415	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Economic development	-	-	-	-	63,401	87,360	90,545
Culture and recreation	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Debt service:							
Principal	-	400,000	-	-	-	-	-
Interest	-	50,538	-	-	-	-	-
Capital outlay:							
General government	-	-	-	200,567	-	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	137,602	-
Culture and recreation	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>450,538</b>	<b>-</b>	<b>403,982</b>	<b>63,401</b>	<b>224,962</b>	<b>90,545</b>
Excess (deficiency) of receipts over disbursements	-	(177,275)	95,555	14,921	(3,524)	(87,818)	46,599
Other financing sources (uses):							
Transfers in	491,000	-	-	-	-	-	-
Transfers out	-	-	(95,555)	-	-	-	-
Other receipts	-	-	-	-	8,670	-	-
<b>Total other financing sources (uses)</b>	<b>491,000</b>	<b>-</b>	<b>(95,555)</b>	<b>-</b>	<b>8,670</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	491,000	(177,275)	-	14,921	5,146	(87,818)	46,599
Cash and investment fund balance - beginning	-	439,429	-	784,153	149,253	245,688	389,693
Cash and investment fund balance - ending	<u>\$ 491,000</u>	<u>\$ 262,154</u>	<u>\$ -</u>	<u>\$ 799,074</u>	<u>\$ 154,399</u>	<u>\$ 157,870</u>	<u>\$ 436,292</u>
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 157,870	\$ 436,292
Restricted assets:							
Cash and investments	<u>491,000</u>	<u>262,154</u>	<u>-</u>	<u>799,074</u>	<u>154,399</u>	<u>-</u>	<u>-</u>
<b>Total cash and investment assets - ending</b>	<b><u>\$ 491,000</u></b>	<b><u>\$ 262,154</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 799,074</u></b>	<b><u>\$ 154,399</u></b>	<b><u>\$ 157,870</u></b>	<b><u>\$ 436,292</u></b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Restricted for:							
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service	491,000	262,154	-	-	-	-	-
Capital outlay	-	-	-	799,074	154,399	-	-
Unrestricted	-	-	-	-	-	157,870	436,292
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ 491,000</u></b>	<b><u>\$ 262,154</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 799,074</u></b>	<b><u>\$ 154,399</u></b>	<b><u>\$ 157,870</u></b>	<b><u>\$ 436,292</u></b>

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, 2008  
 (Continued)

	General Improvement	HUD Home	HUD Rental Rehab	Cemetery Capital Improvement	Storm Water Management	TIF Riverrace	TIF Keystone I
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	6,885	1,250	-	-
Fines and forfeits	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	24,429	-	202	-	2,250	8,488	25,400
<b>Total receipts</b>	<b>24,429</b>	<b>-</b>	<b>202</b>	<b>6,885</b>	<b>3,500</b>	<b>8,488</b>	<b>25,400</b>
<b>Disbursements:</b>							
General government	-	-	-	-	-	-	88,897
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	56,608	-	-
Economic development	-	-	-	-	-	120,561	-
Culture and recreation	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	165,603
Interest	-	-	-	-	-	-	146,783
Capital outlay:							
General government	9,419	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	13,291	-	-
Economic development	-	-	-	-	-	-	470,142
Culture and recreation	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>9,419</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69,899</b>	<b>120,561</b>	<b>871,425</b>
Excess (deficiency) of receipts over disbursements	15,010	-	202	6,885	(66,399)	(112,073)	(846,025)
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	15,010	-	202	6,885	(66,399)	(112,073)	(846,025)
Cash and investment fund balance - beginning	103,793	19,281	37,537	20,088	338,030	507,058	1,350,421
Cash and investment fund balance - ending	<u>\$ 118,803</u>	<u>\$ 19,281</u>	<u>\$ 37,739</u>	<u>\$ 26,973</u>	<u>\$ 271,631</u>	<u>\$ 394,985</u>	<u>\$ 504,396</u>
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ -	\$ 19,281	\$ 37,739	\$ 26,973	\$ 271,631	\$ 394,985	\$ 504,396
Restricted assets:							
Cash and investments	118,803	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 118,803</b>	<b>\$ 19,281</b>	<b>\$ 37,739</b>	<b>\$ 26,973</b>	<b>\$ 271,631</b>	<b>\$ 394,985</b>	<b>\$ 504,396</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Restricted for:							
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service	-	-	-	-	-	-	-
Capital outlay	118,803	-	-	-	-	-	-
Unrestricted	-	19,281	37,739	26,973	271,631	394,985	504,396
<b>Total cash and investment fund balance - ending</b>	<b>\$ 118,803</b>	<b>\$ 19,281</b>	<b>\$ 37,739</b>	<b>\$ 26,973</b>	<b>\$ 271,631</b>	<b>\$ 394,985</b>	<b>\$ 504,396</b>

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, 2008  
 (Continued)

	TIF Keystone II	TIF Century Drive	Redevelopment District Capital	CDBG/ HUD	Local Major Moves Construction	TIF North US 33	Totals
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,089,923
Licenses and permits	-	-	-	-	-	-	108
Intergovernmental	-	-	-	249,845	-	-	4,437,311
Charges for services	-	-	-	-	-	-	375,968
Fines and forfeits	-	-	-	-	-	-	242,730
Interfund loans	-	-	-	-	-	-	568,500
Other	8,328	252,715	5,154	53,650	102,038	1,355	775,909
<b>Total receipts</b>	<b>8,328</b>	<b>252,715</b>	<b>5,154</b>	<b>303,495</b>	<b>102,038</b>	<b>1,355</b>	<b>8,490,449</b>
Disbursements:							
General government	-	56,232	14	-	-	-	582,660
Public safety	-	-	-	-	-	-	205,458
Highways and streets	-	-	-	-	-	-	2,338,263
Sanitation	-	-	-	-	-	-	56,608
Economic development	-	-	-	284,797	-	13,237	1,961,574
Culture and recreation	-	-	-	-	-	-	1,510,658
Interfund loans	-	-	-	-	2,284,000	-	3,476,800
Debt service:							
Principal	81,970	127,427	-	-	-	-	775,000
Interest	80,593	239,038	-	-	-	-	516,952
Capital outlay:							
General government	-	-	-	-	-	-	812,623
Highways and streets	-	-	-	-	80,471	-	280,117
Sanitation	-	-	-	-	-	-	13,291
Economic development	22,030	242,293	1,927,437	-	-	13,724	3,192,845
Culture and recreation	-	-	-	-	-	-	147,272
<b>Total disbursements</b>	<b>184,593</b>	<b>664,990</b>	<b>1,927,451</b>	<b>284,797</b>	<b>2,364,471</b>	<b>26,961</b>	<b>15,870,121</b>
Excess (deficiency) of receipts over disbursements	(176,265)	(412,275)	(1,922,297)	18,698	(2,262,433)	(25,606)	(7,379,672)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	810,500
Transfers out	-	-	-	-	-	-	(95,555)
Other receipts	-	-	-	-	-	-	10,867
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>725,812</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(176,265)	(412,275)	(1,922,297)	18,698	(2,262,433)	(25,606)	(6,653,860)
Cash and investment fund balance - beginning	415,536	999,548	2,072,674	38,917	2,555,173	73,821	14,526,837
Cash and investment fund balance - ending	\$ 239,271	\$ 587,273	\$ 150,377	\$ 57,615	\$ 292,740	\$ 48,215	\$ 7,872,977
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 239,271	\$ 587,273	\$ 150,377	\$ 57,615	\$ 292,740	\$ 48,215	\$ 5,556,188
Restricted assets:							
Cash and investments	-	-	-	-	-	-	2,316,789
<b>Total cash and investment assets - ending</b>	<b>\$ 239,271</b>	<b>\$ 587,273</b>	<b>\$ 150,377</b>	<b>\$ 57,615</b>	<b>\$ 292,740</b>	<b>\$ 48,215</b>	<b>\$ 7,872,977</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 171,859
Debt service	-	-	-	-	-	-	1,072,654
Capital outlay	-	-	-	-	-	-	1,072,276
Unrestricted	239,271	587,273	150,377	57,615	292,740	48,215	5,556,188
<b>Total cash and investment fund balance - ending</b>	<b>\$ 239,271</b>	<b>\$ 587,273</b>	<b>\$ 150,377</b>	<b>\$ 57,615</b>	<b>\$ 292,740</b>	<b>\$ 48,215</b>	<b>\$ 7,872,977</b>

CITY OF GOSHEN  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PENSION TRUST FUNDS  
 For The Year Ended December 31, 2008

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Totals</u>
Additions:			
Contributions:			
Intergovernmental	\$ 463,531	\$ 479,682	\$ 943,213
Plan members	2,691	-	2,691
Other	<u>1,291</u>	<u>-</u>	<u>1,291</u>
Total contributions	<u>467,513</u>	<u>479,682</u>	<u>947,195</u>
Deductions:			
Benefits	410,995	619,282	1,030,277
Administrative and general	<u>155</u>	<u>560</u>	<u>715</u>
Total deductions	<u>411,150</u>	<u>619,842</u>	<u>1,030,992</u>
Excess (deficiency) of total additions over total deductions	56,363	(140,160)	(83,797)
Cash and investment fund balance - beginning	<u>537,531</u>	<u>584,604</u>	<u>1,122,135</u>
Cash and investment fund balance - ending	<u>\$ 593,894</u>	<u>\$ 444,444</u>	<u>\$ 1,038,338</u>

CITY OF GOSHEN  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 For The Year Ended December 31, 2008

	Donation	Park Gift	Electric Utility Sale	Violet Cemetery Endowment	West Goshen Cemetery Endowment
Additions:					
Contributions:					
Other	\$ 75,674	\$ 81,703	\$ -	\$ -	\$ -
Investment earnings:					
Interest	-	-	57,763	1,673	403
Loan principal received	-	-	476,443	-	-
Total additions	<u>75,674</u>	<u>81,703</u>	<u>534,206</u>	<u>1,673</u>	<u>403</u>
Deductions:					
Capital outlay	10,022	-	-	-	-
Interfund loan	-	-	1,489,000	-	-
Administrative and general	<u>58,498</u>	<u>52,979</u>	<u>90,139</u>	<u>-</u>	<u>-</u>
Total deductions	<u>68,520</u>	<u>52,979</u>	<u>1,579,139</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of total additions over total deductions	7,154	28,724	(1,044,933)	1,673	403
Cash and investment fund balance - beginning	<u>150,964</u>	<u>89,642</u>	<u>1,174,196</u>	<u>79,022</u>	<u>19,018</u>
Cash and investment fund balance - ending	<u>\$ 158,118</u>	<u>\$ 118,366</u>	<u>\$ 129,263</u>	<u>\$ 80,695</u>	<u>\$ 19,421</u>

CITY OF GOSHEN  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Oakridge Cemetery Endowment	Cemetery Permanent Maintenance	Millrace Trust	Beautification and Restoration Trust	Totals
Additions:					
Contributions:					
Other	\$ -	\$ 6,885	\$ -	\$ -	\$ 164,262
Investment earnings:					
Interest	510	-	1,213	221	61,783
Loan principal received	-	-	-	-	476,443
Total additions	<u>510</u>	<u>6,885</u>	<u>1,213</u>	<u>221</u>	<u>702,488</u>
Deductions:					
Capital outlay	-	-	-	-	10,022
Interfund loan	-	-	-	-	1,489,000
Administrative and general	-	-	-	-	201,616
Total deductions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,700,638</u>
Excess (deficiency) of total additions over total deductions	510	6,885	1,213	221	(998,150)
Cash and investment fund balance - beginning	<u>24,099</u>	<u>24,400</u>	<u>57,285</u>	<u>10,432</u>	<u>1,629,058</u>
Cash and investment fund balance - ending	<u>\$ 24,609</u>	<u>\$ 31,285</u>	<u>\$ 58,498</u>	<u>\$ 10,653</u>	<u>\$ 630,908</u>

CITY OF GOSHEN  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2008

	Utility Payroll	Court Cashbook	Probation Cashbook	Continuing Education Other	Health Insurance Premiums	Totals
Additions:						
Agency fund additions	\$ -	\$ 1,277,788	\$ 290,714	\$ 1,567	\$ 3,005,190	\$ 4,575,259
Deductions:						
Agency fund deductions	-	1,260,535	372,572	-	3,009,637	4,642,744
Excess (deficiency) of total additions over total deductions	-	17,253	(81,858)	1,567	(4,447)	(67,485)
Cash and investment fund balance - beginning	25,759	54,687	102,551	14,979	10,096	208,072
Cash and investment fund balance - ending	\$ 25,759	\$ 71,940	\$ 20,693	\$ 16,546	\$ 5,649	\$ 140,587

CITY OF GOSHEN  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For The Year Ended December 31, 2008

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	82,674,733
Buildings	11,737,196
Improvements other than buildings	7,333,611
Machinery and equipment	6,637,909
Construction in progress	<u>382,859</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 132,088,681</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	239,715
Buildings	1,930,397
Improvements other than buildings	18,522,240
Machinery and equipment	<u>1,038,928</u>
 Total Water Utility capital assets	 <u>21,782,981</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	717,721
Construction in progress	1,776,631
Buildings	14,920,837
Improvements other than buildings	24,786,637
Machinery and equipment	<u>2,307,946</u>
 Total Wastewater Utility capital assets	 <u>44,509,772</u>
 Total business-type activities capital assets	 <u>\$ 88,075,734</u>

CITY OF GOSHEN  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LONG-TERM DEBT  
December 31, 2008

The City has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
<b>Governmental activities:</b>		
Capital leases:		
13 Police Cars	\$ 71,294	\$ 74,139
6 Dump Trucks	130,804	136,365
Ambulance	131,069	66,580
Computer Server and Incode Software	51,255	27,363
Fire Truck	143,465	76,826
Notes and loans payable		
Aviation Loan	92,460	22,164
Real Estate Loan	68,850	46,900
Bonds payable:		
General obligation bonds:		
Bonds of 2000	875,000	455,806
2005 Series A Redevelopment District Bonds	2,620,000	111,350
2006 Series B Redevelopment District Bonds	2,975,000	334,000
Revenue bonds:		
2008 TIF South Goshen Capital Project	4,835,000	275,340
2008 TIF Riverrace Project	<u>3,195,000</u>	<u>400,491</u>
<b>Total governmental activities debt</b>	<b><u>\$ 15,189,197</u></b>	<b><u>\$ 2,027,324</u></b>
<b>Business-type activities:</b>		
Water Utility:		
Capital leases:		
Computer Server and Incode Software	\$ 20,968	\$ 11,194
Vactor (40%)	19,762	20,479
Revenue bonds:		
2003 Refunding Bonds	200,000	207,300
2003 Revenue Bonds	420,000	58,108
2005 Refunding Bonds	<u>4,015,000</u>	<u>226,845</u>
<b>Total Water Utility</b>	<b><u>4,675,730</u></b>	<b><u>523,926</u></b>
Wastewater Utility:		
Capital leases:		
Computer Server and Incode Software	20,968	11,194
Vactor (60%)	29,642	30,719
SRF Loan	3,040,000	681,600
Revenue bonds:		
2002 Revenue Bonds	3,015,000	157,170
2003 Revenue Bonds	580,000	80,033
2004 Revenue Bonds	<u>4,730,000</u>	<u>608,475</u>
<b>Total Wastewater Utility</b>	<b><u>11,415,610</u></b>	<b><u>1,569,191</u></b>
<b>Total business-type activities debt</b>	<b><u>\$ 16,091,340</u></b>	<b><u>\$ 2,093,117</u></b>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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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 its major federal program for the year ended December 31, 2008. The City's major federal program is 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 its major federal program 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 its major federal program for the year ended December 31, 2008.

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.

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 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 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, Common Council, 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

September 15, 2009

CITY OF GOSHEN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended December 31, 2008

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		\$ 2,898
<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-07-MC-18-0019 B-08-MC-18-0019	62,995 <u>221,802</u>
Total for federal grantor agency			<u>284,797</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute Bulletproof Vest Partnership Program	16.607		<u>223</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Direct Grant			
Airport Improvement Program	20.106	3-18-0029-08 3-18-0029-09 3-18-0029-10	18,709 87,123 <u>29,960</u>
Total for program			<u>135,792</u>
Pass-Through Elkhart County Highway Safety Cluster Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	OP-08-01-01-61	<u>19,513</u>
Total for federal grantor agency			<u>155,305</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Direct Grant			
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	Hazardous Substances Petroleum Gordy Cleanup Omni Cleanup	14,957 19,283 7,194 <u>7,194</u>
Total for federal grantor agency			<u>48,628</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>25,614</u>
Total federal awards expended			<u>\$ 517,465</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 sub-recipients as follows for the year ended December 31, 2008:

Program Title	Federal CFDA Number	2008
Community Development Block Grants/Entitlement Grants	14.218	<u>\$ 93,482</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:

Name of Federal Program or Cluster

Community Development Block Grant Cluster

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

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 September 15, 2009, with Tina M. Bontrager, Clerk-Treasurer; Allan J. Kauffman, Mayor; and Tana Brooks, Utilities Office Manager. Our audit disclosed no material items that warrant comment at this time.