

NEW CASTLE TOWNSHIP

AUDIT REPORT

JANUARY 1, 1999 – DECEMBER 31, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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800-282-0370
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Board of Trustees
New Castle Township
Walhonding, Ohio

We have reviewed the Independent Auditor's Report of the New Castle Township, Coshocton County, prepared by Wolfe, Wilson, & Phillips, Inc., for the audit period January 1, 1999 to December 31, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The New Castle Township is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

April 5, 2001

**NEW CASTLE TOWNSHIP
COSHOCOTON COUNTY**

**ELECTED OFFICIALS
AS OF DECEMBER 31, 2000**

<u>NAME</u>	<u>TITLE</u>	<u>TERM</u>	<u>SURETY</u>	<u>AMOUNT</u>	<u>PERIOD</u>
Paul Wilson	Trustee	01/01/98-12/31/01 (A)		\$5,000	(B)
Gregory Wilt	Trustee	01/01/98-12/31/01 (A)		\$5,000	(B)
Charles Marlatt	Trustee	01/01/00-12/31/03 (A)		\$5,000	(B)
Gloria Mosholder CR 367 Box 25408 Walhonding, OH 43843	Clerk	04/01/00-03/31/04 (A)		\$10,000	(B)

STATUTORY LEGAL COUNSEL

Robert Batchelor, Prosecutor
Coshocoton County
345 ½ Main Street
Coshocoton, OH 43812

- (A) Ohio Government Risk Management Plan
- (B) Concurrent with term

**NEW CASTLE TOWNSHIP
COSHOCKTON COUNTY**

INDEX OF FUNDS

GOVERNMENTAL FUND TYPES

General Fund Type:

General Fund

Special Revenue Fund Types:

Motor Vehicle License Tax Fund

Gasoline Tax Fund

Cemetery Fund

Permissive Tax Fund

Misc. Special Revenue Fund

Debt Service fund Type:

Note Retirement Fund

**WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701**

INDEPENDENT AUDITORS' REPORT

Board of Trustees
New Castle Township
Walhonding, Ohio

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

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the cash basis, which is a comprehensive basis of accounting prescribed or permitted by the Auditor of State, other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Castle Township as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 12, 2001, on our consideration of New Castle Township's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

This report is intended solely for the information and use of officials authorized to receive this report under Section 117.26, Ohio Revised Code and is not intended to be and should not be used by anyone other than these specified parties.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
March 12, 2001

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

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>(Memorandum Only) Total</u>
CASH RECEIPTS:				
Local taxes	\$ 12,832	\$ 953	\$ 11,326	\$ 25,111
Licenses, permits, and fees	-	250	-	250
Intergovernmental	14,071	42,367	-	56,438
Interest	892	531	2,579	4,002
Miscellaneous	<u>846</u>	<u>1,625</u>	<u>-</u>	<u>2,471</u>
TOTAL CASH RECEIPTS	<u>28,641</u>	<u>45,726</u>	<u>13,905</u>	<u>88,272</u>
CASH DISBURSEMENTS:				
Current:				
General government	30,335	-	-	30,335
Public work activities	3,016	88,495	-	91,511
Public health services	6,443	-	-	6,443
Capital Outlay	14,485	-	-	14,485
Debt Service:				
Principal and interest	<u>-</u>	<u>-</u>	<u>20,029</u>	<u>20,029</u>
TOTAL CASH DISBURSEMENTS	54,279	88,495	20,029	162,803
TOTAL RECEIPTS OVER(UNDER) CASH DISBURSEMENTS	(25,638)	(42,769)	(6,124)	(74,531)
OTHER FINANCING SOURCES:				
Other sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL CASH RECEIPTS AND OTHER FINANCING SOURCES OVER (UNDER) CASH DISBURSEMENTS	(25,638)	(42,769)	(6,124)	(74,531)
FUND CASH BALANCES, JANUARY 1	<u>56,573</u>	<u>89,721</u>	<u>7,430</u>	<u>153,724</u>
FUND CASH BALANCES, DECEMBER 31	<u>\$ 30,935</u>	<u>\$ 46,952</u>	<u>\$ 1,306</u>	<u>\$ 79,193</u>

See notes to financial statements.

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

	General	Special Revenue	Debt Service	(Memorandum Only) Total
CASH RECEIPTS:				
Local taxes	\$ 22,885	\$ 2,258	\$ 12,485	\$ 37,628
Licenses, permits, and fees	10	-	-	10
Intergovernmental	23,288	37,155	-	60,443
Interest	716	888	1,920	3,524
Miscellaneous	-	400	-	400
TOTAL CASH RECEIPTS	46,899	40,701	14,405	102,005
CASH DISBURSEMENTS:				
Current:				
General government	26,365	-	-	26,365
Public work activities	2,370	38,993	-	41,363
Public health services	513	-	-	513
Capital Outlay	-	935	-	935
Debt Service:				
Principal and interest	-	-	11,514	11,514
TOTAL CASH DISBURSEMENTS	29,248	39,928	11,514	80,690
TOTAL RECEIPTS OVER(UNDER) CASH DISBURSEMENTS	17,651	773	2,891	21,315
OTHER FINANCING SOURCES:				
Other sources	635	-	-	635
TOTAL OTHER FINANCING SOURCES	635	-	-	635
TOTAL CASH RECEIPTS AND OTHER FINANCING SOURCES OVER (UNDER) CASH DISBURSEMENTS	18,286	773	2,891	21,950
FUND CASH BALANCES, JANUARY 1	38,287	88,948	4,539	131,774
FUND CASH BALANCES, DECEMBER 31	\$ 56,573	\$ 89,721	\$ 7,430	\$ 153,724

See notes to financial statements.

**NEW CASTLE TOWNSHIP
COSHOCTON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Description of the Entity

The Township of New Castle, Coshocton County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected four member Board. The Township provides general governmental services, including road, bridge and cemetery maintenance.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and cash disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report expenditures when a commitment is made (i.e., when an encumbrance is approved.) These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

All cash is maintained in a pooled checking account. Certificates of deposit are valued at cost.

D. Fund Accounting

The Township uses fund accounting to segregate cash that is restricted as to use. The Township classifies its funds into the following types:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

Special Revenue Funds

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Fund:

**NEW CASTLE TOWNSHIP
COSHOCTON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

D. Fund Accounting (Continued)

Special Revenue Funds (Continued)

Motor Vehicle License Tax Fund – This fund receives motor vehicle tax receipts for constructing, maintaining and repairing Township roads and bridges.

Gasoline Tax Fund – This fund receives gasoline tax receipts for constructing, maintaining and repairing Township roads and bridges.

Cemetery Fund – This fund generates money through the selling of cemetery lots and donations from the general public. This money is disbursed for the maintenance and upkeep of township cemeteries.

Permissive Motor Vehicle License Fund – This fund receives county motor vehicle license tax money for the construction, repair, and maintenance of township roads and bridges.

Miscellaneous Special Revenue Fund - This fund is used to account for monies received and disbursed from the Federal Emergency Management Agency Disaster Assistance (FEMA).

Debt Service Fund

The Debt Service Fund is used to accumulate resources for the payment of note indebtedness which has incurred for a tractor and mower.

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

Estimated Resources

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

**NEW CASTLE TOWNSHIP
COSHOCTON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

Encumbrances

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

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

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

2. Equity in Pooled Cash

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

	2000	1999
Demand deposits	\$ 79,193	\$ 153,724

Deposits:

Deposits are collateralized by securities specifically pledged by the financial institution to the Township.

3. Budgetary Activity

Budgetary activity for the years ended December 31, 2000 and 1999 was as follows:

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	84,923	28,641	(56,282)
Special Revenue	183,964	45,726	(138,238)
Debt Service	21,168	13,905	(7,263)
Total	\$ 290,055	\$ 88,272	\$ (201,783)

**NEW CASTLE TOWNSHIP
COSHOCTON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

3. Budgetary Activity (Continued)

2000 Budgeted vs. Actual Budgetary Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	86,693	54,279	32,414
Special Revenue	184,039	88,495	95,544
Debt Service	<u>21,168</u>	<u>20,029</u>	<u>1,139</u>
Total	<u>\$ 291,900</u>	<u>\$ 162,803</u>	<u>129,097</u>

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 68,355	\$ 47,534	\$ (20,821)
Special Revenue	145,159	40,701	(104,458)
Debt Service	<u>12,780</u>	<u>14,405</u>	<u>1,625</u>
	<u>\$ 226,294</u>	<u>\$ 102,640</u>	<u>\$ 123,654</u>

1999 Budgeted vs. Actual Budgetary Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 68,363	\$ 29,248	\$ 39,115
Special Revenue	145,235	39,928	105,307
Debt Service	<u>12,780</u>	<u>11,514</u>	<u>1,266</u>
Total	<u>\$ 226,378</u>	<u>\$ 80,690</u>	<u>\$ 145,688</u>

4. Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payment is due to the county by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

**NEW CASTLE TOWNSHIP
COSHOCTON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

4. Property Tax (Continued)

Public utilities are also taxed on personal and real property located within the Township.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

5. Debt

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest
Tractor and Mower	\$2,204	4.75%

The note will be paid in full during 2001.

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

Year Ending December 31,	Payment
2001	\$ 2,204
	\$ 2,204

6. Retirement Systems

The Township's Trustees, Clerk and other employees of the Township belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement health care, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

**NEW CASTLE TOWNSHIP
COSHOCTON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

7. Risk Management

The Township maintains insurance coverage through Ohio Risk Management that provides the following coverages:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

The Township also provides health and life insurance to the Township Trustees, Township Clerk, and full time employees through a private carrier.

**WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT
OF FINANCIAL STATEMENT PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.**

Board of Trustees
New Castle Township
Walhonding, Ohio

We have audited the financial statements of New Castle Township as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated March 12, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether New Castle Township's combined financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the management of New Castle Township in a separate letter dated March 12, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered New Castle Township internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the combined financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weakness. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts the would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of New Castle Township in a separate letter dated March 12, 2001.

Independent Auditor's Report
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This report is intended for the information of the Board of Trustees, the Auditor of State, federal award agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
March 12, 2001

**NEW CASTLE TOWNSHIP
COSHOCTON COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2000**

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	GRANT NUMBER	FEDERAL CFDA NUMBER	RECEIPTS	DISBURSEMENTS
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>				
Disaster Assistance	DR-1227-OH	83.544	\$ -	\$ 31,774
Total Federal Emergency Management Agency			<u>\$ -</u>	<u>\$ 31,774</u>

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 1999**

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	GRANT NUMBER	FEDERAL CFDA NUMBER	RECEIPTS	DISBURSEMENTS
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>				
Disaster Assistance	DR-1227-OH	83.544	\$ 2,832	\$ 1,397
Total Federal Emergency Management Agency			<u>\$ 2,832</u>	<u>\$ 1,397</u>

See note to schedule of Federal Awards Expenditures.

**NEW CASTLE TOWNSHIP
COSHOCOTON COUNTY**

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A – Significant Account Policies

The accompanying schedule of federal awards expenditures is a summary of the activity of the Townships federal awards programs. The schedule has been prepared on the cash basis of accounting.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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NEW CASTLE TOWNSHIP

COSHOCTON COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 17, 2001**