

**NEW CASTLE TOWNSHIP**

**AUDIT REPORT**

**JANUARY 1, 2001 – DECEMBER 31, 2002**





**Auditor of State  
Betty Montgomery**

Board of Trustees  
New Castle Township

We have reviewed the Independent Auditor's Report of New Castle Township, Coshocton County, prepared by Wolfe, Wilson & Phillips, Inc. for the audit period January 1, 2001 through December 31, 2002. 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. New Castle Township is responsible for compliance with these laws and regulations.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

July 9, 2003

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**NEW CASTLE TOWNSHIP  
COSHOCTON COUNTY**

**ELECTED OFFICIALS  
AS OF DECEMBER 31, 2002**

<u>NAME</u>	<u>TITLE</u>	<u>TERM</u>	<u>SURETY</u>	<u>AMOUNT</u>	<u>PERIOD</u>
Charles Marlatt	Trustee	01/01/00-12/31/03 (A)		\$5,000	(B)
Paul Wilson	Trustee	01/01/02-12/31/05 (A)		\$5,000	(B)
C. Michael Mosholder	Trustee	01/01/02-12/31/05 (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  
Coshocton County  
318 Chestnut Street  
Coshocton, OH 43812

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

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**NEW CASTLE TOWNSHIP  
COSHOCTON 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, 2002 and 2001. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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, 2002 and 2001, 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 June 17, 2003, 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.

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  
June 17, 2003



**NEW CASTLE TOWNSHIP  
COSHOCOTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES-  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only) Total</u>
<b>CASH RECEIPTS:</b>			
Local taxes	\$ 16,395	\$ 1,714	\$ 18,109
Licenses, permits, and fees	-	500	500
Intergovernmental	29,688	68,197	97,885
Interest	614	607	1,221
Miscellaneous	724	1,650	2,374
<b>TOTAL CASH RECEIPTS</b>	<b>47,421</b>	<b>72,668</b>	<b>120,089</b>
<b>CASH DISBURSEMENTS:</b>			
Current:			
General government	28,764	-	28,764
Public work activities	3,444	62,369	65,813
Public health services	225	3,566	3,791
<b>TOTAL CASH DISBURSEMENTS</b>	<b>32,433</b>	<b>65,935</b>	<b>98,368</b>
<b>TOTAL RECEIPTS OVER(Under) CASH DISBURSEMENTS</b>	<b>14,988</b>	<b>6,733</b>	<b>21,721</b>
<b>FUND CASH BALANCES, JANUARY 1</b>	<b>29,887</b>	<b>43,027</b>	<b>72,914</b>
<b>FUND CASH BALANCES, DECEMBER 31</b>	<b>\$ 44,875</b>	<b>\$ 49,760</b>	<b>\$ 94,635</b>
<b>RESERVE FOR ENCUMBRANCES, DECEMBER 31</b>	<b>\$ 251</b>	<b>\$ 538</b>	<b>\$ 789</b>

See notes to financial statements.

**NEW CASTLE TOWNSHIP  
COSHOCOTON COUNTY**

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

	General	Special Revenue	Debt Service	(Memorandum Only) Total
<b>CASH RECEIPTS:</b>				
Local taxes	\$ 17,557	\$ 5,406	\$ -	\$ 22,963
Licenses, permits, and fees	-	1,125	-	1,125
Intergovernmental	16,548	52,703	-	69,251
Interest	470	409	-	879
Miscellaneous	1,315	1,875	-	3,190
<b>TOTAL CASH RECEIPTS</b>	<b>35,890</b>	<b>61,518</b>	<b>-</b>	<b>97,408</b>
<b>CASH DISBURSEMENTS:</b>				
Current:				
General government	28,386	-	-	28,386
Public work activities	2,552	59,729	-	62,281
Public health services	6,000	5,736	-	11,736
Bond principal payment	-	-	1,306	1,306
<b>TOTAL CASH DISBURSEMENTS</b>	<b>36,938</b>	<b>65,465</b>	<b>1,306</b>	<b>103,709</b>
<b>TOTAL RECEIPTS OVER(UNDER) CASH DISBURSEMENTS</b>	<b>(1,048)</b>	<b>(3,947)</b>	<b>(1,306)</b>	<b>(6,301)</b>
<b>FUND CASH BALANCES, JANUARY 1, RESTATED</b>	<b>30,935</b>	<b>46,974</b>	<b>1,306</b>	<b>79,215</b>
<b>FUND CASH BALANCES, DECEMBER 31</b>	<b>\$ 29,887</b>	<b>\$ 43,027</b>	<b>\$ -</b>	<b>\$ 72,914</b>
<b>RESERVE FOR ENCUMBRANCES, DECEMBER 31</b>	<b>\$ 352</b>	<b>\$ 76</b>	<b>\$ -</b>	<b>\$ 428</b>

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 2002 and 2001 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:

	2002	2001
Demand deposits	\$ 94,635	\$ 72,914

**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, 2002 and 2001 was as follows:

**2002 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	30,441	47,421	16,980
Special Revenue	72,950	72,668	(282)
Total	\$ 103,391	\$ 120,089	\$ 16,698

**NEW CASTLE TOWNSHIP  
COSHOCTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS**

**3. Budgetary Activity (Continued)**

**2002 Budgeted vs. Actual Budgetary Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	60,336	32,433	27,903
Special Revenue	<u>116,052</u>	<u>65,935</u>	<u>50,117</u>
Total	<u>\$ 176,388</u>	<u>\$ 98,368</u>	<u>78,020</u>

**2001 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 29,055	\$ 35,890	\$ 6,835
Special Revenue	63,335	61,518	(1,817)
Debt Service	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 92,390</u>	<u>\$ 97,408</u>	<u>\$ 5,018</u>

**2001 Budgeted vs. Actual Budgetary Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 59,998	\$ 36,938	\$ 23,060
Special Revenue	110,362	65,465	44,897
Debt Service	<u>1,307</u>	<u>1,306</u>	<u>1</u>
Total	<u>\$ 171,667</u>	<u>\$ 103,709</u>	<u>\$ 67,958</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 reduce 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 are 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**

The note for the tractor and mower was paid in full during 2001.

**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 2002 and 2001, 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, 2002.

**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.

**NEW CASTLE TOWNSHIP  
COSHOCTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS**

**8. Restatement Fund Cash Balances**

A check was voided resulting in the December 31, 2000 understatement of the Special Revenue Fund balance by \$22. The effect of this change on the fund balances reported at January 1, 2001 is as follows:

	<u>Special Revenue</u>
Fund Balance as previously reported	\$46,952
Prior period adjustment	<u>22</u>
Restated Fund Balance as of January 1, 2001	<u>\$46,974</u>



**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, 2002 and 2001, and have issued our report thereon dated June 17, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether 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 June 17, 2003.

**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 June 17, 2003.

Independent Auditor's Report  
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This report is intended for the information of the Board of Trustees and the Auditor of State and is not intended to be and should not be used by anyone other than these specified parties.

**Wolfe, Wilson, & Phillips, Inc.**  
Zanesville, Ohio  
June 17, 2003



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**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  
AUGUST 5, 2003**