

COSHOCTON CITY AND COUNTY PARK DISTRICT

AUDIT REPORT

JANUARY 1, 2003 - DECEMBER 31, 2004



**Auditor of State
Betty Montgomery**

Board of Park Commissioners
Coshocton City and County Park District

We have reviewed the *Independent Auditors' Report* of the Coshocton City and County Park District, Coshocton County, prepared by Wolfe, Wilson, & Phillips, Inc. for the audit period January 1, 2003 through December 31, 2004. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State's Office (AOS). Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditors' Report* on your financial statements. While the AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditors' Report* also includes an opinion on the financial statements using the regulatory format the AOS permits.

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 Coshocton City and County Park District is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

June 28, 2005

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**COSHOCTON CITY AND COUNTY PARK DISTRICT
COSHOCTON COUNTY
JANUARY 1, 2003 - DECEMBER 31, 2004**

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

INDEPENDENT AUDITORS' REPORT

Board of Park Commissioners
Coshocton City and County Park District
23253 SR 83
Coshocton, Ohio 43812

We have audited the accompanying financial statements of the Coshocton City and County Park District, Coshocton County, as of and for the years ended December 31, 2004 and 2003. These financial statements are the responsibility of the Coshocton City and County Park District'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 *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 described more fully in Note 1, the Coshocton City and County Park District has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America. Although we cannot reasonably determine the effects on the financial statements of the variances between the regulatory accounting practices and accounting principles generally accepted in the United States of America, we presume they are material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Coshocton City and County Park District, as of December 31, 2004 and 2003, and their change in financial position.

Also, in our opinion, the financial statements referred to above, present fairly, in all material respects, the combined fund cash balances and reserve for encumbrances of the Coshocton City and County Park District, Coshocton County, as of December 31, 2004 and 2003, and its combined cash receipts and disbursements for the years ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 4, 2005, on our consideration of the Coshocton City and County Park District's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
May 4, 2005

**COSHOCTON CITY AND COUNTY PARK DISTRICT
COSHOCTON COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2004**

	General	Capital Projects	Total (Memorandum Only)
Cash receipts:			
Grants - local government	\$ 81,570	\$ -	\$ 81,570
Investment income	1,215	736	1,951
Gifts and donations	20,800	-	20,800
Fees	401,310	-	401,310
Sales	72,982	-	72,982
Well proceeds	88,182	-	88,182
Other	67,396	-	67,396
Total cash receipts	733,455	\$ 736	734,191
Cash Disbursements:			
Current:			
Salaries - employees	271,052	-	271,052
Supplies	48,976	-	48,976
Materials	33,404	-	33,404
Contracts - repair	41,435	-	41,435
Contracts - services	26,217	-	26,217
Advertising and printing	4,401	-	4,401
Public employees retirement	35,722	-	35,722
Workers compensation	5,229	-	5,229
Unemployment compensation	9,090	-	9,090
Medicare	3,919	-	3,919
Insurance	66,972	-	66,972
Utility	45,477	-	45,477
Other	60,845	-	60,845
Equipment	19,616	-	19,616
Contracts - projects	-	-	-
Total cash disbursements	672,355	-	672,355
Total cash receipts over/(under) cash disbursements	61,100	736	61,836
Other financing receipts/(disbursements):			
Reimbursements	6,346	-	6,346
Advance - out	-	-	-
Transfers - out	-	-	-
Total other financing receipts/(disbursements)	6,346	-	6,346
Excess of cash receipts and other financing receipts under cash disbursements and other financing disbursements	67,446	736	68,182
Fund cash balances, January 1, 2004	70,897	59,419	130,316
Fund cash balances, December 31, 2004	\$ 138,343	\$ 60,155	\$ 198,498
Reserve for encumbrances, December 31, 2004	\$ 1,244	\$ -	\$ 1,244

See notes to financial statements.

**COSHOCTON CITY AND COUNTY PARK DISTRICT
COSHOCTON COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	General	Capital Projects	Total (Memorandum Only)
Cash receipts:			
Grants - local government	\$ 86,889	\$ -	\$ 86,889
Investment income	1,164	1,303	2,467
Gifts and donations	11,616	-	11,616
Fees	418,606	-	418,606
Sales	80,877	-	80,877
Other	15,577	8,000	23,577
Total cash receipts	614,729	\$ 9,303	624,032
Cash Disbursements:			
Current:			
Salaries - employees	292,092	-	292,092
Supplies	49,021	-	49,021
Materials	36,957	-	36,957
Contracts - repair	29,377	-	29,377
Contracts - services	34,071	-	34,071
Advertising and printing	8,170	-	8,170
Public employees retirement	44,323	-	44,323
Workers compensation	4,384	-	4,384
Unemployment compensation	1,441	-	1,441
Medicare	4,175	-	4,175
Insurance	69,963	-	69,963
Utility	54,622	-	54,622
Other	31,871	-	31,871
Equipment	796	-	796
Contracts - projects	-	3,252	3,252
Total cash disbursements	661,263	3,252	664,515
Total cash receipts over/(under) cash disbursements	(46,534)	6,051	(40,483)
Other financing receipts/(disbursements):			
Transfers - in	-	-	-
Transfers - out	-	(58,142)	(58,142)
Total other financing receipts/(disbursements)	-	(58,142)	(58,142)
Excess of cash receipts and other financing receipts under cash disbursements and other financing disbursements	(46,534)	(52,091)	(98,625)
Fund cash balances, January 1, 2003	117,431	111,510	228,941
Fund cash balances, December 31, 2003	\$ 70,897	\$ 59,419	\$ 130,316

See notes to financial statements.

**COSHOCTON CITY AND COUNTY PARK DISTRICT
COSHOCTON COUNTY**

**STATEMENTS OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ENTERPRISE FUND
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003**

	2004	2003
Operating cash receipts:		
Fees	\$ -	\$ 126,923
Gifts and donations	-	5,000
Sales	-	54,972
Total operating cash receipts	-	186,895
Operating cash disbursements:		
Salaries - employees	-	110,546
Supplies	-	22,501
Materials	-	33,386
Equipment	-	15,573
Contracts - repair	-	1,650
Contracts - services	-	-
Advertising and printing	-	1,368
Public employees retirement	-	18,045
Workers compensation	-	2,139
Unemployment compensation	-	-
Medicare	-	1,603
Utilities	-	10,846
Insurance	-	23,588
Other	-	6,822
Total operating cash disbursements	-	248,067
Non-operating cash receipts		
Investment income	-	-
Transfer - In	-	58,142
Total Non-operating cash receipts	-	58,142
Net cash receipts over/(under) cash disbursements	-	(3,030)
Fund cash balances, January 1	-	3,030
Fund cash balances, December 31	\$ -	\$ -
Reserve for encumbrances, December 31	\$ -	\$ -

See notes to financial statements.

**COSHOCTON CITY AND COUNTY PARK DISTRICT
COSHOCTON COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Entity

The Coshocton City and Park District, Coshocton County, (the District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by a three-member Board of Commissioners appointed by the Probate Court Judge of Coshocton County. The District's primary purpose is to create and preserve a system of parks and outdoor recreation areas to serve the needs of the residents and visitors of Coshocton County.

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

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 disbursements basis of accounting. Receipts are recognized when received in cash rather than when they are earned. Disbursements are recognized when they are paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance.)

Cash and Investments

In accordance with Ohio Revised Code, the District's cash is held and invested by the Coshocton County Treasurer, who acts as custodian for District monies. The District's assets are held in the County's cash and investment pool, and are valued at the Treasurer's reported carrying amount.

Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted to use. The District 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.

Capital Projects Fund

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except for those financed through enterprise or trust funds). The District's only Capital Projects Fund is the General Construction Fund, which is used for the renovation and construction costs of improvements to the District's Campground, Pavilion, and Hilltop Golf Course.

Enterprise Fund

This fund is used to account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The District's only Enterprise Fund is the Golf Course Fund, which is used to account for charges for services to provide a recreational facility for the general public. The District in 2004 leased to a management company and no longer runs daily operations.

**COSHOCTON CITY AND COUNTY PARK DISTRICT
COSHOCTON COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgetary Process

The Ohio Revised Code requires that each fund 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 Park Commissioners 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.

Encumbrances

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

Encumbrances are purchase orders, contracts and other commitments for the expenditure of monies that are recorded as the equivalent of expenditures on the budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance.

A summary of 2004 and 2003 budgetary activity appears in Note 2.

2. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2004 and 2003 follows:

2004 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 683,900	\$ 739,801	\$ 55,901
Capital Projects	-	736	736
Total	<u>\$ 683,900</u>	<u>\$ 740,537</u>	<u>\$ 56,637</u>

2004 Budgeted vs. Actual Budgetary Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 723,900	\$ 673,599	\$ 50,301
Capital Projects	-	-	-
Total	<u>\$ 723,900</u>	<u>\$ 673,599</u>	<u>\$ 50,301</u>

**COSHOCTON CITY AND COUNTY PARK DISTRICT
COSHOCTON COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

2. BUDGETARY ACTIVITY (continued)

2003 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 682,500	\$ 614,729	\$ (67,771)
Capital Projects	10,000	9,303	(697)
Enterprise	289,000	245,037	(43,963)
Total	<u>\$ 981,500</u>	<u>\$ 869,069</u>	<u>\$ (112,431)</u>

2003 Budgeted vs. Actual Budgetary Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 792,500	\$ 661,263	\$ 131,237
Capital Projects	68,142	61,395	6,747
Enterprise	289,000	248,607	40,933
Total	<u>\$ 1,149,642</u>	<u>\$ 970,725</u>	<u>\$ 178,917</u>

3. RETIREMENT SYSTEM

The District's full-time and part-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, 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 2004 and 2003, members of PERS contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% in 2004 and 2003. The District has paid all contributions required through December 31, 2004.

4. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:
 Comprehensive property and general liability
 Vehicles

The District also provides health insurance and dental and vision coverage to full time employees through a private carrier.

5. LEASE OF GOLF COURSE

The Coshocton City and County Park District has entered into a lease agreement dated March 1, 2004 through October 1, 2004, with Golf Young Management and Consulting, LLC to operate the golf course. Golf Young Management and Consulting, LLC is entitled to operate all golf course equipment. The rent paid to the Park District for this period was \$20,000. Golf Young Management and Consulting, LLC, if not in default of agreement, has the option to extend the lease for three years with annual rent of \$20,000. As of the date of this report, the lease has been extended.

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

**REPORT OF INDEPENDENT ACCOUNTANTS 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 Park Commissioners
Coshocton City and County Park District
23253 SR 83
Coshocton, Ohio 43812

We have audited the financial statements of The Coshocton City and County Park District as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated May 4, 2005, wherein we noted the District followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 Financing Reporting

In planning and performing our audit, we considered the Coshocton City and County Park District's 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 an opinion 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 a material weakness. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level of risk that misstatements caused by error or fraud in amounts that 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, which we have reported to the management of the Coshocton City and County Park District in a separate letter dated May 4, 2005.

Compliance

As part of obtaining reasonable assurance about whether the Coshocton City and County Park District's combined 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 test disclosed one instance of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as item 2004-1. We have noted certain immaterial instances of noncompliance that we have reported to the management of the Coshocton City and County Park District in a separate letter dated May 4, 2005.

This report is intended for the information of management, Board of Park Commissioners 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
May 4, 2005

**COSHOCTON CITY AND COUNTY PARK DISTRICT
COSHOCTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2004**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2004-1

Ohio Revised Code Section 5705.41(D) states in part that no subdivision shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of fiscal officer of the subdivision. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

Prior certification was not obtained for 45% of the expenditures tested.

The District Fiscal Officer should certify funds before each payment is made through the issuance of a regular, blanket, or super blanket purchase order. Blanket certificates should be issued for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of council against any specific line item account over a period not running beyond the end of the current fiscal year. A super blanket purchase order can be completed for any amount for expenditures and contracts from a specific line item appropriation account in a specified fund for most recurring or reasonable predictable operating expenditures. This is not to extend beyond the current year. More than one super blanket may be outstanding at one particular time for a particular line item appropriation account.

Also, as an alternative, the District can issue then and now certificates for expenses up to \$3,000. Then and now certificates allow the District's Fiscal Officer to certify that both at the time the expenditure was made and at the time that the certification is completed, sufficient funds are available. These certificates can be certified by the District's fiscal Officer without subsequent authorization from the Board. However, then and now certificates issued by the District's Fiscal Officer over \$3,000 must be authorized by the Board within thirty days after payment.

The Director of Park Operations should sign-off on all purchase orders or requisitions to help ensure compliance and serve as a monitoring review for all District purchases.



**Auditor of State
Betty Montgomery**

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**COSHOCTON CITY AND COUNTY PARK DISTRICT
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
JULY 12, 2005**