

COSHOCTON CITY AND COUNTY PARK DISTRICT

AUDIT REPORT

JANUARY 1, 2001 - DECEMBER 31, 2002



**Auditor of State
Betty Montgomery**

Board of Park Commissioners
Coshocton City and County Park District

We have reviewed the Independent Auditor's Report of Coshocton City and County Park District, 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. 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

May 19, 2003

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**COSHOCTON CITY AND COUNTY PARK DISTRICT
COSHOCTON COUNTY
JANUARY 1, 2001 - DECEMBER 31, 2002**

TABLE OF CONTENTS

Table of Contents	(i)
Independent Auditors' Report	1
Financial Statements	
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Funds Types For the Year Ended December 31, 2002	2
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Funds For the Year Ended December 31, 2001	3
Combined Statement of cash Receipts, Cash Disbursements, and Changes In Fund Cash Balances - Enterprise Fund For the Years Ended December 31, 2002 and 2001	4
Notes to the Financial Statements	5-7
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.	8
Schedule of Finding	9

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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, 2002 and 2001. 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 in Note 1, the Coshocton City and County Park District 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 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 combined fund cash balances and reserve for encumbrances of the Coshocton City and County Park District, Coshocton County, 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 April 29, 2003, 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 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 the 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
April 29, 2003

**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, 2002**

	General	Capital Projects	Total (Memorandum Only)
Cash receipts:			
Grants - local government	\$ 120,702	\$ -	\$ 120,702
Investment income	2,876	1,871	4,747
Gifts and donations	1,675	-	1,675
Fees	474,231	-	474,231
Sales	108,363	-	108,363
Other	36,465	-	36,465
Total cash receipts	744,312	\$ 1,871	746,183
Cash Disbursements:			
Current:			
Salaries - employees	281,478	-	281,478
Supplies	60,778	-	60,778
Materials	57,845	-	57,845
Contracts - repair	41,853	-	41,853
Contracts - services	32,130	-	32,130
Advertising and printing	8,927	-	8,927
Public employees retirement	37,253	-	37,253
Workers compensation	12,135	-	12,135
Unemployment compensation	1,642	-	1,642
Medicare	4,001	-	4,001
Insurance	56,758	-	56,758
Utility	56,411	-	56,411
Other	21,211	-	21,211
Equipment	33,371	-	33,371
Contracts - projects	-	33,690	33,690
Total cash disbursements	705,793	33,690	739,483
Total cash receipts over/(under) cash disbursements	38,519	(31,819)	6,700
Other financing receipts/(disbursements):			
Transfers - in	-	30,000	30,000
Advance - out	(10,000)	-	(10,000)
Transfers - out	(30,000)	-	(30,000)
Total other financing receipts/(disbursements)	(40,000)	30,000	(10,000)
Excess of cash receipts and other financing receipts under cash disbursements and other financing disbursements	(1,481)	(1,819)	(3,300)
Fund cash balances, January 1, 2002	118,912	113,329	232,241
Fund cash balances, December 31, 2002	\$ 117,431	\$ 111,510	\$ 228,941
Reserve for encumbrances, December 31, 2002	\$ -	\$ -	\$ -

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, 2001**

	General	Capital Projects	Total (Memorandum Only)
Cash receipts:			
Grants - local government	\$ 115,742	\$ -	\$ 115,742
Investment income	6,072	3,610	9,682
Gifts and donations	15,351	-	15,351
Fees	449,103	-	449,103
Sales	108,212	-	108,212
Other	49,484	57,465	106,949
Total cash receipts	743,964	\$ 61,075	805,039
Cash Disbursements:			
Current:			
Salaries - employees	265,921	-	265,921
Supplies	64,274	-	64,274
Materials	44,185	-	44,185
Contracts - repair	41,204	-	41,204
Contracts - services	36,162	-	36,162
Advertising and printing	11,151	-	11,151
Public employees retirement	33,202	-	33,202
Workers compensation	8,871	-	8,871
Unemployment compensation	1,051	-	1,051
Medicare	3,759	-	3,759
Insurance	41,228	-	41,228
Utility	54,556	-	54,556
Other	53,055	-	53,055
Equipment	9,298	-	9,298
Contracts - projects	-	41,798	41,798
Total cash disbursements	667,917	41,798	709,715
Total cash receipts over/(under) cash disbursements	76,047	19,277	95,324
Other financing receipts/(disbursements):			
Transfers - in	-	50,000	50,000
Transfers - out	(50,000)	-	(50,000)
Total other financing receipts/(disbursements)	(50,000)	50,000	-
Excess of cash receipts and other financing receipts under cash disbursements and other financing disbursements	26,047	69,277	95,324
Fund cash balances, January 1, 2001	92,865	44,052	136,917
Fund cash balances, December 31, 2001	\$ 118,912	\$ 113,329	\$ 232,241
Reserve for encumbrances, December 31, 2001	\$ 1,923	\$ -	\$ 1,923

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, 2002 AND 2001**

	2002	2001
Operating cash receipts:		
Fees	\$ 201,525	\$ 226,361
Sales	71,900	77,273
Total operating cash receipts	273,425	303,634
Operating cash disbursements:		
Salaries - employees	138,308	142,213
Supplies	24,248	27,197
Materials	34,828	49,348
Equipment	12,898	3,792
Contracts - repair	3,000	8,869
Contracts - services	1,200	3,168
Advertising and printing	1,481	1,380
Public employees retirement	19,064	16,611
Workers compensation	5,818	5,599
Unemployment compensation	133	1,370
Medicare	2,006	2,062
Utilities	12,293	12,819
Insurance	16,116	13,223
Other	16,655	15,538
Total operating cash disbursements	288,048	303,189
Non-operating cash receipts		
Investment income	11	158
Advance - In	10,000	-
Total Non-operating cash receipts	10,011	158
Net cash receipts over/(under) cash disbursements	(4,612)	603
Fund cash balances, January 1	7,642	7,039
Fund cash balances, December 31	\$ 3,030	\$ 7,642
Reserve for encumbrances, December 31	\$ -	\$ 956

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.

**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 2002 and 2001 budgetary activity appears in Note 2.

2. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 688,200	\$ 744,312	\$ 56,112
Capital Projects	10,000	31,871	21,871
Enterprise	322,000	283,436	(38,564)
Total	<u>\$ 1,020,200</u>	<u>\$ 1,059,619</u>	<u>\$ 39,419</u>

2002 Budgeted vs. Actual Budgetary Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 790,123	\$ 735,793	\$ 54,330
Capital Projects	44,304	33,690	10,614
Enterprise	322,956	288,048	34,908
Total	<u>\$ 1,157,383</u>	<u>\$ 1,057,531</u>	<u>\$ 99,852</u>

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

NOTES TO THE FINANCIAL STATEMENTS

2. BUDGETARY ACTIVITY (continued)

2001 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 708,628	\$ 743,964	\$ 35,336
Capital Projects	5,000	111,075	106,075
Enterprise	303,200	303,792	592
Total	<u>\$ 1,016,828</u>	<u>\$ 1,158,831</u>	<u>\$ 142,003</u>

2001 Budgeted vs. Actual Budgetary Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 784,037	\$ 719,840	\$ 64,197
Capital Projects	45,688	41,798	3,890
Enterprise	309,320	304,145	5,175
Total	<u>\$ 1,139,045</u>	<u>\$ 1,065,783</u>	<u>\$ 73,262</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 2002 and 2001, members of PERS contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% in 2002 and 2001. The District has paid all contributions required through December 31, 2002.

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. RELATED PARTY TRANSACTIONS

The District leases a building and the surrounding area to Stephen Miller, Director of Park Operations. Mr. Miller is the owner of the Nature Towpath Center. The District entered into a contract with Mr. Miller prior to him becoming Director of Park Operations. The District received lease payments of \$4,500 in 2002 and 2001, respectively. The lease ended December 31, 2002.

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**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, 2002 and 2001, and have issued our report thereon dated April 29, 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 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 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 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 2002-1. 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 April 29, 2003.

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 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 a 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 of risk that misstatements 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 April 29, 2003.

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
April 29, 2003

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

**SCHEDULE OF FINDINGS
DECEMBER 31, 2002**

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

FINDING NUMBER 2002-1

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 47% of the expenditures tested.

The District's 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 specific line item. These blanket certificates should be canceled at the end of each fiscal year and should not exceed \$5,000 or three months in duration. A super blanket purchase order can be completed for amounts over \$5,000 from a specific line item or account, in a specific fund, for most recurring or reasonable predictable operating expenditures.

Also, as an alternative, the District can issue then and now certificates for expenses up to \$1,000. Then and now certificates allow the Clerk/Treasurer 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 \$1,000 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
JUNE 5, 2003**