



OHIO AUDITOR OF STATE
KEITH FABER



**COSHOCTON CITY AND COUNTY PARK DISTRICT
 COSHOCTON COUNTY
 DECEMBER 31, 2018 AND 2017**

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INDEPENDENT AUDITOR'S REPORT

Coshocton City and County Park District
Coshocton County
23253 State Route 83 North
Coshocton, Ohio 43812

To the Board of Park Commissioners:

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Coshocton City and County Park District, Coshocton County, Ohio (the District), as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Efficient • Effective • Transparent

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Coshocton City and County Park District, Coshocton County, Ohio, as of December 31, 2018 and 2017, and the respective changes in cash financial position and the budgetary comparison for the General Fund thereof for the years then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2019, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

December 18, 2019

COSHOCTON CITY AND COUNTY PARK DISTRICT
 COSHOCTON COUNTY
 STATEMENT OF NET POSITION - CASH BASIS
 DECEMBER 31, 2018

	Governmental Activities
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	\$192,612
Total Assets	\$192,612
NET POSITION:	
Restricted for:	
Capital Projects	\$26,577
Unrestricted	166,035
TOTAL NET POSITION	\$192,612

See accompanying notes to the basic financial statements.

COSHOCTON CITY AND COUNTY PARK DISTRICT
 COSHOCTON COUNTY
 STATEMENT OF ACTIVITIES - CASH BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2018

	Cash Disbursements	Charges for Services	Capital Grants & Contributions	Net (Disbursements) Receipts & Changes in Net Position Governmental Activities
Governmental Activities:				
Current				
Recreation	(\$806,012)	\$369,206	\$212	(\$436,594)
Debt Service:				
Principal Retirement	(101,626)	0	0	(101,626)
Interest and Other Fiscal Charges	(5,867)	0	0	(5,867)
Total Governmental Activities	(\$913,505)	\$369,206	\$212	(\$544,087)
General Receipts:				
Property Taxes Levied for General Purposes				315,066
Unrestricted Investment Earnings				929
Miscellaneous				248,101
Intergovernmental				36,398
Unrestricted Contributions & Donations				44,311
Debt Proceeds				50,000
Total General Receipts				694,805
Change in Net Position				150,718
Net Position - Beginning of Year				41,894
Net Position - End of Year				\$192,612

See accompanying notes to the basic financial statements.

COSHOCOTON CITY AND COUNTY PARK DISTRICT
COSHOCOTON COUNTY

STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	General Fund	Capital Improvements Fund	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$166,035	\$26,577	\$192,612
Total Assets	\$166,035	\$26,577	\$192,612
Fund Balances			
Assigned	\$158,057	\$0	\$158,057
Unassigned	7,978	0	7,978
Restricted: Capital Projects	0	26,577	26,577
Total Fund Balances	\$166,035	\$26,577	\$192,612

See accompanying notes to the basic financial statements

COSHOCOTON CITY AND COUNTY PARK DISTRICT
COSHOCOTON COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	General Fund	Capital Improvements	Total Governmental Funds
Receipts:			
Taxes	\$315,066	\$0	\$315,066
Intergovernmental	36,398	0	36,398
Investment Income	929	212	1,141
Gifts and Donations	44,311	0	44,311
Fees	314,303	0	314,303
Charges for Services	100	0	100
Sales	54,771	0	54,771
Well Proceeds	32	0	32
Other	244,956	0	244,956
Total Receipts	<u>1,010,866</u>	<u>212</u>	<u>1,011,078</u>
Disbursements:			
Recreation	806,012	0	806,012
Debt Service:			
Principal Retirement	50,406	51,220	101,626
Interest and Other Fiscal Charges	850	5,017	5,867
Total Disbursements	<u>857,268</u>	<u>56,237</u>	<u>913,505</u>
Excess of Receipts Over (Under) Disbursements	153,598	(56,025)	97,573
Other Financing Sources (Uses):			
Other Financing Sources	3,145	0	3,145
Proceeds of Debt (Note)	50,000	0	50,000
Transfer-In	0	56,238	56,238
Transfer-Out	(56,238)	0	(56,238)
Total Other Financing Sources (Uses)	<u>(3,093)</u>	<u>56,238</u>	<u>53,145</u>
Net Change in Fund Balances	150,505	213	150,718
Fund Balances Beginning of the Year	15,530	26,364	41,894
Fund Balances End of the Year	<u>\$166,035</u>	<u>\$26,577</u>	<u>\$192,612</u>

See accompanying notes to the basic financial statements

COSHOCKTON CITY AND COUNTY PARK DISTRICT
COSHOCKTON COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Receipts:				
Taxes	\$331,833	\$315,333	\$315,066	(\$267)
Intergovernmental	30,000	36,165	36,398	233
Investment Income	500	500	929	429
Gifts and Donations	24,500	44,310	44,311	1
Fees	306,500	314,070	314,303	233
Charges for Services	0	0	100	100
Sales	52,100	56,333	54,771	(1,562)
Well Proceeds	1,000	1,000	32	(968)
Other Revenue	8,650	243,816	244,956	1,140
Total Receipts	<u>755,083</u>	<u>1,011,527</u>	<u>1,010,866</u>	<u>(661)</u>
Disbursements:				
Salaries	266,900	290,097	287,433	2,664
Employee Fringe Benefits	88,825	96,939	96,358	581
Supplies	29,000	33,477	33,405	72
Materials	40,000	44,794	43,941	853
Equipment	8,000	5,558	5,464	94
Contract Repairs	6,000	3,699	3,406	293
Contract Services	18,800	45,668	44,663	1,005
Other Expenses	202,644	390,061	291,342	98,719
Debt Service:				
Principal Retirement	51,000	51,349	50,406	943
Interest and Other Fiscal Charges	0	0	850	(850)
Total Disbursements	<u>711,169</u>	<u>961,642</u>	<u>857,268</u>	<u>104,374</u>
Excess of Receipts Over (Under) Disbursements	43,914	49,885	153,598	103,713
Other Financing Sources (Uses):				
Other Financing Sources	4,000	4,000	3,145	(855)
Proceeds of Debt (Note)	50,000	50,000	50,000	0
Transfer-Out	(110,414)	(56,238)	(56,238)	0
Total Other Financing Sources (Uses)	<u>(56,414)</u>	<u>(2,238)</u>	<u>(3,093)</u>	<u>(855)</u>
Net Change in Fund Balances	(12,500)	47,647	150,505	102,858
Fund Balance Beginning of the Year	<u>15,530</u>	<u>15,530</u>	<u>15,530</u>	<u>0</u>
Fund Balance End of the Year	<u><u>\$3,030</u></u>	<u><u>\$63,177</u></u>	<u><u>\$166,035</u></u>	<u><u>\$102,858</u></u>

See accompanying notes to the basic financial statements

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2018**

1. DESCRIPTION OF THE REPORTING ENTITY

Reporting Entity

The Coshocton City and County Park District (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 Park Commissioners appointed by the Coshocton County Judge of the Probate Court. 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 reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

Primary Government

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus as Amendment of GASB Statement No. 14 and 34". The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District.

As park districts are structured in Ohio, the Coshocton County Auditor and County Treasurer serve respectively as fiscal officer and custodian of funds for the District. As fiscal officer, the County Auditor certifies the availability of cash and appropriations prior to the processing of payments. As the custodian of public funds, the County Treasurer invests District monies held on deposit in the county treasury.

Component Units

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the District is obligated for the debt of the organization. The District is also financially accountable for any organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the District, are accessible to the District and are significant in amount to the District.

Coshocton City and County Park District has no component units.

Joint Ventures, Jointly Governed Organizations

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest, or (b) an ongoing financial responsibility. Under the cash basis of accounting, the District does not report assets for equity interest in joint ventures.

The District participates in a public entity risk pool. Note 8 to the financial statements provides additional information for this entity. This organization is the Public Entities Pool of Ohio (The Pool). The Pool provides property, casualty, and liability coverage.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2018**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are more of the District's accounting policies.

Basis of Presentation

The District's basic financial statements consist of government-wide financial statements, including a statement of net position, a statement of activities and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net position presents the cash and investment balances of the governmental-type activities of the District at year end. The statement of activities compares disbursements with program receipts for the District's governmental-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the District is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which the governmental function-type activity is self-financing on a cash basis or draws from the District's general receipts.

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

Fund Accounting

The District uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the District are included in one category: governmental.

Governmental Funds

The District classifies funds financed primarily from taxes, intergovernmental receipts (e.g., grants), and other non-exchange transactions as governmental funds. The District's major governmental funds are General Fund and Capital Improvement Fund. The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2018**

expended or transferred according to the general laws of Ohio. The Capital Improvement Fund is used to accumulate funds for the purpose of providing capital project improvements for the District.

Basis of Accounting

The District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid in rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets, deferred outflows of resources, deferred inflows of resources and the effects of these items on revenues and expenses are not recorded in these financial statements.

Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the District may appropriate.

The appropriations resolution is the District's authorization to spend resources and set limits on disbursements plus encumbrances at the level of control selected by the District. The legal level of control has been established at the object level for the General Fund and at the fund level for all other funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the District Fiscal Officer. The amounts reported in the original budget on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the District.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the District during the year.

Cash

As required by Ohio Revised Code, the County Treasurer is custodian for the District's cash. The District's assets are held in the county's cash and investment pool, and are valued at the County Treasurer's reported carrying amount. In 2018, interest credited to the General Fund was \$929.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. The District had no restricted assets at December 31, 2018.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2018**

Inventory and Prepaid Items

The District reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Net Position

Net position is reported as restricted to the extent of limitations imposed on its use, either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for grants for specific purposes.

The District's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance Classifications

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable Fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (Resolution) of the District's Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Fund classification are amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the District Board or District official delegated that authority by resolution, or by State Statute.

Unassigned Fund balance is the residual classification for the General Fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2018**

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under District's basis of accounting.

Employer Contributions to Cost-Sharing Pension Plans

The District recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 9 and 10, the employer contributions include portions for pension benefits and for post-retirement health care benefits.

Long-Term Obligations

The District's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither another financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

Capital Assets

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

Interfund Transactions

Exchange transactions between funds are reported as cash receipts in the seller funds and as cash disbursements in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented on the financial statements. In the government-wide statements, transfers within the governmental activities are eliminated.

3. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual (Budget Basis) presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis is outstanding year-end encumbrances and are treated as disbursements (budgetary basis) rather than as restricted, assigned or committed fund balance (cash basis).

4. DEPOSITS

The Coshocton County Treasurer maintains a cash pool used by all funds, including those of the District. The Ohio Revised Code prescribes allowable deposits and investments. The District's carrying amount of cash on deposit with the County at December 31, 2018, was \$192,612. The Coshocton County Treasurer, as fiscal agent for the District, is responsible for collateral of all funds in the County's pooled and deposited accounts.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2018**

5. PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the District. Real property taxes and public utility taxes are levied after November 1 on the assessed value listed as of the prior tax lien date of January 1. Assessed values are established by state law at 35% of fair market value. Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at 25% of true value for taxable property. The assessed value upon which taxes collected in calendar year 2018 was \$770,175,160. The full rate for the District operations applied to real property for fiscal year ended December 31, 2018, was \$0.50 per \$1,000 of assessed valuation and the effective rate collected per \$1,000 of assessed valuation was \$0.445283 for agricultural and residential properties and \$0.489170 for public utilities and other properties.

The assessed values of real and public utility property upon which 2018 collection year property tax receipts were based are as follows:

<u>Real Property</u>			
Agricultural/Residential	\$	536,436,610	
Commercial/Industrial/Mineral		125,671,650	
 <u>Public Utility</u>			
Real		6,302,760	
Personal		<u>101,764,140</u>	
	\$	<u>770,175,160</u>	

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, state statute permits earlier or later payment dates to be established.

The county treasurer collects property tax on behalf of all taxing districts within the county. The county auditor periodically remits to the taxing districts their portions of the taxes collected. Collections of the taxes and remittance of them to the taxing districts are accounted for in various agency funds of the county.

6. TRANSFERS

Following is a summary of transfers in and out of all funds for 2018:

Fund	Transfer In	Transfer Out
General Fund	\$ 0	\$ 56,238
Capital Improvements	56,238	<u>0</u>
Totals	<u>\$ 56,238</u>	<u>\$ 56,238</u>

Transfers are used to move revenues from funds that statute or budget requires to collect them to the funds that statute or budget requires to expend them; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; to return money to the fund from which it was originally provided once a project is completed; and to transfer capital assets.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2018**

7. LONG TERM OBLIGATIONS

Debt outstanding at December 31, 2018 was as follows:

Park National Bank

<u>Interest Rate</u>	<u>Principal</u>
3.50%	\$101,681

The District entered into a loan with Park National Bank for the purpose of a bathhouse facility in Lake Park in 2017.

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

<u>Year ending</u> <u>December 31:</u>	<u>Park National Bank</u>
2019	\$37,543
2020	36,266
2021	35,080
Total	<u>\$108,889</u>

8. RISK MANAGEMENT

Risk Pool Membership

The District is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the District's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2018</u>
Cash and investments	\$ 35,381,789
Actuarial liabilities	\$12,965,015

9. DEFINED BENEFIT PENSION PLAN

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – District employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
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Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS' CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements:	Age and Service Requirements:	Age and Service Requirements:
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula:	Traditional Plan Formula:	Traditional Plan Formula:
2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula:	Combined Plan Formula:	Combined Plan Formula:
1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost-of-living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits.

The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2018 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
 2018 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	0.0
Total Employer	14.0 %
 Employee	 10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required contribution was \$39,987 for year 2018.

10. POSTEMPLOYMENT BENEFITS

Plan Description – Ohio Public Employees Retirement System (OPERS)

Ohio Public Employees Retirement System

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2018, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required contribution was \$0 for the year 2018.

11. SUBSEQUENT EVENTS

In August 2019, the District received \$284,940 in restricted donations to be used solely for the Aquatic Center. The money was placed in the District's Capital Improvement Fund.

COSHOCTON CITY AND COUNTY PARK DISTRICT
 COSHOCTON COUNTY
 STATEMENT OF NET POSITION - CASH BASIS
 DECEMBER 31, 2017

	Governmental Activities
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	\$41,894
Total Assets	\$41,894
NET POSITION:	
Restricted for:	
Capital Projects	\$26,364
Unrestricted	15,530
TOTAL NET POSITION	\$41,894

See accompanying notes to the basic financial statements.

COSHOCOTON CITY AND COUNTY PARK DISTRICT
COSHOCOTON COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Cash</u>	<u>Charges for</u>	<u>Capital Grants</u>	<u>Net</u>
	<u>Disbursements</u>	<u>Services</u>	<u>& Contributions</u>	<u>(Disbursements)</u>
				<u>Receipts &</u>
				<u>Changes in Net</u>
				<u>Position</u>
				<u>Governmental</u>
				<u>Activities</u>
Governmental Activities:				
Current				
Recreation	(\$716,556)	\$329,785	\$925	(\$385,846)
Capital Outlay	(417,946)	0	47,425	(370,521)
Debt Service:				
Principal Retirement	(118,881)	0	0	(118,881)
Interest and Other Fiscal Charges	(5,030)	0	0	(5,030)
Total Governmental Activities	<u>(\$1,258,413)</u>	<u>\$329,785</u>	<u>\$48,350</u>	<u>(\$880,278)</u>
General Receipts:				
Property Taxes Levied for General Purposes				329,032
Unrestricted Investment Earnings				828
Miscellaneous				100,240
Intergovernmental				35,987
Unrestricted Contributions & Donations				49,201
Debt Proceeds				<u>233,000</u>
Total General Receipts				<u>748,288</u>
Change in net position				(131,990)
Net position - beginning of year				<u>173,884</u>
Net position - end of year				<u>\$41,894</u>

See accompanying notes to the basic financial statements.

COSHOCOTON CITY AND COUNTY PARK DISTRICT
COSHOCOTON COUNTY

STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	General Fund	Capital Improvements Fund	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$15,530	\$26,364	\$41,894
Total Assets	\$15,530	\$26,364	\$41,894
Fund Balances			
Assigned	\$16,018	\$0	\$16,018
Unassigned	(488)	0	(488)
Restricted: Capital Projects	0	26,364	26,364
Total Fund Balances	\$15,530	\$26,364	\$41,894

See accompanying notes to the basic financial statements

COSHOCTON CITY AND COUNTY PARK DISTRICT
COSHOCTON COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	General Fund	Capital Improvements	Total Governmental Funds
Receipts:			
Taxes	\$329,032	\$0	\$329,032
Intergovernmental	35,987	47,425	83,412
Investment Income	828	925	1,753
Gifts and Donations	44,201	5,000	49,201
Fees	282,928	0	282,928
Sales	46,256	0	46,256
Well Proceeds	601	0	601
Other	23,342	73,479	96,821
Total Receipts	763,175	126,829	890,004
Cash Disbursements:			
Recreation	716,556	0	716,556
Capital Outlay	0	417,946	417,946
Debt Service:			
Principal Retirement	54,760	64,121	118,881
Interest and Other Fiscal Charges	974	4,056	5,030
Total Disbursements	772,290	486,123	1,258,413
Excess of Receipts Over (Under) Disbursements	(9,115)	(359,294)	(368,409)
Other Financing Sources (Uses)			
Other Financing Sources	3,419	0	3,419
Proceeds of Debt (Note)	50,000	183,000	233,000
Transfer-In	0	56,988	56,988
Transfer-Out	(56,988)	0	(56,988)
Total Other Financing Sources(Uses)	(3,569)	239,988	236,419
Net Change in Fund Balances	(12,684)	(119,306)	(131,990)
Fund Balance Beginning of the Year	28,214	145,670	173,884
Fund Balance End of the Year	\$15,530	\$26,364	\$41,894

See accompanying notes to the basic financial statements

COSHOCOTON CITY AND COUNTY PARK DISTRICT
COSHOCOTON COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDING DECEMBER 31, 2017

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Receipts:				
Taxes	\$350,788	\$329,788	\$329,032	(\$756)
Intergovernmental	30,000	35,700	35,987	287
Investment Income	300	825	828	3
Gifts and Donations	20,000	44,000	44,201	201
Fees	307,000	279,700	282,928	3,228
Sales	53,100	47,250	46,256	(994)
Well Proceeds	1,000	1,000	601	(399)
Other Revenue	13,050	26,950	23,342	(3,608)
Total Cash Receipts	775,238	765,213	763,175	(2,038)
Disbursements:				
Salaries	251,500	276,599	276,599	0
Employee Fringe Benefits	83,800	89,563	89,563	0
Supplies	29,000	32,779	32,779	0
Materials	40,000	38,456	38,418	38
Equipment	12,400	13,155	13,155	0
Contract Repairs	6,000	20,487	20,487	0
Contract Services	32,800	23,232	23,232	0
Other Expenses	339,738	243,303	222,323	20,980
Debt Services:				
Principal Retirement	52,000	50,854	54,760	(3,906)
Interest and Other Fiscal Charges	0	0	974	(974)
Total Disbursements	847,238	788,428	772,290	16,138
Excess of Receipts Over (Under)				
Disbursements	(72,000)	(23,215)	(9,115)	14,100
Other Financing Sources (Uses)				
Other Financing Sources	2,000	2,000	3,419	1,419
Proceeds of Debt (Note)	50,000	50,000	50,000	0
Transfer-Out	0	(56,988)	(56,988)	0
Total Other Financing Sources (Uses)	52,000	(4,988)	(3,569)	1,419
Net Change in Fund Balances	(20,000)	(28,203)	(12,684)	15,519
Fund Balance Beginning of the Year	28,214	28,214	28,214	0
Fund Balance End of the Year	\$8,214	\$11	\$15,530	\$15,519

See accompanying notes to the basic financial statements

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2017**

1. DESCRIPTION OF THE REPORTING ENTITY

Reporting Entity

The Coshocton City and County Park District (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 Park Commissioners appointed by the Coshocton County Judge of the Probate Court. 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 reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

Primary Government

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus as Amendment of GASB Statement No. 14 and 34". The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District.

As park districts are structured in Ohio, the Coshocton County Auditor and County Treasurer serve respectively as fiscal officer and custodian of funds for the District. As fiscal officer, the County Auditor certifies the availability of cash and appropriations prior to the processing of payments. As the custodian of public funds, the County Treasurer invests District monies held on deposit in the county treasury.

Component Units

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the District is obligated for the debt of the organization. The District is also financially accountable for any organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the District, are accessible to the District and are significant in amount to the District.

Coshocton City and County Park District has no component units.

Joint Ventures, Jointly Governed Organizations

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest, or (b) an ongoing financial responsibility. Under the cash basis of accounting, the District does not report assets for equity interest in joint ventures.

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The District participates in a public entity risk pool. Note 9 to the financial statements provides additional information for this entity. This organization is the Public Entities Pool of Ohio (PEP). PEP provides property, casualty, and liability coverage. The District's management believes these financial statements present all activities for which the District is financially accountable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are more of the District's accounting policies.

Basis of Presentation

The District's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net position presents the cash and investment balances of the governmental-type activities of the District at year end. The statement of activities compares disbursements with program receipts for the District's governmental-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the District is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which the governmental function-type activity is self-financing on a cash basis or draws from the District's general receipts.

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

Fund Accounting

The District uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the District are included in one category: governmental.

Governmental Funds

The District classifies funds financed primarily from taxes, intergovernmental receipts (e.g.,

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2017**

grants), and other non-exchange transactions as governmental funds. The District's major governmental funds are General Fund and Capital Improvement Fund. The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio. The Capital Improvement Fund is used to accumulate funds for the purpose of providing capital project improvements for the District.

Basis of Accounting

The District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid in rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets, deferred outflows of resources, deferred inflows of resources and the effects of these items on revenues and expenses are not recorded in these financial statements.

Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the District may appropriate.

The appropriations resolution is the District's authorization to spend resources and set limits on disbursements plus encumbrances at the level of control selected by the District. The legal level of control has been established at the object level for the General Fund and at the fund level for all other funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the District Fiscal Officer. The amounts reported in the original budget on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the District.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the District during the year.

Cash

As required by Ohio Revised Code, the Coshocton County Treasurer is custodian for the District's cash. The District's assets are held in the county's cash and investment pool, and are valued at the County Treasurer's reported carrying amount. In 2017, interest credited to the General Fund was \$828.

**COSHOCTON CITY AND COUNTY PARK DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2017**

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. The District had no restricted assets at December 31, 2017.

Inventory and Prepaids Items

The District reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Net Position

Net position is reported as restricted to the extent of limitations imposed on its use, either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for grants for specific purposes.

The District's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance Classifications

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable Fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (Resolution) of the District's Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Fund classification are amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the District Board or District official delegated that authority by resolution, or by State Statute.

Unassigned Fund balance is the residual classification for the General Fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under District's basis of accounting.

Employer Contributions to Cost-Sharing Pension Plans

The District recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 10 and 11, the employer contributions include portions for pension benefits and for post-retirement health care benefits.

Long-Term Obligations

The District's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither another financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

Capital Assets

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

Interfund Transactions

Exchange transactions between funds are reported as cash receipts in the seller funds and as cash disbursements in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented on the financial statements. In the government-wide statements, transfers within the governmental activities are eliminated.

3. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual (Budget Basis) presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis is outstanding year-end encumbrances and are treated as disbursements (budgetary basis) rather than as restricted, assigned or committed fund balance (cash basis).

4. DEPOSITS

The Coshocton County Treasurer maintains a cash pool used by all funds, including those of the District. The Ohio Revised Code prescribes allowable deposits and investments. The District's carrying amount of cash on deposit with the County at December 31, 2017, was \$41,894. The Coshocton County Treasurer, as fiscal agent for the District, is responsible for collateral of all funds in the County's pooled and deposited accounts.

**COSHOCTON CITY AND COUNTY PARK DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2017**

5. PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the District. Real property taxes and public utility taxes are levied after November 1 on the assessed value listed as of the prior tax lien date of January 1. Assessed values are established by state law at 35% of fair market value. Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at 25% of true value for taxable property. The assessed value upon which taxes collected in calendar year 2017 was \$801,645,050. The full rate for the District operations applied to real property for fiscal year ended December 31, 2017, was \$0.50 per \$1,000 of assessed valuation and the effective rate collected per \$1,000 of assessed valuation was \$0.445737 for agricultural and residential properties and \$0.486103 for public utilities and other properties.

The assessed values of real and public utility property upon which property tax receipts were based are as follows:

	Collection Year
	2017
<u>Real Property</u>	
Agricultural/Residential	\$533,368,870
Commercial/Industrial/Mineral	118,937,990
<u>Public Utility</u>	
Real	6,439,820
Personal	<u>142,898,370</u>
	<u>\$801,645,050</u>

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

The county treasurer collects property tax on behalf of all taxing districts within the county. The county auditor periodically remits to the taxing districts their portions of the taxes collected. Collections of the taxes and remittance of them to the taxing districts are accounted for in various agency funds of the county.

6. TRANSFERS

Following is a summary of transfers in and out of all funds for 2017:

Fund	Transfer In	Transfer Out
General Fund	\$ 0	\$ 56,988
Capital Improvements	<u>56,988</u>	<u>0</u>
Totals	<u>\$ 56,988</u>	<u>\$ 56,988</u>

Transfers are used to move revenues from funds that statute or budget requires to collect them to the funds that statute or budget requires to expend them; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; to return money to the fund from which it was originally provided once a project is completed; and to transfer capital assets.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2017**

7. LONG TERM OBLIGATIONS

Debt outstanding at December 31, 2017 was as follows:

	<u>Interest Rate</u>	<u>2017 Principal</u>
Ohio Water Development Authority	3.74%	\$17,326

The District entered into a loan with the Ohio Water Development Authority (OWDA) for the purpose of waterlines in Lake Park in 2013.

	<u>Interest Rate</u>	<u>2017 Principal</u>
Park National Bank	3.50%	\$135,575

The District entered into a loan with Park National Bank for the purpose of a bathhouse facility in Lake Park in 2017.

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

<u>Year ending December 31:</u>	<u>OWDA Debt</u>	<u>Park National Bank</u>
2018	\$8,907	\$38,639
2019	8,907	37,453
2020	0	36,266
2021	<u>0</u>	<u>35,080</u>
Total	<u>\$17,814</u>	<u>\$147,438</u>

8. CAPITAL LEASE

The District entered into a capital lease with John Deere Financial to lease a mower in 2014. The prior AUP did not disclose this capital lease. Monthly payments of \$407 are made from the General Fund and the lease is scheduled for repayment in 2018. Amortization of the lease, including interest at 4%, is scheduled as follows:

	<u>Amount</u>
Year Ending December 31, 2018	\$407
Less: Amount representing interest	<u>(1)</u>
Present value of future lease payments	<u>\$406</u>

9. RISK MANAGEMENT

The District is exposed to various risks of property and casualty losses, and injuries to employees.

The District insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Insurance Services Group, Inc. (York) functions as the administrator of PEP and provides

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2017**

underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by York. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2017, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

PEP's financial statements (audited by other auditor's) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2017.

	<u>2017</u>
Assets	\$44,452,326
Liabilities	(13,004,011)
Net Position	\$31,448,315

At December 31, 2017 the liabilities above include approximately \$11.8 million of estimated incurred claims payable. The assets above also include approximately \$11.2 million of unpaid claims to be billed. The Pool's membership increased to 527 members in 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2017, the District's share of these unpaid claims collectible in future years is approximately \$25,000.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<u>2017 Contributions to PEP</u> \$ <u>40,159</u>
--

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2017**

10. DEFINED BENEFIT PENSION PLAN

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – District employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS' CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2017**

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost-of-living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local	
2017 Statutory Maximum Contribution Rates		
Employer	14.0 %	
Employee	10.0 %	
2017 Actual Contribution Rates		
Employer:		
Pension	14.0 %	
Post-employment Health Care Benefits	0.0	
Total Employer	14.0 %	
Employee	10.0 %	

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required contribution was \$38,526 for year 2017.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2017**

11. POSTEMPLOYMENT BENEFITS

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - OPERS administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. This trust is also used to fund health care for Member Directed Plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, Member-Directed Plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2016 CAFR for details.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the OPERS Board of Trustees (OPERS Board) in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (800) 222-7377.

Funding Policy - The post-employment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code Section 401(h). State statute requires that public employers fund post-employment healthcare through contributions to OPERS. A portion of each employer's contribution to the Traditional or Combined Plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2017, local government employers contributed 14.00% of covered payroll. Each year the OPERS' Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan and Combined Plan for 2017 was 1.00%.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment healthcare plan.

The District's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2017 was \$385. The full amount has been contributed for 2017.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2017**

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under State Bill 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.00% of the employer contributions toward the health care fund after the end of the transition period.

12. CONTINGENT LIABILITY

Amount grantor agencies pay to the District are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.



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**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Coshocton City and County Park District
Coshocton County
23253 State Route 83 North
Coshocton, Ohio 43812

To the Board of Park Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States’ *Government Auditing Standards*, the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Coshocton City and County Park District, Coshocton County, Ohio (the District) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements and have issued our report thereon dated December 18, 2019, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District’s internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the District’s internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District’s financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings that we consider material weaknesses. We consider Findings 2018-001 through 2018-005 to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2018-001 and 2018-003.

District's Response to Findings

The District's responses to the Findings identified in our audit are described in the accompanying Schedule of Findings. We did not subject the District's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

December 18, 2019

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

**SCHEDULE OF FINDINGS
DECEMBER 31, 2018 AND 2017**

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

FINDING NUMBER 2018-001

Finding for Recovery – Noncompliance and Material Weakness

The Park District collects receipts at the front desk of the pool and at the concession stand. The daily activity at these cash collection points is documented on separate Aquatic Center reports. Food and drinks are sold and money is collected and entered into a cash register. At the end of each day, concession stand employees run a total report and reconcile the money on hand with the cash register tape. They also complete a Daily Report which shows the breakdown of the money collected. Unlike the pool admissions where the Manager on Duty verifies the count before it is brought to the main office, there is no secondary count of the money by concession stand employees as the concession stand manager does not work every day. The money is brought up to the main office to store in the safe. Each morning, the office personnel (mainly the seasonal Administrative Assistant) collects the money from the vault and recounts the money turned in by the pool office. The seasonal Administrative Assistant then prepares the bank deposit slip and gives the slip and money to the Park Director for depositing. However, the daily Aquatic Center reports are not signed by the individual performing the reconciliation and preparing the bank deposit slips. The Park Director also does not recount the money and compare the deposit to the daily reports before depositing it.

Additionally, the Park District collects fees at the main office consisting of shelter fees, campground fees, and dance pavilion fees that are set by the Board. The Park District uses a software program provided by Digital REZ to keep track of the reservations. This system is also used to record all receipts collected at the Park District in the main office. The main office also deposits the money collected by the Park Ranger over the weekend for camping fees, ice, and firewood sales. Any money collected by the Park Ranger is turned into the main office along with a report prepared by the ranger showing the fees collected and copies of the camping permits issued. The sale activity is then entered into the reservation system by one of the office personnel (mainly the seasonal administrative assistant) and would be included as part of the daily Cash Out report. At the end of each day, the seasonal administrative assistant prints a Cash Out report from the reservation system and reconciles the money on hand with the totals on the reservation program. The same individual who performed the reconciliation prepares the bank deposit slip and the breakdown of the receipt is then written on the bank deposit slip. The seasonal Administrative Assistant then prepares the bank deposit slip and documents the breakdown of the receipt on the deposit slip. The deposit slip and money are given to the Director for depositing. However, the daily Cash Out reports are not signed by the individual performing the reconciliation and preparing the bank deposit slips. The Park Director also does not recount the money and compare the deposit to the daily reports before depositing it.

Based on comparing the Aquatic Center reports to the attached z tapes printed from the cash register system, the cash deposited from the pool admissions and concessions was short \$7,314 and \$1,598 for 2018 and 2017, respectively. These shortages occurred on days where Ms. Saylor worked either the day of collection or the day after collection and handled the counting of the money and preparation of the bank deposit slips.

Additionally, when comparing the daily activity statements from the Digital REZ software to the camping permits, gift certificates, and pool passes issued by the Park District, the cash deposited at the main office was short \$2,086, \$200, and \$160 for 2018, 2017, and 2016, respectively. The camping permits, gift certificates, and pool passes were signed by Ms. Saylor indicating that payment had been received.

In accordance with the foregoing facts and circumstances, and, pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public property converted or misappropriated is hereby issued against Kelsey Saylor, former seasonal Administrative Assistant, in the amount of \$11,358 and in favor of the Coshocton City and County Park District's General Fund in the amount of \$11,358.

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

**SCHEDULE OF FINDINGS
DECEMBER 31, 2018 AND 2017
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2018-001 (Continued)

Finding for Recovery – Noncompliance and Material Weakness (Continued)

Of this \$11,358, the Coshocton County Court of Common Pleas found that Kelsey Saylor was guilty of theft and tampering with evidence and was ordered to pay restitution of \$5,000 to the Park District. As of October 2, 2019, Ms. Saylor has repaid \$135, which was received into the Park District's General Fund.

The Park District should implement procedures to ensure that proper segregation of duties are in place which includes, but is not limited to, having the office personnel initial the daily report when counting the cash to prepare the bank deposit slip, having the Park District recount the money and compare the deposit to the daily reports as a supervisory review, and having the department managers monthly reconcile the amounts turned into the main office with their records to ensure that the amount sent in was properly posted to the accounting system.

Officials' Response: We did not receive a response from Officials to this finding.

FINDING NUMBER 2018-002

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

As a result of audit procedures performed, errors noted in the District's financial statements required audit adjustments or reclassifications as follows:

- Debt payments were not properly classified as Principal Redemption in the amounts of \$54,760 in 2017 and \$50,406 in 2018 in the General Fund and Interest and Other Fiscal Charges in the amounts of \$974 in 2017 and \$850 in 2018 in the General Fund. In addition, debt payments were not properly classified as Principal Redemption in the amounts of \$64,121 in 2017 and \$51,220 in 2018 in the Capital Projects Fund and Interest and Other Fiscal Charges in the amounts of \$4,056 in 2017 and \$5,017 in 2018 in the Capital Projects Fund;
- Contractor payments for renovations were improperly classified as Payment of Debt and Recreation Expense in the Capital Projects Fund in 2017 in the amounts of \$351,091 and \$66,856, respectively;
- The District improperly classified an ODNR NatureWorks grant as Other receipts instead of Intergovernmental in the Capital Projects Fund in 2017 in the amount of \$47,425;
- Numerous errors ranging from \$200 to \$18,955 were noted on the budgetary statement regarding original and final budgeted receipts compared to the Original and Final Certificates of Estimated Resources on the budgetary statement for 2018; and

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

**SCHEDULE OF FINDINGS
DECEMBER 31, 2018 AND 2017
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2018-002 (Continued)

Material Weakness (Continued)

- Numerous errors ranging from \$1,000 to \$137,544 were noted on the budgetary statement regarding original and final budgeted disbursements compared to original and final approved appropriations on the budgetary statement for 2018 and 2017. Errors ranged from \$1,000 to \$137,544 for 2018 and \$50,854 to \$52,000 for 2017.

Governmental Accounting Standards Board (GASB) Statement No. 54 defined how fund balances were to be classified and was codified as follows: GASB Cod. 1800.173-176 required funds without external or internal restraints to report Assigned fund balances for amounts encumbered or set aside to cover the excess of subsequent year appropriations exceeding estimated revenue.

- The General Fund's year end cash balance was utilized to cover the deficiency of subsequent year appropriations exceeding estimated receipts at the end of 2018 in the amount of \$149,000. However, this amount was reported as Unassigned instead of Assigned.

Sound financial reporting is the responsibility of the District and is essential to ensure the information provider to the readers of the financial statements is complete and accurate. These adjustments/reclassifications were agreed to by management and the financial statements have been adjusted accordingly. We also identified errors and omissions in the footnotes that have been adjusted in the final report.

Additionally, as a result of audit procedures performed, the following insignificant adjustments and reclassifications were noted in the District's financial statements:

- Property Tax receipts were improperly recorded at the net amount instead of the gross amount in the General Fund totaling \$8,997 and \$9,310 for 2018 and 2017, respectively;
- Credit card processing fees were netted against revenue, therefore understating revenues and expenses by \$3,696 in 2017 and \$5,138 in 2018;
- Errors in receipt classifications ranging from \$100 to \$2,002 were noted, affecting various line items in 2018;
- The budgetary statement for the General Fund did not include prior year outstanding encumbrances as current year appropriations totaling \$15,980 for 2018; and
- The budgetary statement for the General Fund did not include current year outstanding encumbrances as current year expenditures totaling \$7,500 and \$15,980 for 2018 and 2017, respectively.

Failure to properly report financial activity could result in material misstatements occurring and remaining undetected and fail to provide management with an accurate picture of the District's financial position and operations.

To help ensure the District's financial statements and notes to the financial statements are complete and accurate, we recommend the District take the necessary steps to ensure that all revenues, expenditures, fund balances and budgetary statements of the District are properly presented and disclosed in the District's financial statements.

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

**SCHEDULE OF FINDINGS
DECEMBER 31, 2018 AND 2017
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2018-002 (Continued)

Material Weakness (Continued)

Officials' Response: All Park District financial reports are completed and submitted by the Coshocton County Auditor's office on our behalf. We will ask to review those reports in the future before they are submitted.

FINDING NUMBER 2018-003

Noncompliance and Material Weakness

Ohio Rev. Code § 149.351(A) states that "[a]ll records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions provided for under sections 149.38 to 149.42 of the Revised Code."

The Park District had the following conditions in 2018 and 2017:

- In 2017, the Park District did not maintain the invoices sent to those groups that attended the pool at the group rate. Groups are given the option to pay admission to the pool at the pool office or to be billed for the admission. Although a copy of the invoices was not maintained, we were able to view the daily deposit tickets during the summer months and determined that the groups did in fact remit payment.
- The daily Aquatic Center Report for pool admissions for September 2, 2018 showed a shortage of \$1 was shredded and then an Aquatic Center Report showing a shortage of \$100 was recreated by the seasonal Administrative Assistant for that day.
- The daily Aquatic Center Report for pool admissions for September 3, 2018 was recreated by the seasonal Administrative Assistant showing a shortage of \$100. The original report was unable to be located.
- In 2018 and 2017, there were 41 instances of the daily Aquatic Center Reports for pool admissions being altered with a pen or marker and a lesser amount being documented in order to show a shortage.
- In 2018, there were three instances of the daily Aquatic Center Reports for pool admissions being marked through with white out and documented with a lesser amount in order to show a shortage.
- In 2018, there were 11 instances of the daily Aquatic Center Reports for concessions being altered with a pen or marker and a lower amount documented in order to show a shortage.
- In 2018, there were five instances of the daily Aquatic Center Reports for concessions that were completed in pencil being altered and erased and a lower amount was documented in order to show a shortage.

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

**SCHEDULE OF FINDINGS
DECEMBER 31, 2018 AND 2017
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2018-003 (Continued)

Noncompliance and Material Weakness (Continued)

The lack of proper internal controls allowed for the alteration/destruction of Park District records. Failure to maintain the records could allow for unrecognized financial statement misstatements, theft, fraud, or misappropriation of assets.

The Park District should establish procedures to ensure that Park District records are maintained for compliance with the Revised Code and as supporting documentation of original transactions. A finding for recovery has been issued related to these shortages at Finding Number 2018-001.

Officials' Response: We did not receive a response from Officials to this finding.

FINDING NUMBER 2018-004

Material Weakness

The types of receipts collected at the Park District, include, pool admission fees, concession fees, shelter fees, campground fees, and pavilion fees. Admission fees are collected at the Aquatic front office and entered into a cash register. Fees can be made with cash or with credit card. At the end of each day, the Aquatic Center front desk employee runs a total z-tape report from the cash register and a total report from the credit card machine and completes a Daily Aquatic Center Report to show the breakdown of the money collected and the amount to deposit. This report also shows if there are any overages or shortages in the cash count. The Aquatic Center Manager on Duty verifies the count before it is brought to the main office and puts it in the safe; however, the Daily Reports are not initialed to indicate the Manager on Duty verified the count.

Likewise, concession receipts are collected and entered into a cash register. At the end of each day, concession stand employees run a total report and reconcile the money on hand with the cash register tape. They also complete a Daily Report which shows the breakdown of the money collected. Unlike the pool admissions, where the Manager on Duty verifies the count before it is brought to the main office; there is no secondary count of the money by concession stand employees as the concession stand manager does not work every day. The money is brought up to the main office to store in the safe.

Additionally, for shelter fees, campground fees, and dance pavilion fees, the Park District uses a software program provided by Digital REZ to keep track of the reservations. This system is also used to record all receipts collected at the Park District in the main office. The main office also deposits the money collected by the Park Ranger over the weekend for camping fees, ice, and firewood sales. Campers are not required to pay the full camping fee in advance. The camper must only pay for one night. If campers are staying for additional nights, then the Park Ranger collects the rest of the fees. At the end of the weekend, the money is counted by the Park Ranger and a report is prepared showing the fees collected and if ice or firewood that was sold. The Park Ranger's report, money and a copy of the permits are zipped in a bank bag and dropped in the mail slot on the main office door. The sale activity is entered then into the reservation system by one of the office personnel (usually the seasonal administrative assistant) and would be included as part of the daily Cash Out report.

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

**SCHEDULE OF FINDINGS
DECEMBER 31, 2018 AND 2017
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2018-004 (Continued)

Material Weakness (Continued)

Each morning, the seasonal Administrative Assistant in the main office collects the money from the vault and recounts the money turned in by the pool office. However, there is no indication on the Aquatic Center Reports that this recount was performed at the main office as there are no initials of the main office personnel. The seasonal Administrative Assistant then prepares the bank deposit slip and gives the slip and money to the Director for depositing. The Park Director does not recount the money prior to depositing it at the bank.

Since the seasonal administrative assistant performed the cash count each morning and also prepared the bank deposit slip, this resulted in poor segregation of duties that resulted in fraudulent activity occurring. See Finding Number 2018-001.

The Park District should implement procedures to ensure that proper segregation of duties are in place which includes, but is not limited to, having the Aquatic Center Manager on Duty initial the sheets showing that the cash count was verified; having the concession stand receipts subject to a secondary cash count prior to submitting to the main office; having the office personnel initial the sheets when counting the cash to prepare the bank deposit slip; having the Park Director recount the deposit; and having the Department Managers ensure that the amounts sent in for deposit were properly posted to the accounting records. Any changes made to the daily report collections should be reviewed and signed off on by the Park Director.

Officials' Response: The Park District has already put into place some corrective measures in 2019 and will be implementing additional measures in 2020.

FINDING NUMBER 2018-005

Material Weakness

The Park District collects receipts at the main office for shelter fees, pavilion fees, campground fees, and pool passes. Customers may also purchase gift certificates at the main office. The daily activity at this cash collection point is documented through the Digital REZ software.

During 2018 and 2017, we noted the following in regards to the receipts collected in the main office:

- Any of the Park District main office employees will log into the front desk computer, and the computer will then be shared among the three staff members. As such, all three staff members have the ability to modify prices set in the system. The system is programmed to charge \$27 a night in 2018 and \$26 a night in 2017 for a campsite with electric; however we noted several instances in 2018 and 2017 where the price was modified:
 - A camping permit signed by the seasonal Administrative Assistant showed that a camper paid \$27 for one night; however, the system showed the camping price as \$7 a night was collected for a difference of \$20 in unaccounted for money;
 - A camping permit signed by the seasonal Administrative Assistant showed a camper paid \$26 for one night; however, the system showed the camping price of \$6 a night was collected, for a difference of \$20 in unaccounted for money;

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

**SCHEDULE OF FINDINGS
DECEMBER 31, 2018 AND 2017
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2018-005 (Continued)

Material Weakness (Continued)

- A camping permit signed by the seasonal Administrative Assistant showed that a camper paid \$54 for two nights; however, the system showed the camping price of \$17 a night was collected (or \$34) for a difference of \$20 in unaccounted for money; and
- A camping permit signed by the seasonal Administrative Assistant showed that camper paid \$81 for three nights; however, the system showed the camping price of \$0 a night was collected for a difference of \$81 in unaccounted for money.

- In 2018, there was one instance where a pool pass application was completed by the customer showing that a pool pass was purchased for \$333. The pool pass application was also signed by the Administrative Assistant. However, there is no indication that this pool pass money was received in the Digital REZ system or deposited in the bank.

- In 2018 and 2017, there were several instances related to tent camping in which the \$20 fee was not recorded in the Digital REZ system or deposited in the bank. In each instance, the camping permits (which were attached to the receipt batches) were signed by the seasonal Administrative Assistant. The total money unaccounted for is \$800 (\$620 in 2018 and \$180 in 2017).

- Customers are given the option to purchase gift certificates. The Park District's gift certificates are pre-numbered with a stub attached that is torn off at the time of sale. The Park District employee completing the gift certificate signs their name on it and updates the log used to track when gift certificates are issued. However, we noted several errors with gift certificates in 2018 that are explained below:
 - Two gift certificates issued by the Office Manager were redeemed. We were able to trace the purchase of the gift certificate to the daily Digital REZ system report and the gift certificate stub was properly maintained. However, the gift certificate activity was not marked on the log as issued.
 - Two gift certificates issued by the seasonal Administrative Assistant were attached to the daily Digital REZ system report; however, the day of issue shown is vague as it only states "2018". Additionally, the gift certificate stub was not maintained nor was the gift certificate log updated. Because of this, we could not identify when or if an individual purchased this gift certificate. The total is \$243 and is considered to be unaccounted for money.
 - There were several instances on the daily Digital REZ system reports that showed the method of payment is "other" rather than cash or credit cash. The "other" payments are supposed to reflect when individuals pay in gift certificates. However, there was no gift certificate attached to the daily receipt batch nor, based on our review of the gift certificate log, were there any gift certificates issued in the individual's name. As the payments marked as "other" were supported with camping permits, these receipts amounting to \$769 are considered to be unaccounted for money.

COSHOCTON CITY AND COUNTY PARK DISTRICT
COSHOCTON COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2018 AND 2017
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2018-005 (Continued)

Material Weakness (Continued)

The Park District should implement the following:

- Procedures to ensure that any money collected, especially tent camping and pool pass money, is being properly receipted into the system.
- Procedures to ensure that any changes in price within the system are approved by the Park Director.
- Procedures to ensure that gift certificates are properly tracked when issued and maintained when redeemed.

By implementing these procedures, this will strengthen the Park District's controls over cash and avoid having money unaccounted for. See Finding Number 2018-001.

Officials' Response: The Park District has already put into place some corrective measures in 2019 and will be implementing additional measures in 2020.

OHIO AUDITOR OF STATE KEITH FABER



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
DECEMBER 31, 2019**