

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

**AUDIT REPORT**

**YEAR ENDED DECEMBER 31, 2006**

**Wolfe, Wilson, & Phillips, Inc.  
37 South Seventh Street  
Zanesville, Ohio 43701**





Mary Taylor, CPA  
Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the Coshocton City and County Park District, Coshocton County, prepared by Wolfe, Wilson & Phillips, Inc., for the audit period January 1, 2006 through December 31, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

May 8, 2007

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

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

**INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying financial statements of the governmental activities, major funds and aggregate remaining fund information of Coshocton City and County Park District, Coshocton County as of and for the year ended December 31, 2006, which collectively comprised the District's basic financial statements. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 2, the District has prepared these financial statements and notes using the cash basis of accounting. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position-cash basis of the governmental activities, major funds and the aggregate remaining fund information of Coshocton City and County Park District, Coshocton County, as of December 31, 2006, and the respective changes in financial position-cash basis and the respective budgetary comparison for the General Fund thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 23, 2007, on our consideration of Coshocton City and County Park District's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Government Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

***Wolfe, Wilson, & Phillips, Inc.***  
Zanesville, Ohio  
March 23, 2007

**COSHOCTON CITY AND COUNTY PARK DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2006  
UNAUDITED**

This discussion and analysis of the Coshocton City and County Park District's financial performance provides an overall review of the District's financial activities for the year ending December 31, 2006, within the limitations of the District's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

**Highlights**

Key highlights for 2006 are as follows:

Receipts decreased \$68,661 over the previous year. However, in 2005, we received \$78,352 for reimbursement for flood expenses from FEMA and the State of Ohio. That nets an increase of \$9,691, or 1.3 % increase over 2005 receipts. Generally, revenues remained steady in most departments.

Expenditures decreased \$23,616 from the previous year, with reduction in other expenses being the biggest area of savings.

The majority of the District's focus during the year was the change in management. Director, Steve Miller retired in May 2006 and a new Director, Facilities Manager and Office Manager all took new positions during the year. We were fortunate to have excellent weather conditions throughout the season.

**Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Government's cash basis of accounting.

**Report Components**

The statement of net assets and the statement of activities provide information about the cash activities of the District as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements. They provide expanded explanation and detail regarding the information reported in the statements.

**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion contained in this report, the reader must keep in mind the limitations resulting from the use of the cash basis.



**COSHOCTON CITY AND COUNTY PARK DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2006  
UNAUDITED**

**Reporting the District as a Whole**

The District was created in 1985 under Ohio Revised Code Section 1545 to provide parks and recreational opportunities to the residents and visitors to the Coshocton County area. The District is governed by a three person Board of Commissioners, who appoints a Director and relating staff to oversee daily operations. The District's operation consists both of passive activities (walking trails, biking, hiking, basketball, playgrounds, etc) and fee-based activities (swimming, camping, Monticello III Canal Boat, paddle boats, soccer programs, and several facility rentals). The only source of public funding for the District is Local Government Funds, the remainder of the District's revenue sources are donations and self-generated fees and sales.

The statement of net assets and the statement of activities reflect how the District did financially during 2005, within the limitations of the cash basis of accounting. The statement of net assets presents the cash balances of the District and profit center activities of the District at year-end. The statement of activities compares cash disbursements with receipts for the District's operations.

These statements report the District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the District's financial health. Over time, increases or decreases in the District's cash position is one indicator of whether the District's financial health is improving or deteriorating.

In the statement of net assets and the statement of activities, we have only one type of activity that we are calling District Activities.

**Reporting the District's Most Significant Funds**

Fund financial statements provide detailed information about the District's major funds-not the District as a whole. The District has established separate funds and they are as follows:

General Fund - This fund consists of all receipts and disbursements from normal daily activities of the District as well as receipts from Local Government Funds and donations.

Capital Improvement Fund - This fund consists of monies set aside for a particular purpose, that being major permanent improvements for the District.

FEMA Grant Fund - This fund was established in 2005 to receive and disburse Federal monies associated with flood relief. There was no activity in this fund in 2006.

**COSHOCTON CITY AND COUNTY PARK DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2006  
UNAUDITED**

**The District as a Whole**

Table 1 provides a summary of the District's net assets for 2006 compared to 2005 on the cash basis.

**(Table 1)  
Net Assets**

	Governmental Activities	
	2006	2005
Assets		
Cash	\$ 401,579	\$ 322,561
Total Assets	401,579	322,561
Net Assets		
Restricted for:		
Capital Projects	217,809	161,567
Unrestricted	183,770	160,994
Total Net Assets	\$ 401,579	\$ 322,561

Net assets of District activities increased \$79,018 or 24.5% during 2006. The primary reason for the increase is due to excellent weather conditions, which spurred additional usage of our facilities, as well as on-going cost cutting measures.

Table 2 reflects the changes in net assets in 2006 as compared to 2005.

**(Table 2)  
Changes in Net Assets**

	Governmental Activities	
	2006	2005
Receipts:		
Program Receipts:		
Charges for Services	\$ 564,934	\$ 533,994
Operating Grants	69,383	79,600
Capital Grants	-	78,352
Total Program Receipts	634,317	691,946
General Receipts:		
Interest	14,132	5,576
Miscellaneous	137,484	157,072
Total General Receipts	151,616	162,648
Total Receipts	785,933	854,594
Disbursements:		
Recreation	706,915	730,531
Total Disbursements	706,915	730,531
Increase/(Decrease)		
In Net Assets	79,018	124,063
Net Assets, January 1	322,561	198,498
Net Assets, December 31	\$ 401,579	\$ 322,561

**COSHOCTON CITY AND COUNTY PARK DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2006  
UNAUDITED**

**Debt**

The District has no outstanding debt.

**Current Issues**

The main challenge for the District continues to be funding. With no tax levy and diminishing local government funds, the District continues to rely heavily upon self-generated revenues. The Board continues to focus on preparing for future permanent improvements by setting aside funds. This fund currently has a balance of \$217,809, which is restricted solely for capital projects.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizen's with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions concerning any of the information contained within this report or requests for additional information should be directed to Lori Everhart, Director, Coshocton Park District, 23253 SR 83, Coshocton, Ohio 43812

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

**STATEMENT OF NET ASSETS-CASH BASIS  
December 31, 2006**

	<u>Governmental Activities</u>
<b>ASSETS:</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 401,579</u>
<b>Total Assets</b>	<u>\$ 401,579</u>
<b>NET ASSETS:</b>	
Restricted for:	
Capital Projects	217,809
Unrestricted	<u>183,770</u>
<b>Total Net Assets</b>	<u><u>\$ 401,579</u></u>

See notes to basic financial statements.

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

**STATEMENT OF ACTIVITIES-CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>Cash Disbursements</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Net (Disbursements) Receipts and Changes in Net Assets</b>
<b>Governmental Activities:</b>					
Recreation	\$ 706,915	\$ 564,934	\$ 69,383	\$ -	\$ (72,598)
<b>Total Governmental Activities</b>	<b>\$ 706,915</b>	<b>\$ 564,934</b>	<b>\$ 69,383</b>	<b>\$ -</b>	<b>\$ (72,598)</b>

**General Receipts:**

Interest	14,132
Miscellaneous	137,484
<b>Total General Receipts</b>	<b>151,616</b>
Change in Net Assets	79,018
<b>Net Assets Beginning of Year</b>	<b>322,561</b>
<b>Net Assets End of Year</b>	<b>\$ 401,579</b>

See notes to the basic financial statements.

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

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS-CASH BASIS  
December 31, 2006**

	<b>General</b>	<b>Capital Improvements</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS:</b>				
Equity in Pooled Cash and cash Equivalents	\$ 183,770	\$ 217,809	\$ -	\$ 401,579
<b>Total Assets</b>	<b>\$ 183,770</b>	<b>\$ 217,809</b>	<b>\$ -</b>	<b>\$ 401,579</b>
 <b>Fund Balances:</b>				
Unreserved:				
General Fund	183,770	-	-	183,770
Special Revenue	-	217,809	-	217,809
<b>Total Fund Balances</b>	<b>\$ 183,770</b>	<b>\$ 217,809</b>	<b>\$ -</b>	<b>\$ 401,579</b>

See notes to basic financial statements.

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

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES  
GOVERNMENTAL FUNDS-CASH BASIS  
December 31, 2006**

	<u>General</u>	<u>Capital Improvements</u>	<u>Total Governmental Funds</u>
<b>CASH RECEIPTS</b>			
Intergovernmental	\$ 69,383	\$ -	\$ 69,383
Investment Income	7,890	6,242	14,132
Gifts and Donations	18,638	-	18,638
Fees	476,607	-	476,607
Sales	88,327	-	88,327
Well Proceeds	82,742	-	82,742
Other	27,352	-	27,352
<b>Total Receipts</b>	<u>770,939</u>	<u>6,242</u>	<u>777,181</u>
<b>CASH DISBURSEMENTS:</b>			
Current:			
Recreation	706,915	-	706,915
<b>Total Disbursements</b>	<u>706,915</u>	<u>-</u>	<u>706,915</u>
<b>Excess of Receipts Over (Under) Disbursements</b>	64,024	6,242	70,266
<b>Other Cash Financing Receipts(Disbursements)</b>			
Reimbursements	8,752	-	8,752
Transfers-In	-	50,000	50,000
Transfers-Out	(50,000)	-	(50,000)
<b>Total Other Cash Financing Receipts(Disbursements)</b>	<u>(41,248)</u>	<u>50,000</u>	<u>8,752</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	22,776	56,242	79,018
<b>Cash Fund Balances Beginning of Year</b>	<u>160,994</u>	<u>161,567</u>	<u>322,561</u>
<b>Cash Fund Balances End of Year</b>	<u>\$ 183,770</u>	<u>\$ 217,809</u>	<u>\$ 401,579</u>

See notes to basic financial statements.

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

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES  
BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>CASH RECEIPTS</b>				
Intergovernmental	\$ 87,500	\$ 87,500	\$ 69,383	\$ (18,117)
Investment Income	4,000	4,000	7,890	3,890
Gifts and Donations	6,500	6,500	18,638	12,138
Fees	451,000	451,000	476,607	25,607
Sales	86,800	86,800	88,327	1,527
Well Proceeds	60,000	60,000	82,742	22,742
Other	12,600	12,600	27,352	14,752
<b>Total Receipts</b>	<u>708,400</u>	<u>708,400</u>	<u>770,939</u>	<u>62,539</u>
<b>CASH DISBURSEMENTS:</b>				
Current:				
Recreation	808,700	749,601	706,915	42,686
<b>Total Disbursements</b>	<u>808,700</u>	<u>749,601</u>	<u>706,915</u>	<u>42,686</u>
<b>Excess of Receipts Over (Under) Disbursements</b>	(100,300)	(41,201)	64,024	105,225
<b>Other Cash Financing Receipts(Disbursements)</b>				
Reimbursements	1,500	1,500	8,752	7,252
Transfers-Out	-	(50,000)	(50,000)	-
<b>Total Other Cash Financing Receipts(Disbursements)</b>	<u>1,500</u>	<u>(48,500)</u>	<u>(41,248)</u>	<u>7,252</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	(98,800)	(89,701)	22,776	112,477
<b>Cash Fund Balances Beginning of Year</b>	<u>160,994</u>	<u>160,994</u>	<u>160,994</u>	<u>-</u>
<b>Cash Fund Balances End of Year</b>	<u>\$ 62,194</u>	<u>\$ 71,293</u>	<u>\$ 183,770</u>	<u>\$ 112,477</u>

See notes to basic financial statements.



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

***NOTES TO THE FINANCIAL STATEMENTS***

**1. DESCRIPTION OF THE REPORTING ENTITY**

**Reporting Entity**

The Coshocton City and County Park District, Coshocton County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The 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. 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 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 processing payments. As custodian of public funds, the County Treasurer invest District monies held on deposit in the County Treasury.

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. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements, in which case GASB prevails. 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 assets 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 assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities or the District that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or service. The District has no business-type activities.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Government-Wide Financial Statements (Continued)**

The statement of net assets present the cash balance of the governmental activities of the District at year-end. The statement of activities compares disbursements with program receipts for each of the District's governmental 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 programs 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 is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function 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 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. Nonmajor funds are aggregated and presented in a single 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 divided into one category: governmental.

**Governmental Funds**

The District classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange 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. The other governmental funds of the District account for grants and other resources whose use is restricted to a particular purpose.

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

***NOTES TO THE FINANCIAL STATEMENTS***

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Accounting**

The District's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, 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 rather than when a liability is incurred. Any such modifications made by the District are described in the appropriate section in this note. There were no modifications having substantial support.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue billed or provided services not yet collected) and certain liabilities (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

**Budgetary Process**

All funds are legally required to be budgeted and appropriated (except certain agency funds). The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, 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 ordinance 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 fund, department, and object level for all 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 ordinance 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 and Investments**

As required by the 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 2006, interest credited to the General Fund was \$7,890.

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

***NOTES TO THE FINANCIAL STATEMENTS***

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Restricted Assets**

Cash and cash equivalents are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Amounts restricted for other purposes represents special revenue funds restricted to a specific use.

**Inventory and Prepaid Items**

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

**Accumulated Leave**

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the District's cash 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 Note 5, the employer contributions include portions for pension benefits and for postretirement 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 an other financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

**Net Assets**

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include receipts used for the capital improvements of the park.

**Capital Assets**

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

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

***NOTES TO THE FINANCIAL STATEMENTS***

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 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-Budgetary Basis presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparisons of actual results with the budget. The differences between the budgetary basis and the cash basis is outstanding year-end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis).

**4. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2005 the District contracted with the Public Entities Pool of Ohio (PEP), a risk sharing pool available to Ohio Districts. PEP provides property and casualty coverage for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements, and other expenses resulting from covered claims that exceed the members' deductibles.

PEP retains the casualty risks up to \$250,000 per claim, including loss adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000 from the General Reinsurance Corporation.

If losses exhaust PEP's retained earnings, APEEP covers PEP losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**4. RISK MANAGEMENT (CONTINUED)**

Beginning in 2005, Travelers Indemnity Company reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable value. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective District. Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

Members may withdraw on each anniversary of the date they joined PEP. They must provide written notice to PEP 60 days in advance of the their anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contribution, minus the subsequent year's premium. Also upon withdrawal, payments for all property and casualty claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the withdrawal.

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2005, the latest information available.

Casualty Coverage	2005	2004
Assets	\$ 29,719,675	\$ 27,437,169
Liabilities	(15,994,168)	(13,880,038)
Retained Earnings	<u>\$ 13,725,507</u>	<u>\$ 13,557,131</u>
Property Coverage	2005	2004
Assets	\$ 4,443,332	\$ 3,648,272
Liabilities	(1,068,245)	(540,073)
Retained Earnings	<u>\$ 3,375,087</u>	<u>\$ 3,108,199</u>

**5. DEFINED BENEFIT PENSION PLAN**

**Ohio Public Employees Retirement System**

The District participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**6. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Ohio Public Employees Retirement System (Continued)**

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the years ended December 31, 2006, the members in the traditional plan, were required to contribute 9.0 percent of their annual covered salaries. The District's contribution rate for pension benefits for 2006 was 13.70 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2006, 2005, and 2004 were \$36,482, \$38,476, and \$35,722, respectively. The full amount has been contributed for 2006, 2005 and 2004. Contributions to the member-directed plan for 2006 were \$36,482 made by the District and \$25,362 made by the plan members.

**Post Employment Benefits**

**Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State Statute. The 2006 local government contribution rate was 13.70 percent of covered payroll, 4.5 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as December 31, 2005, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .5 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between .5 percent and 6 percent annually for the next nine years and 4 percent annually after ten years.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**6. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Ohio Public Employees Retirement System (Continued)**

The number of active contributing participants in the traditional and combined plans was 369,214. The number of active contributing participants for both plans used in the December 31, 2005 actuarial valuation was 358,804. Actual employer contributions for 2006, which were used to fund postemployment benefits was \$12,123. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005, (the latest information available) were \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

On September 9, 2005, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2008. The HCPP restructures OPERS's health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

**7. TRANSFERS**

Following is a summary of transfers in and out for all funds for 2006:

Fund	Transfer In	Transfer Out
General Fund	\$ -	\$ 50,000
Capital Improvements	50,000	-
Totals	\$ 50,000	\$ 50,000

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.

**8. LEASE OF GOLF COURSE**

The Coshocton City and County Park District has entered into a lease agreement dated March 1, 2004 through October 1, 2004, with Golf Young Management and Consulting, LLC to operate the golf course. This lease agreement entitled Golf Young Management and Consulting, LLC to use of all golf course buildings and equipment owned by the District, including the clubhouse, golf carts, etc. Golf Young Management and Consulting, LLC, if not in default of their lease agreement has the option to extend the lease for five years. As of the date of this report, the lease has been extended to October 31, 2009. The rent paid the District under this lease for 2006 was \$8,000.



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

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY GOVERNMENT AUDITING STANDARDS.**

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Coshocton City and County Park District as of and for the year ended December 31, 2006, and have issued our report thereon dated March 23, 2007, wherein we noted the District followed the cash basis of accounting, a comprehensive accounting basis other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Coshocton City and County Park District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purposes described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Coshocton City and County Park District's combined financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instances of noncompliance that are required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings as items 2006-01. We also noted certain immaterial instances of noncompliance that we have reported to the management of Coshocton City and County Park District in a separate letter dated March 23, 2007.

This report is intended for the information of the management, Board of Park Commissioners, and the Auditor of State and is not intended to be and should not be used by anyone other than these specified parties.

***Wolfe, Wilson, & Phillips, Inc.***  
Zanesville, Ohio  
March 23, 2007

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

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2006**

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

**FINDING NUMBER 2006-1**

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

Prior certification was not obtained for 52% of the expenditures tested.

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

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

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

Client Response: Client agrees with finding and will try to monitor more closely.

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

**SCHEDULE OF PRIOR AUDIT FINDINGS  
December 31, 2006**

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain:</b>
2005-01	ORC 5705.41(D) No expenditure of money shall be made unless there is a attached certificate of fiscal officer.	No	Not Corrected, repeated in GAGAS letter as Finding 2006-01



**Mary Taylor, CPA**  
Auditor of State

**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**  
**MAY 22, 2007**