



**Auditor of State  
Betty Montgomery**



**CITY OF COSHOCTON/COSHOCTON COUNTY PORT AUTHORITY  
COSHOCTON COUNTY**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

City of Coshocton/Coshocton County Port Authority  
Coshocton County  
440 Whitewoman Street  
Coshocton, Ohio 43812

To the Board of Directors:

We have audited the accompanying general purpose financial statements of the City of Coshocton/Coshocton County, Port Authority Coshocton County, Ohio, (the Port Authority) as of and for the year ended December 31, 2003 as listed in the Table of Contents. These financial statements are the responsibility of the Port Authority'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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Port Authority as of December 31, 2003, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2004, on our consideration of the Port Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the management and the Port Authority Board and other officials authorized to receive this report under §117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery".

**Betty Montgomery**  
Auditor of State

December 1, 2004

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**CITY OF COSHOCTON/COSHOCTON COUNTY PORT AUTHORITY  
COSHOCTON COUNTY  
BALANCE SHEET  
FOR THE YEAR ENDED DECEMBER 31, 2003**

**ASSETS**

Cash	\$66,718
Loans Receivable	<u>50,000</u>
<b>TOTAL ASSETS</b>	<b><u><u>116,718</u></u></b>

**LIABILITIES**

Intergovernmental Payable	3,841
Deferred Revenue	<u>50,000</u>
<b>TOTAL LIABILITIES</b>	<b>53,841</b>

**EQUITY**

Retained Earnings Unreserved	<u>62,877</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u><u>\$116,718</u></u></b>

**CITY OF COSHOCTON/COSHOCTON COUNTY PORT AUTHORITY  
COSHOCTON COUNTY**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS  
FOR THE YEAR ENDED DECEMBER 31, 2003**

**OPERATING REVENUES**

Intergovernmental	\$95,000
Application Fees	1,500

<b>TOTAL OPERATING REVENUES</b>	<b>96,500</b>
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**OPERATING EXPENSES**

Salary & Benefits	15,852
Utilities	1,249
Materials & Supplies	296
Travel & Meetings	1,076
Contractual Services	52,342
Capital Outlay	2,839
Other	486

<b>TOTAL OPERATING EXPENSES</b>	<b>74,140</b>
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Operating Income	22,360
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**NONOPERATING REVENUE (EXPENSE)**

Contributions & Donations	90,000
Interest Income	517
Loan Payment Expense (RLF)	(50,000)
<b>Total Nonoperating Revenue (Expense)</b>	<b>40,517</b>

<b>NET INCOME</b>	<b>62,877</b>
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<b>RETAINED EARNINGS, January 1</b>	<b>0</b>
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<b>RETAINED EARNINGS, December 31</b>	<b>\$62,877</b>
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**CITY OF COSHOCTON/COSHOCTON COUNTY PORT AUTHORITY  
COSHOCTON COUNTY**

**STATEMENTS OF CASH FLOWS  
FOR THE YEAR END DECEMBER 31, 2003**

	<b>2003</b>
<b>Cash Flows from Operating Activities</b>	
Cash Received for Operating	\$95,000
Cash Payments to Suppliers for Goods and Services	(5,946)
Cash Payments for Purchase Services	(52,342)
Cash Payments for Salaries	(12,011)
Other Operating Revenue	1,500
Net Cash Provided by Operating Activities	26,201
<b>Cash Flows from Financing Activities</b>	
Contributions and Donations	90,000
Principal Payments	(50,000)
Net Cash from Financing Activities	40,000
<b>Cash Inflows from Investing Activities</b>	
Interest Income	571
Net Increase in Cash and Cash Equivalents	66,718
Cash and Cash Equivalents at Beginning of Year	0
Cash and Cash Equivalents at End of Year	\$66,718
<b>Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities</b>	
Operating Income	22,360
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Changes in Assets and Liabilities	
Increase in Intergovernmental Payable	3,841
Total Adjustments	3,841
Net Cash Provided by Operating Activities	\$26,201

The accompanying notes are an integral part of the financial statements.

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**CITY OF COSHOCTON/COSHOCTON COUNTY PORT AUTHORITY  
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of the City of Coshocton/Coshocton County Port Authority (the Port Authority) is presented to assist in understanding the entity's financial statements. The financial statements and notes are representations of the entity's management and board who are responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles for governmental agencies including those principles prescribed by the Governmental Accounting Standard Board (GASB), The American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units* and by The Financial Accounting Standards Board (FASB) (when applicable). The above policies have been consistently applied in the preparation of the financial statements.

**A. Reporting Entity**

The City of Coshocton/Coshocton County Port Authority, Coshocton County, 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 pursuant to the authority of sections 4582.21 to 4582.59 of the Ohio Revised Code. The Port Authority is governed by a five-member Board of Directors. Two Members of the Board are appointed by the Mayor of the City and approved by Council of the City of Coshocton. Two members are appointed by the Coshocton County Commissioners and the fifth appointment shall be approved by the four current members. The purpose of the Port Authority is to be involved in activities that enhance, foster, aid, provide, or promote transportation, economic development, housing, recreation, education, governmental operations, culture, or research within Coshocton County

The Port Authority is a not a component unit of the City of Coshocton or Coshocton County but the members of the Port Authority's Board are appointed by the City Council and Coshocton County Board of Commissioners and the Port Authority is economically dependent on the City and County for financial support. City of Coshocton Council nor the Coshocton County Commissioners have any authority regarding the day-to-day activities and business affairs of the Port Authority beyond the creation of the Port Authority and the appointment of its Board of Directors. The City of Coshocton and Coshocton County maintain their own accounting functions, are separate reporting entity, and their financial activity is not included within the financial statements of the Port Authority.

The Port Authority's management believes these financial statements present all activities for which the Port Authority is financially accountable. The Port Authority was formed on December 23, 2002.

**B. Basis of Accounting**

The financial statements of the Port Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Port Authority also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, provided they do not conflict with or contradict GASB pronouncements.

**CITY OF COSHOCTON/COSHOCTON COUNTY PORT AUTHORITY  
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003  
(Continued)**

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

**B. Basis of Accounting (Continued)**

The Port Authority's financial statements consist of a balance sheet, a statement of revenue, expenses and changes in retained earnings, and a statement of cash flows.

The Port Authority uses a single enterprise fund 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.

Enterprise fund reporting focuses on the determination of the change in retained earnings, financial position and cash flows. An enterprise fund may be used to account for any activity for which a fee is charged to external users for goods and services.

**C. Measurement Focus**

The enterprise fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the Port Authority are included on the Balance Sheet. The statement of revenues, expenses, and changes in retained earnings presents increases (i.e. revenues) and decreases (i.e. expenses) in retained earnings. The statement of cash flows provides information about how the Port Authority finances and meets the cash flow needs of its enterprise activity.

**D. Fund Accounting**

The Port Authority maintains an Enterprise Fund, a proprietary fund type, which is the general operating fund and is used to account for all financial resources of the Port Authority. This fund is used to account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges.

**E. Budgetary Process**

Ohio Rev. Code Section 4582.39, requires that each fund be budgeted annually. This budget includes estimated receipts and appropriations.

**1. Appropriations**

The Board annually approves appropriations and subsequent amendments. Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function level of control. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

**CITY OF COSHOCTON/COSHOCTON COUNTY PORT AUTHORITY  
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003  
(Continued)**

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

**E. Budgetary Process (Continued)**

**3. Encumbrances**

The Port Authority reserves (encumbers) appropriations when commitments are made. Encumbrances outstanding at year-end are carried over and are not reappropriated.

Contrary to Ohio Rev. Code 5705.41(D), the Port Authority did not use the encumbrance method of accounting and had expenditures which were not certified by the Treasurer or Executive Director as to the availability of funds, prior to incurring the obligation.

**F. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from primary activities. For the Port Authority, these revenues are operating grants, rental income and miscellaneous reimbursements. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the Port Authority.

**G. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**2. CASH**

Statutes require the classification of funds held by the Port Authority into three categories:

Category 1 consists of "active" funds – those funds required to be kept in "cash" or "near cash" status for immediate use by the Port Authority. Such funds must be maintained either as cash in the Port Authority's treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdraw (NOW) accounts.

Category 2 consist of "inactive" funds – those funds not required for use within the current two year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

Category 3 consists of "interim" funds – those funds not needed for immediate use but needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or other obligations or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;

**CITY OF COSHOCTON/COSHOCTON COUNTY PORT AUTHORITY  
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003  
(Continued)**

**2. CASH (Continued)**

- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

Ohio law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the Port Authority places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, country, municipal corporation or other authority.

**Deposits:**

At year end the carrying amount of the Port Authority's deposits were \$66,718 and the bank balance was \$66,718, all of which was covered by Federal Depository Insurance.

**3. BUDGETARY ACTIVITY**

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
Enterprise Fund	\$80,000	\$187,017	\$107,017

  

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
Enterprise Fund	\$75,500	\$120,299	(\$44,799)

**CITY OF COSHOCTON/COSHOCTON COUNTY PORT AUTHORITY  
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

Contrary to Ohio Rev. Code Section 5705.41(D), the Port Authority did not properly certify any expenditures in 2003 and contrary to 5705.41(B) the Port Authority expended funds which were not approved as appropriated by the Board.

**4. DEFINED BENEFIT PENSION PLANS**

**Pension Benefit Obligation**

The Port Authority's full-time employee participates in the Ohio Public Employees Retirement System (OPERS), a cost-sharing multiple-employer public employee retirement system administered by the Ohio Public Employees Retirement Board. OPERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. For plan members, the Port Authority was required to contribute 13.55 percent of covered salary for 2003. Contributions are authorized by State statute. The contribution rates are determined actuarially. The Port Authority's required contributions to OPERS for the year ended December 31, 2003 was \$2,818; none of the required contribution has been contributed for 2003. The unpaid contribution for 2003 is recorded as a liability as intergovernmental payable.

**Post Employment Benefits**

The Ohio Public Employees Retirement System (OPERS) provides post-retirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit and primary survivor recipients of such retirees. Health care coverage for disability recipients is also available. The health care coverage provided by the retirement system is considered an Other Post Employment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care based on authority granted by State statute. The employer contribution rate for 2003 was 13.55 percent of covered payroll; 5.00 percent was the portion that was used to fund health care. The Port Authority's required contributions to OPERS for the year ended December 31, 2003 was \$2,818.

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to OPERS. The Port Authority's contribution actually made to fund postemployment benefits was \$141.

OPEB are financed through employer contributions and investment earnings thereon. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely. OPEB's are advance funded on an actuarially determined basis.

As of December 31, 2002 (the latest information available), the actuarial value of the Retirement System's net assets available for future OPEB payments were \$10.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$18.7 billion and \$8.7 billion, respectively, at December 31, 2002 (the latest information available). The number of benefit recipients eligible for OPEB at December 31, 2002 (the latest information available) was 364,881.

**CITY OF COSHOCTON/COSHOCTON COUNTY PORT AUTHORITY  
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003  
(Continued)**

**4. DEFINED BENEFIT PENSION PLANS (Continued)**

**Post Employment Benefits (Continued)**

In December 2001, the OPERS Board adopted the Health Care "Choices" Plan in its continuing effort to respond to the rise in the cost of health care. The Choices Plan will be offered to all persons newly hired under OPERS after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices, as the name suggests, will incorporate a cafeteria approach, offering a more broad range of health care options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year "cliff" eligibility standard for the present Plan.

The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Plan will also offer a spending account feature, enabling the benefit recipient to apply their allowance toward specific medical expenses, much like a Medical Spending Account.

In response to the adverse investment returns experienced by OPERS from 2000 through 2002 and the continued staggering rate of health care inflation, the OPERS Board, during 2003, considered extending "Choices" type cost cutting measures to all active members and benefit recipients. As of this date, the Board has not determined the exact changes that will be made to the health care plan. However, changes to the plan are expected to be approved by the summer of 2004.

Additional information on the OPERS, including historical trend information showing the progress in accumulating sufficient assets to pay benefits when due is available in the OPERS December 31, 2003, Comprehensive Annual Financial Report.

**5. LOANS RECEIVABLE**

Loans receivable at December 31, 2003, consisted of a Promissory Note entered into on December 11, 2003 with Michael Bantum in the amount of \$50,000 to aid small local businesses.

The note was entered into at a rate of 3.57% per annum. Quarterly payments of principal and interest of \$1,487 are to begin on March 15, 2004.





## **Auditor of State Betty Montgomery**

### **INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

City of Coshocton/Coshocton County Port Authority  
Coshocton County  
440 Whitewoman Street  
Coshocton, Ohio 43812

To the Board of Directors:

We have audited the general purpose financial statements of the City of Coshocton/Coshocton County Port Authority, Coshocton County, Ohio, (the Port Authority) as of and for the year ended December 31, 2003, and have issued our report thereon dated December 1, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### **Compliance**

As part of obtaining reasonable assurance about whether the Port Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2003-001 and 2003-002.

We also noted certain immaterial instances of noncompliance that we have reported to the Port Authority's management in a separate letter dated December 1, 2004.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Port Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the Port Authority's management in a separate letter dated December 1, 2004.

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

December 1, 2004

**CITY OF COSHOCTON/COSHOCTON COUNTY PORT AUTHORITY  
COSHOCTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2003**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2003-001**

**Noncompliance Citation**

**Ohio Rev. Code Section 5705.41(D)** requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the subdivision's fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. **"Then and Now" certificate** – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Port Authority can authorize the drawing of a warrant for the payment of the amount due. The Port Authority has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 (\$1,000 prior to April 7, 2003) may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Port Authority.

2. **Blanket Certificate** – Fiscal officers may prepare "blanket" certificates 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 the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. (Prior to September 26, 2003, blanket certificates were limited to \$5,000 and three months.) The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. **Super Blanket Certificate** – The Port Authority may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

None of the expenses tested were certified by the Treasurer prior to incurring the commitment and none of the exceptions noted above were utilized. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

**FINDING NUMBER 2003-002**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.41(B) requires that no subdivision or taxing unit is to expend money unless it has been appropriated.

In 2003, the appropriations approved by the Board of Directors were limited to those initially approved of \$75,500; however, total expenses for 2003 were \$120,299 which exceeds appropriations. This was due primarily to the acceptance and use of revolving loan funds expended in 2003.

The Executive Director and Treasurer should frequently compare actual expenses to appropriations to avoid overspending.



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Betty Montgomery**

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**CITY OF COSHOCTON/COSHOCTON COUNTY PORT AUTHORITY  
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 30, 2004**