



**BLANCHARD RIVER ENHANCEMENT PROJECT
HANCOCK COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**BLANCHARD RIVER ENHANCEMENT PROJECT
HANCOCK COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Blanchard River Enhancement Project
Hancock County
300 South Main Street
Findlay, Ohio 45840-3345

To the Joint Board of County Commissioners:

We have audited the accompanying financial statements of the Blanchard River Enhancement Project (the Project) as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the Project's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards 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 audits 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 audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Project prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances and reserves for encumbrances of the Project as of December 31, 2000 and 1999, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2001 on our consideration of the Project'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 audit committee, management, the Joint Board of County Commissioners, 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.

Jim Petro
Auditor of State

March 9, 2001

**BLANCHARD RIVER ENHANCEMENT PROJECT
HANCOCK COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - GOVERNMENTAL FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Capital Projects
Cash Receipts:	
Special Assessments	\$751
Cash Disbursements:	
Capital Outlay	55,231
Total Disbursements Over Receipts	(54,480)
Fund Cash Balance, January 1	147,485
Fund Cash Balance, December 31	\$93,005
Reserve for Encumbrances, December 31	\$14,000

The notes to the financial statements are an integral part of this statement.

**BLANCHARD RIVER ENHANCEMENT PROJECT
HANCOCK COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - GOVERNMENTAL FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Capital Projects</u>
Cash Receipts:	
Special Assessments	\$999
Cash Disbursements:	
Capital Outlay	<u>66,362</u>
Total Disbursements Over Receipts	(65,363)
Fund Cash Balance, January 1	<u>212,848</u>
Fund Cash Balance, December 31	<u><u>\$147,485</u></u>
Reserve for Encumbrances, December 31	<u><u>\$66,700</u></u>

The notes to the financial statements are an integral part of this statement.

**BLANCHARD RIVER ENHANCEMENT PROJECT
HANCOCK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Blanchard River Enhancement Project, Hancock County, (the Project) 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 Project is directed by the County Commissioners of Hancock, Hardin, Putnam, Allen, Wyandot, and Seneca Counties. The Hancock County Commissioners are designated as the contracting agency for all contracts regarding the construction project. The Project consists of removing log jams from the Blanchard River.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Fund Accounting

The Project uses fund accounting to segregate cash and investments that are restricted as to use. The Project classifies its fund into the following type:

Capital Project Fund

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Project had the following significant capital project fund:

Blanchard River Maintenance Fund - Received proceeds of special assessments paid by property owners. The proceeds are being used to provide continuing maintenance to the Blanchard River.

D. Budgetary Process

As a "District Authority", the Blanchard River Project is only required to comply with the budgetary laws included in Ohio Revised Code Section 5705.41.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control. The Commissioners must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

**BLANCHARD RIVER ENHANCEMENT PROJECT
HANCOCK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

2. Encumbrances

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

A summary of 2000 and 1999 budgetary activity appears in Note 3.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Hancock County Auditor acts as the fiscal agent for the Project and the County Treasurer maintains a cash and investments pool used by all funds of the County, including those of the Project. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount on the County Auditor's records for the Project's fund balance was \$93,005 at December 31, 2000 and \$147,485 at December 31, 1999. The balance in the County Treasury was \$93,005 at December 31, 2000 and \$147,485 at December 31, 1999. The Hancock County Treasurer, is responsible for maintaining adequate depository collateral for all funds in Hancock County's pooled and deposit accounts.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
Capital Projects	<u>\$147,200</u>	<u>\$69,231</u>	<u>\$77,969</u>
1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
Capital Projects	<u>\$212,849</u>	<u>\$133,062</u>	<u>\$79,787</u>

4. OUTSTANDING CONTRACTS

The Project had an outstanding contractual commitment of \$14,000 at December 31, 2000 for cleaning debris from the Blanchard River as a result of a wind storm.



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

Blanchard River Enhancement Project
Hancock County
300 South Main Street
Findlay, Ohio 45840-3345

To the Joint Board of County Commissioners:

We have audited the accompanying financial statements of the Blanchard River Enhancement Project (the Project) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated March 9, 2001. We conducted our audits in accordance with generally accepted auditing standards 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 Project'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Project'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.

Blanchard River Enhancement Project
Hancock County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

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

Jim Petro
Auditor of State

March 9, 2001

**BLANCHARD RIVER ENHANCEMENT PROJECT
HANCOCK COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDING
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1998-60232-001	ORC § 5705.41(D) certification of funds.	Yes	



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BLANCHARD RIVER ENHANCEMENT PROJECT

HANCOCK 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
APRIL 3, 2001**