



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**CELERYVILLE CONSERVANCY DISTRICT  
HURON COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

Celeryville Conservancy District  
Huron County  
4373 State Route 103 South  
Willard, Ohio 44890-9624

To the Board of Directors:

We have audited the accompanying financial statements of Celeryville Conservancy District, Huron County, Ohio, (the District) as of and for the years ended December 31, 2000 and 1999. 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 audits.

We conducted our audits 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 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 District 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 cash balances of the District 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 June 14, 2001 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 audits.

This report is intended solely for the information and use of management, the Board of Directors, 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

June 14, 2001

**CELERYVILLE CONSERVANCY DISTRICT  
HURON COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCES  
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

	<b>2000</b>	<b>1999</b>
<b>Cash Receipts:</b>		
Special Assessment	42,300	42,300
Interest	13,605	12,308
Miscellaneous	50	1,001
Total Cash Receipts	55,955	55,609
<b>Cash Disbursements:</b>		
Salaries	15,625	12,963
Supplies and Materials	6,281	8,461
Repairs and Maintenance	9,330	2,856
Utilities	6,066	4,141
PERS	2,423	2,646
Miscellaneous	8,010	8,389
Total Cash Disbursements	47,735	39,456
Total Cash Receipts Over/(Under) Cash Disbursements	8,220	16,153
<b>Other Financing Receipts:</b>		
Sale of Fixed Assets	651	
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	8,871	16,153
Cash Balance, January 1	247,236	231,083
<b>Cash Balance, December 31</b>	<b>\$256,107</b>	<b>\$247,236</b>

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

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**CELERYVILLE CONSERVANCY DISTRICT  
HURON COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Celeryville Conservancy District, Huron County, (the District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by a three-member Board appointed by the Court of Common Pleas. The District is responsible for the maintenance, operation and preservation of the reservoirs, ditches, drains, dams, levees and other properties and improvements to strengthen, restore and repair the same.

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

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

**C. Cash and Investments**

Certificates of deposit are valued at cost.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Except gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

**D. Budgetary Process**

A budget of estimated cash receipts and disbursements is provided and approved by the Board of Directors for the period January 1 to December 31.

**1. Appropriations**

The Board must approve appropriation measures at or before the beginning of each fiscal year and must also approve any subsequent amendments. Total appropriations may not exceed the unencumbered balance plus estimated revenues.

**2. Encumbrances**

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. The District did not use the encumbrance method of accounting.

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

**CELERYVILLE CONSERVANCY DISTRICT  
HURON COUNTY**

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

**2. CASH AND INVESTMENTS**

The carrying amount of cash and investments at December 31 was as follows:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$77,457	\$78,882
Certificates of deposit	<u>178,650</u>	<u>168,354</u>
Total deposits	<u><u>\$256,107</u></u>	<u><u>\$247,236</u></u>

Deposits are insured by the Federal Depository Insurance Corporation and collateralized by securities specifically pledged by the financial institution to the District.

**3. BUDGETARY ACTIVITY**

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

2000 Budgeted vs. Actual Receipts

<u>Budgeted</u>	<u>Actual</u>	
<u>Receipts</u>	<u>Receipts</u>	<u>Variance</u>
<u>\$42,300</u>	<u>\$56,606</u>	<u>\$14,306</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Appropriation</u>	<u>Budgetary</u>	
<u>Authority</u>	<u>Expenditures</u>	<u>Variance</u>
<u>\$47,800</u>	<u>\$47,735</u>	<u>\$65</u>

1999 Budgeted vs. Actual Receipts

<u>Budgeted</u>	<u>Actual</u>	
<u>Receipts</u>	<u>Receipts</u>	<u>Variance</u>
<u>\$42,300</u>	<u>\$55,609</u>	<u>\$13,309</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Appropriation</u>	<u>Budgetary</u>	
<u>Authority</u>	<u>Expenditures</u>	<u>Variance</u>
<u>\$42,300</u>	<u>\$39,456</u>	<u>\$2,844</u>

The fiscal officer did not properly certify the availability of funds prior to expenditures incurred as required by the Ohio Revised Code.

**CELERYVILLE CONSERVANCY DISTRICT  
HURON COUNTY**

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

**4. RETIREMENT SYSTEM**

The District's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% and 10.84% of participants' gross salaries for 1999 and 2000, respectively. The District has paid all contributions required through December 31, 2000.

**5. RISK MANAGEMENT**

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Public Officials Liability.

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

Celeryville Conservancy District  
Huron County  
4373 State Route 103 South  
Willard, Ohio 44890-9624

To the Board of Directors:

We have audited the accompanying financial statements of Celeryville Conservancy District, Huron County, Ohio, (the District) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 14, 2001. We conducted our audits 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 District'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 audits and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings as item 2000-20539-001. We also noted certain immaterial instances of noncompliance that we have reported to the management of the District in a separate letter dated June 14, 2001.

**Internal Control Over Financial Reporting**

In planning and performing our audits, we considered the District'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 management of the District in a separate letter dated June 14, 2001.

Celeryville Conservancy District  
Huron County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*

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.

**Jim Petro**  
Auditor of State

June 14, 2001

**CELERYVILLE CONSERVANCY DISTRICT  
HURON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2000 AND 1999**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2000-20539-001**

**Noncompliance Citation**

Ohio Revised Code § 5705.41(D) states no orders or contracts involving the expenditure of money is to be made unless there is attached thereto a certificate of the fiscal officer certifying that the amount required for the order or contract 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 encumbrances. Every such contract made without such a certificate shall be null and void and no warrant shall be issued in payment of any amount due thereon.

This section also provides two "exceptions" to the above requirement:

- a. Then and Now Certificate - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was appropriated and free of any encumbrances, the Board may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within thirty days from the receipt of such certificate, if such certificate is otherwise valid.
- b. If the amount involved is less than one thousand dollars, the fiscal officer may authorize it to be paid without the affirmation of the Board.

We noted that the Clerk-Treasurer did not certify District expenditures. The failure to properly certify expenditures could allow expenditures in excess of available resources. We recommend that the Clerk-Treasurer certify all expenditures and use the then and now exception for emergency or unforeseen expenditures.







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**CELERYVILLE CONSERVANCY DISTRICT**

**HURON 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  
JULY 12, 2001**