



**RUSHCREEK CONSERVANCY DISTRICT  
PERRY COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999**



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

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**STATE OF OHIO**



**RUSHCREEK CONSERVANCY DISTRICT  
PERRY COUNTY**

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Rushcreek Conservancy District  
Perry County  
134 Mulberry Street  
Bremen, Ohio 43107

To the Board of Directors:

We have audited the accompanying financial statements of the Rushcreek Conservancy District, Perry 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 audit.

We conducted our audit 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 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 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 fund cash balances of the Rushcreek Conservancy District, Perry County, 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 20, 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 audit.

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

March 20, 2001

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**RUSHCREEK CONSERVANCY DISTRICT  
PERRY COUNTY**

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

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Sale of Water	\$ 22,500	\$	\$ 22,500
Building Rental	8,100		8,100
Interest	1,011	3,606	4,617
Intergovernmental		19,099	19,099
Sale of Oil and Gas	2,746		2,746
Sale of Timber	48,800		48,800
Property Tax Assessments		34,496	34,496
Other	5		5
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	83,162	57,201	140,363
<b>Cash Disbursements:</b>			
Payroll	12,410	27,201	39,611
Telephone	814		814
Administration Expense and Supplies	1,960	4,981	6,941
Attorney Fees	1,428		1,428
Director and Secretary Expenses	2,314	1,511	3,825
Real Estate Taxes	1,350		1,350
Utilities	1,945		1,945
Insurance	1,643		1,643
Payroll Taxes	180	395	575
Workers' Compensation	69	139	208
Public Employees Retirement	1,394	3,112	4,506
Maintenance and Repair	1,686	12,168	13,854
Mortgage Payment	5,400		5,400
Advertising	102		102
Capital Outlay		1,631	1,631
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	32,695	51,138	83,833
Total Cash Receipts Over/(Under) Cash Disbursements	50,467	6,063	56,530
Fund Cash Balances, January 1	27,720	55,250	82,970
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b>\$ 78,187</b>	<b>\$ 61,313</b>	<b>\$ 139,500</b>

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

**RUSHCREEK CONSERVANCY DISTRICT  
PERRY COUNTY**

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

	<b>Governmental Fund Types</b>		<b>Totals (Memorandum Only)</b>
	<b>General</b>	<b>Special Revenue</b>	
<b>Cash Receipts:</b>			
Sale of Water	\$ 20,000	\$	\$ 20,000
Building Rental	7,825		7,825
Interest	566	1,639	2,205
Intergovernmental		20,999	20,999
Sale of Oil and Gas	3,077		3,077
Property Tax Assessments	4,759	38,330	43,089
Other	58	3,035	3,093
	36,285	64,003	100,288
<b>Cash Disbursements:</b>			
Payroll	13,099	26,442	39,541
Telephone	874		874
Administration Expense and Supplies	1,796	3,587	5,383
Attorney Fees	599		599
Director and Secretary Expenses	2,458	1,501	3,959
Real Estate Taxes	1,264		1,264
Utilities	1,472		1,472
Insurance	1,633		1,633
Payroll Taxes	188	383	571
Workers' Compensation	447	955	1,402
Public Employees Retirement	1,715	3,484	5,199
Maintenance and Repair	2,946	7,078	10,024
Office Rent and Mortgage Payment	6,550		6,550
Advertising	766		766
Audit	1,659	2,488	4,147
Capital Outlay	21,000	173	21,173
	58,466	46,091	104,557
Total Cash Receipts Over/(Under) Cash Disbursements	(22,181)	17,912	(4,269)
<b>Other Financing Receipts/(Disbursements):</b>			
Proceeds from Sale of Public Debt:			
Other Proceeds from Sale of Public Debt	21,000		21,000
	21,000	0	21,000
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>			
	(1,181)	17,912	16,731
Fund Cash Balances, January 1	28,901	37,338	66,239
<b>Fund Cash Balances, December 31</b>	<b>\$ 27,720</b>	<b>\$ 55,250</b>	<b>\$ 82,970</b>

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



**RUSHCREEK CONSERVANCY DISTRICT  
PERRY COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Rushcreek Conservancy District, Perry 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 was organized under the provisions of the Ohio Rev. Code Section 6101.04, in the manner and subject to the conditions provided by the Ohio Rev. Code Sections 6101.01 and 6101.84, inclusive, for the purpose of watershed protection and flood prevention in the District, which covers parts of Fairfield, Hocking and Perry Counties.

The governing body for the District consists of a Board of Directors of three (3) members appointed by the Court of Common Pleas in accordance with Ohio Rev. Code Section 6101.10, to serve a term of five (5) years.

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

**B. Basis of Accounting**

The 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**

The District's certificates of deposit are valued at cost.

**D. Fund Accounting**

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

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Fund**

This fund is used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The District had the following Special Revenue Fund:

*Special Assessment General Maintenance Fund* - This fund receives special assessment property tax money, interest and grants to maintain District watershed protection and flood prevention sites.

**RUSHCREEK CONSERVANCY DISTRICT  
PERRY COUNTY**

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

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

**E. Budgetary Process**

Ohio Rev. Code Section 6101.44 requires that each fund be budgeted annually.

**1. Appropriations**

At or before the opening of each fiscal year, the Board of Directors adopts a resolution making appropriations by fund for the ensuing fiscal year. The appropriation resolution may be amended or supplemented by the Board. Appropriations may not exceed estimated resources in any fund.

**2. Estimated Resources**

At or before the opening of each fiscal year, the Board of Directors determines the estimated resources by individual fund for the ensuing fiscal year. The estimate by fund is comprised of the fund balance at the beginning of the year and the amounts to be received during such year from bonds authorized, taxes and special assessments, and all other moneys estimated to be received by each fund during the year.

**3. Encumbrances**

The District did not use the encumbrance method of accounting. Under this system, purchase orders, contracts and other commitments for the expenditure of funds would be recorded in order to reserve the portion of the applicable appropriation.

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

**F. Property, Plant and Equipment**

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

**G. Total Columns on Financial Statements**

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. This data is not comparable to a consolidation. Interfund-type eliminations have not been made in the aggregation of this data.

**RUSHCREEK CONSERVANCY DISTRICT  
PERRY COUNTY**

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

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

The District maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>2000</u>	<u>1999</u>
Demand Deposits	\$ 129,500	\$ 18,340
Certificates of Deposit	<u>10,000</u>	<u>64,630</u>
Total Deposits	<u>\$ 139,500</u>	<u>\$ 82,970</u>

**Deposits:** Deposits are either insured by the Federal Deposit Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**3. BUDGETARY ACTIVITY**

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

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 532,250	\$ 83,162	\$ (449,088)
Special Revenue	<u>58,800</u>	<u>57,201</u>	<u>(1,599)</u>
Total	<u>\$ 591,050</u>	<u>\$ 140,363</u>	<u>\$ (450,687)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 550,500	\$ 32,695	\$ 517,805
Special Revenue	<u>58,300</u>	<u>51,138</u>	<u>7,162</u>
Total	<u>\$ 608,800</u>	<u>\$ 83,833</u>	<u>\$ 524,967</u>

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 530,950	\$ 57,285	\$ (473,665)
Special Revenue	<u>51,800</u>	<u>64,003</u>	<u>12,203</u>
Total	<u>\$ 582,750</u>	<u>\$ 121,288</u>	<u>\$ (461,462)</u>

**RUSHCREEK CONSERVANCY DISTRICT  
PERRY COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 574,350	\$ 58,466	\$ 515,884
Special Revenue	62,000	46,091	15,909
Total	\$ 636,350	\$ 104,557	\$ 531,793

**4. PROPERTY TAX**

Special assessment property taxes become a lien on January 1. Payments are due to the District's three Counties (Perry, Hocking, and Fairfield) by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

The District's Counties are responsible for assessing property, and for billing, collecting, and distributing all special assessment property taxes on behalf of the District.

**5. DEBT OBLIGATIONS**

Debt outstanding at December 31, 2000, consisted of the following:

	Principal	Interest Rate
Promissory Note	\$ 14,132	5.75%

The District entered into a promissory note with the First Bremen Bank on May 17, 1999, for \$21,050 for the purchase of an office building. This note is backed by the full faith and credit of the District.

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

Year ending December 31:	Promissory Note
2001	\$ 5,400
2002	5,400
2003	4,515
Total	\$ 15,315

**RUSHCREEK CONSERVANCY DISTRICT  
PERRY COUNTY**

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

**6. RETIREMENT SYSTEM**

The District's elected officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. The 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% of participants' gross salaries through June 30, 2000. For the period July 1, 2000 through December 31, 2000, PERS temporarily reduced the employer's contribution rate to 8.13% of participants gross salaries. The District has paid all contributions required through December 31, 2000.

**7. RISK MANAGEMENT**

The District has obtained commercial insurance coverage for the following risks:

- Property
- General liability
- Public officials' liability
- Crime and employee dishonesty
- Auto and vehicle

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

Rushcreek Conservancy District  
Perry County  
134 Mulberry Street  
Bremen, Ohio 43107

To the Board of Directors:

We have audited the accompanying financial statements of the Rushcreek Conservancy District, Perry County, Ohio (the District), as of and for the year ended December 31, 2000 and 1999, and have issued our report thereon dated March 20, 2001. We conducted our audit 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 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 audit 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*. However, we noted immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated March 20, 2001.

**Internal Control Over Financial Reporting**

In planning and performing our audit, 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 management of the District in a separate letter dated March 20, 2001.

Rushcreek Conservancy District  
Perry 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 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

March 20, 2001





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**RUSHCREEK CONSERVANCY DISTRICT**

**PERRY 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  
JUNE 26, 2001**