



Dave Yost • Auditor of State



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Upper Scioto Drainage and Conservancy District
Hardin County
One Courthouse Square Ste. 180
Kenton, Ohio 43326

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Upper Scioto Drainage and Conservancy District, Hardin County, (the District) for the years ended December 31, 2012 and 2011.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code Section 117.11(A). Because our procedures were not designed to opine on the District's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the District's financial statements, transactions or balances for the years ended December 31, 2012 or 2011.

The District's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code Section 117.11(A) is to examine, analyze and inspect these records and documents.

Current Year Observations

1. We noted that General Fund appropriations of \$175,465.31 exceeded estimated resources by \$11,535.26 for the year ended December 31, 2012. Ohio Rev. Code Section 5705.39 limits appropriations to estimated resources (receipts plus unencumbered opening cash balances). Because appropriations authorize spending, appropriating more than estimated resources potentially authorizes deficit spending. The District should only approve appropriations that are within or equal to estimated resources. If during the year it is determined that estimated resources will not be achieved then appropriations should be reduced to the level of available resources.

Current Status of Matters we reported in our Prior Engagement

1. Our prior audit for the years ended December 31, 2010 and 2009 reported noncompliance with Ohio Rev. Code Section 135.21 as the result of posting interest receipts to a fund which was not authorized to receive interest. An adjustment was made to the District's accounting records to reallocate this interest to the General Fund. During 2012 and 2011 the District recorded all interest in the General Fund.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

May 14, 2013

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UPPER SCIOTO DRAINAGE AND CONSERVANCY DISTRICT

HARDIN 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 4, 2013