



**UPPER SCIOTO DRAINAGE AND CONSERVANCY DISTRICT  
HARDIN COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005**



**Mary Taylor, CPA**  
Auditor of State



UPPER SCIOTO DRAINAGE AND CONSERVANCY DISTRICT  
HARDIN COUNTY

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# Mary Taylor, CPA

Auditor of State

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

To the Board of Directors:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

August 16, 2007

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Directors:

We have audited the accompanying financial statements of the Upper Scioto Drainage and Conservancy District, Hardin County, (the District) as of and for the years ended December 31, 2006 and 2005. 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the District has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP requires presenting entity wide statements and also presenting the District's larger (major) funds separately. While the District does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The District has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2006 and 2005 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of 2006 and 2005, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Upper Scioto Drainage and Conservancy District, Hardin County, as of December 31, 2006 and 2005, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the District to include Management's Discussion and Analysis for the years ended December 31, 2006 and 2005. The District has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 16, 2007, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

August 16, 2007



**UPPER SCIOTO DRAINAGE AND CONSERVANCY DISTRICT  
HARDIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>Governmental Fund Types</b>		<b>Totals</b>
	<b>General</b>	<b>Special Revenue</b>	<b>(Memorandum Only)</b>
<b>Cash Receipts:</b>			
Special Assessments	\$58,323	\$18,040	\$76,363
Interest	2,686	849	3,535
Ohio EMA Grant	6,731		6,731
Total Cash Receipts	<u>67,740</u>	<u>18,889</u>	<u>86,629</u>
<b>Cash Disbursements:</b>			
Secretary & Office Asst	9,035		9,035
Directors	4,954		4,954
Attorney	1,561		1,561
OPERS, Employer Contribution	1,491		1,491
Real Estate Tax	114		114
Office Exp & Equip	242		242
Legal & Court Costs	1,580		1,580
Insurance, Bonds, Medicare, Workers Comp	159		159
Treasurers Fees	804	251	1,055
Maintenance	71,093	31,081	102,174
Hardin Soil & Water Conservation District	10,800	1,200	12,000
Savings & Emergency	360		360
FEMA Grant		42,004	42,004
Repay Bond Funds Borrowed	15,468		15,468
Total Cash Disbursements	<u>117,661</u>	<u>74,536</u>	<u>192,197</u>
Total Cash Receipts Over/(Under) Cash Disbursements	(49,921)	(55,647)	(105,568)
<b>Other Financing Receipts:</b>			
Proceeds of Debt	110,000		110,000
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	60,079	(55,647)	4,432
Fund Cash Balances, January 1	<u>21,745</u>	<u>132,101</u>	<u>153,846</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$81,824</u></u>	<u><u>\$76,454</u></u>	<u><u>\$158,278</u></u>

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

**UPPER SCIOTO DRAINAGE AND CONSERVANCY DISTRICT  
HARDIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<b>Governmental Fund Types</b>		<b>Totals</b>
	<b>General</b>	<b>Special Revenue</b>	<b>(Memorandum Only)</b>
<b>Cash Receipts:</b>			
Special Assesments	\$60,212	\$18,255	\$78,467
Interest	760	459	1,219
FEMA Grant		42,004	42,004
Miscellaneous	70		70
Total Cash Receipts	<u>61,042</u>	<u>60,718</u>	<u>121,760</u>
<b>Cash Disbursements:</b>			
Secretary & Office Asst.	9,652		9,652
Directors	5,394		5,394
Attorney	1,476		1,476
OPERS, Employer Contribution	1,504		1,504
Real Estate Tax	104		104
Office Exp & Equip	202		202
Legal & Court Costs	24		24
Insurance, Bonds, Medicare, Workers Comp	339		339
Hardin Soil & Water Conservation District	10,800	1,200	12,000
Auditor/Treasurer Fees	151	102	253
Audit Fees	2,147		2,147
Maintenance	4,119	24,462	28,581
Savings and Emergency	764		764
Repay Bond Funds Borrowed	33,166		33,166
Total Cash Disbursements	<u>69,842</u>	<u>25,764</u>	<u>95,606</u>
Total Cash Receipts Over/(Under) Cash Disbursements	(8,800)	34,954	26,154
Fund Cash Balances, January 1	<u>30,545</u>	<u>97,147</u>	<u>127,692</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$21,745</u></u>	<u><u>\$132,101</u></u>	<u><u>\$153,846</u></u>

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

**UPPER SCIOTO DRAINAGE AND CONSERVANCY DISTRICT  
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Upper Scioto Drainage and Conservancy District, Hardin County, (the District) as a body corporate and politic. The District is directed by a three-member Board of Directors appointed by the Judge of Hardin County Court of Common Pleas. The District provides conservation and flood control.

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 the Auditor of State prescribes or permits, which is similar to the cash receipts and disbursements basis of accounting. This basis recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 accounting basis reports investments as assets. This basis does not report investment purchases as disbursements or investment sales as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

STAR Ohio accounts are recorded at share values reported by the mutual fund.

**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 Funds**

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The District had the following significant Special Revenue Funds:

**Cottonwood District Fund** – This fund receives special assessments specifically for the portion of the Scioto River deemed the Cottonwood District.

**Sub District Fund** - This fund receives special assessments specifically for the portion of the Scioto River known as the Sub District.

**UPPER SCIOTO DRAINAGE AND CONSERVANCY DISTRICT  
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

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

**D. Budgetary Process**

The Ohio Revised Code requires the Board to budget each fund.

**1. Appropriations**

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

**2. Estimated Resources**

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

**3. Encumbrances**

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

**2. CASH AND INVESTMENTS**

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

	<b>2006</b>	<b>2005</b>
Demand deposits	\$16,860	\$153,846
STAR Ohio	141,418	
Total deposits and investments	\$158,278	\$153,846

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31 2006 and 2005 as follows:

<b>2006 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$58,680	\$177,740	\$119,060
Special Revenue	18,048	18,889	841
Total	\$76,728	\$196,629	\$119,901

**UPPER SCIOTO DRAINAGE AND CONSERVANCY DISTRICT  
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

**2006 Budgeted vs. Actual Budgetary Basis Expenditures**

<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$198,506	\$117,661	\$80,845
Special Revenue	98,743	74,536	24,207
Total	<u>\$297,249</u>	<u>\$192,197</u>	<u>\$105,052</u>

**2005 Budgeted vs. Actual Receipts**

<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$58,680	\$61,042	\$2,362
Special Revenue	18,048	60,718	42,670
Total	<u>\$76,728</u>	<u>\$121,760</u>	<u>\$45,032</u>

**2005 Budgeted vs. Actual Budgetary Basis Expenditures**

<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$105,353	\$69,842	\$35,511
Special Revenue	99,731	25,764	73,967
Total	<u>\$205,084</u>	<u>\$95,606</u>	<u>\$109,478</u>

**4. DEBT**

Debt outstanding at December 31, 2006

	<b>Principal</b>	<b>Interest Rate</b>
Bonds	\$110,000	3.70%

On January 20, 2006 the District issued a \$110,000 bonds for the purpose of maintaining, operating, preserving, strengthening, repairing and restoring properties and improvements, including but not limited to maintaining, repairing, and restoring the Scioto River and contiguous property with respect to damage caused by ice storms. Repayment of these bonds will be in annual principal and semi-annual interest payments due on March 1 and September 1 of each year until maturity on March 1, 2011. The first interest payment was due on September 1, 2006. The bonds are subject to redemption prior to maturity in whole, or in part in integral multiples of \$1,000, at any time at the option of the District.

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

**UPPER SCIOTO DRAINAGE AND CONSERVANCY DISTRICT  
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

**4. DEBT (Continued)**

Year ending December 31:	Bonds
2007	\$25,690
2008	24,894
2009	24,060
2010	23,235
2011	22,409
Total	\$120,288

**5. RETIREMENT SYSTEM**

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2005, OPERS member employees contributed 8.5 percent of their gross salaries, for 2006 members contributed 9 percent. The District contributed an amount equal to 13.55 percent of participants' gross salaries for 2005 and 13.7 percent for 2006. The District has paid all contributions required through December 31, 2006.

**6. RISK MANAGEMENT**

The District is covered under the Hardin County policy for the following risks:

- Comprehensive property and general liability:

The District has elected to not cover the office equipment which is in the Courthouse.

**7. SUBSEQUENT EVENT**

On November 16, 2006, the Hardin County Common Pleas Court approved paying the balance of the Special Revenue Sub District Fund into the District's General Fund. The District paid the \$7,309 balance of the Sub District Fund into the General Fund on January 1, 2007.



# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

To the Board of Directors:

We have audited the financial statements of the Upper Scioto Drainage and Conservancy District, Hardin County, (the District) as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated August 16, 2007, wherein we noted the District followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Government's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting: 2006-001 through 2006-004.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

**Internal Control Over Financial Reporting  
(Continued)**

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, of the significant deficiencies described above, we believe finding number 2006-001 is also a material weakness.

We also noted a certain internal control matter that we reported to the District's management in a separate letter dated August 16, 2007.

**Compliance and Other Matters**

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2006-004 and 2006-005.

We intend this report solely for the information and use of the management and Board of Directors.



**Mary Taylor, CPA**  
Auditor of State

August 16, 2007



**UPPER SCIOTO DRAINAGE AND CONSERVANCY DISTRICT  
HARDIN COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2006 and 2005**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2006-001**

**Significant Deficiency/ Material Weakness**

**Format of Annual Financial Statements**

The annual financial statements of the District should reflect all balances and financial activity for the reporting period. The financial statements should also be presented in a manner that is consistent with the presentation used by governmental entities. The District prepared annual financial statements, however, the financial statements did not include revenues and the beginning and ending fund balances. Financial statements reflecting just revenues were subsequently prepared, however, financial statements that reflected all receipts, disbursements, and the beginning and end fund balances for each of the District's funds during the audit period were not presented. In addition, note proceeds and a grant were not included as revenue on the financial statements.

The failure to prepare complete annual financial statements inhibits the user's ability to fully understand the results of operations.

The District should develop and utilize procedures to prepare complete and accurate financial statements.

**FINDING NUMBER 2006-002**

**Significant Deficiency**

**Format of Bank to Book Reconciliations**

Bank-to-book reconciliations should include all bank and investment balances, book balances, and the reconciling items. The District prepared bank reconciliations which showed checks cleared for each account, however, there was no reconciliation between the total bank and investment balances to the fund balances.

The failure to prepare complete bank-to-book reconciliations could result in errors or irregularities not being detected in timely manner.

The District should prepare a monthly bank to book reconciliation that presents all bank and investment balances, reconciling items such as outstanding checks and deposits in transit, and total fund balances. The monthly reconciliations should be presented to the Board for review and approval. Evidence of the review and approval should be documented in the minutes and/or on the bank reconciliations.

**FINDING NUMBER 2006-003**

**Significant Deficiency**

**Review of Budgetary Activity and Fund Balance Reports**

To assist in the effective management of financial resources a governing body should periodically review financial reports that present budget versus actual revenues and expenditures and fund balances. The review of budgetary activity should include determining whether or not appropriations remain within estimated resources along with being in-line with actual resources. The District's Board did not receive budget versus actual reports or reports that reflected the balances in each of the District's Funds. The failure to review budget versus actual activity and fund balances inhibited the Board's ability to identify negative financial trends which could result in deficit spending or the failure to achieve District spending objectives.

The Board should periodically review financial reports that present budget versus actual activity and fund balances. As part of the review of budget versus actual activity, the Board should verify that appropriations for each fund remain within estimated resources and that actual resources are in-line with the estimated resources. Evidence of the review and approval of financial reports should be documented in the minutes and/or on the reports.

**FINDING NUMBER 2006-004**

**Noncompliance and Significant Deficiency**

**Ohio Rev. Code Section 5705.09** requires each subdivision to establish a special fund for each class of revenues derived from a source other than the general property tax, which the law required to be used for a particular purpose. **Auditor of State Bulletin 98-013** outlined the procedures for the treatment of money received from the Federal Emergency Management Agency (FEMA). During 2005, the District failed to establish a separate fund to account for a FEMA grant in the amount of \$42,004.

Failure to properly account for FEMA Grants could jeopardize the District's ability to receive future grants and inhibited the District's ability to account for the receipt and expenditure of the grant.

The District should implement controls to provide for the proper accountability of restricted revenues.

**FINDING NUMBER 2006-005**

**Noncompliance**

**Ohio Rev. Code Section 117.38** states that cash-basis entities must file annual reports with the Auditor of State within 60 days of the fiscal year end. These reports must be filed on forms prescribed by the Auditor of State. However, if the Auditor of State has not prescribed a form for the report, the public office shall submit its report on the form utilized by the public office. Also, the public office must publish notice in a local newspaper stating the financial report is available for public inspection at the office of the chief fiscal officer.

The District did not file its 2005 report with the Auditor of State's Office until May 29, 2006 and did not file its 2006 report. In addition, there was no evidence to indicate that the annual financial statements were available for public inspection.

The Board should implement monitoring procedures to provide for timely filing and public notification of annual financial reports.

**OFFICIALS' RESPONSE**

We did not receive a response from Officials to these findings.

**UPPER SCIOTO DRAINAGE AND CONSERVANCY DISTRICT  
HARDIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 2006 and 2005**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i><b>Explain</b></i>
<b>2004-001</b>	ORC Section 117.38 - The District did not file its annual reports with the Auditor of State's Office and did not publish notice that the financial statements were available for public inspection.	No	Repeated as Finding 2006-005
<b>2004-002</b>	The District did not establish the required bond fund during 2004 and 2003.	No	Finding no longer valid since the debt was paid in full in 2006.
<b>2004-003</b>	Monthly bank-to-book reconciliations were not prepared by the District.	No	Partially Corrected – repeated as finding 2006-002.





**Mary Taylor, CPA**  
Auditor of State

**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  
OCTOBER 11, 2007**