



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



One First National Plaza  
130 West Second Street, Suite 2040  
Dayton, Ohio 45402-1502  
(937) 285-6677 or (800) 443-9274  
WestRegion@ohioauditor.gov

Upper Scioto Drainage and Conservancy District  
Hardin County  
One Courthouse Square #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, 2020 and 2019.

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, 2020 and 2019.

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.

Based on the results of our procedures, we found the following significant compliance or accounting issues to report.

## Current Year Observations

1. **Ohio Rev. Code § 117.38** requires entities to file their financial information in the HINKLE System within 60 days after the close of the fiscal year. Furthermore **Auditor of State Bulletin 2015-007** requires that Regulatory Cash Basis Entities file Notes to the Basic Financial Statements along with their annual financial statements.

The 2019 financial information had a required filing date of March 2, 2020 and was filed on January 24, 2020. However the financial information did not include opening balances and included formula errors in the financial information and the supporting accounting records. The corrected filing was completed on July 22, 2021.

The 2020 financial information had a required filing date of March 1, 2021 and was filed on January 22, 2021. Formula errors were identified in the financial information and supporting records and a corrected filing was completed on July 22, 2021.

A procedure(s) and/or control(s) should be implemented to help prevent future filing errors. Such a procedure(s) and/or control(s) can included but not be limited to: a review of the formulas in the accounting records should be performed; the annual financial statements and notes should be footed and cross footed and agreed to the year-end bank to book reconciliation; and the "shell" financial statement and notes for a conservancy district that can be found on the Auditor of State website at: <https://ohioauditor.gov/references/shells/regulatory.html> which would work as a reminder to clearly include and identify opening and ending fund balances, receipts, and disbursements.

### Current Year Observations (Continued)

2. **Ohio Rev. Code § 149.43(B)(2)** requires “a public office to have available a copy of its current records retention schedule at a location readily available to the public.” The District did not have a records retention schedule. The Hardin County schedule is displayed in the District Office but since the District is a separate entity it would not fall under the Hardin County schedule. The District should adopt a records retention schedule and post it in a location that is available to the public. If the District wants to use the retention schedule used by the County, it should be formally approved by the Board and include the District’s name.
3. **Ohio Rev. Code §149.43(E)(2)** states, in part, that all public offices “shall adopt a public records policy in compliance with this section for responding to public records requests. In adopting a public records policy under this division, a public office may obtain guidance from the model public records policy developed and provided to the public office by the attorney general under section 109.43 of the Revised Code. The public office shall create a poster that describes its public records policy and shall post the poster in a conspicuous place in the public office and in all locations where the public office has branch offices.” The public office may post its public records policy on the internet web site of the public office if the public office maintains an internet web site. The District did not have a public records policy. A public records policy should be adopted and displayed as required by this Code Section.
4. Bank reconciliations were prepared, however, at June 30, 2021 the money market account bank reconciliation had a variance of \$72 from the money market bank statement. This was due to an interest receipt paid by the bank on June 30, 2021 not being recorded in the accounting system and not being reported as a reconciling item.

The month-end balances of all bank accounts should be reconciled to the total fund balances reported in the accounting system. Differences such as outstanding checks, deposits in transit, and other items should be identified and presented on the bank to book reconciliation. Unexplained variances should be immediately investigated and resolved. The Board should be presented the monthly bank to book reconciliations for review and approval.

### Current Status of Matters Reported in our Prior Engagement

In addition to current observations #1 and #4 reported above, the prior engagement also reported that estimated receipts were not included in the accounting system and that the financial statements did not include year to date receipt and disbursement activity and did not include ending balances.



Keith Faber  
Auditor of State  
Columbus, Ohio

August 24, 2021

# OHIO AUDITOR OF STATE KEITH FABER



**UPPER SCIOTO DRAINAGE AND CONSERVANCY DISTRICT**

**HARDIN COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 9/7/2021**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)