



Dave Yost • Auditor of State

**SYRACUSE RACINE REGIONAL SEWER DISTRICT
MEIGS COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Syracuse-Racine Regional Sewer District
Meigs County
P.O. Box 201
Racine, Ohio 45771

To the Board of Trustees:

Report on the Financial Statement

We have audited the accompanying financial statement and related notes of the Syracuse-Racine Regional Sewer District, Meigs County, Ohio (the Sewer District), as of and for the year ended December 31, 2012.

Management's Responsibility for the Financial Statement

Management is responsible for preparing and fairly presenting this financial statement in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting this financial statement free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on this financial statement based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statement is free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Sewer District's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the Sewer District prepared this financial statement using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03, which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Sewer District as of December 31, 2012, or changes in financial position thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash balance of the Syracuse-Racine Regional Sewer District, Meigs County, as of December 31, 2012 and its cash receipts and disbursements for the year then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permits, described in Note 1.

Other Matters

Our audit was conducted to opine on the financial statement taken as a whole. The Federal Awards Expenditure Schedule presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the financial statement. The Schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. This Schedule was subjected to the auditing procedures we applied to the financial statement. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this Schedule is fairly stated in all material respects in relation to the financial statement taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2013, on our consideration of the Sewer 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sewer District's internal control over financial reporting and compliance.



Dave Yost
Auditor of State

Columbus, Ohio

July 29, 2013

**SYRACUSE RACINE REGIONAL SEWER DISTRICT
MEIGS COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN CASH BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>2012</u>
Operating Cash Receipts:	
Charges for Services	<u>\$346,916</u>
Total Operating Cash Receipts	<u>346,916</u>
Operating Cash Disbursements:	
Professional Services	123,260
Employee Fringe Benefits	22,028
Contract Services	2,409,719
Supplies	<u>29,328</u>
Total Operating Cash Disbursements	<u>2,584,335</u>
Operating Income/(Loss)	<u>(2,237,419)</u>
Non-Operating Receipts:	
Earnings on Investments (proprietary funds only)	1,325
Intergovernmental Revenues	2,342,628
Special Assessments	6,826
Miscellaneous Receipts	25,602
Transfers In	<u>439,340</u>
Total Non-Operating Cash Receipts	<u>2,815,721</u>
Non-Operating Cash Disbursements:	
Capital Outlay	8,980
Principal Retirement	53,600
Interest and Other Fiscal Charges	27,215
Other Financing Uses	6,468
Transfers Out	<u>439,340</u>
Total Non-Operating Cash Disbursements	<u>535,603</u>
Net Receipts Over/(Under) Disbursements	42,699
Cash Balance, January 1	<u>290,459</u>
Cash Balance, December 31	<u><u>\$333,158</u></u>

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

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**SYRACUSE RACINE REGIONAL SEWER DISTRICT
MEIGS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2012**

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 for the Syracuse-Racine Regional Sewer District, Meigs County (the Sewer District), as a body corporate and politic. Each political subdivision within the District appoints one member to the Board of Trustees to direct the Sewer District. There are three board members. Subdivisions within the Sewer District are the Sutton District, the Village of Syracuse, and the Village of Racine. The Sewer District provides sewer services to residents of the Sewer District.

The Sewer District's management believes this financial statement presents all activities for which the Sewer District is financially accountable.

B. Accounting Basis

This financial statement follows the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Sewer District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

This statement includes adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposits and Investments

The Sewer District's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

D. Budgetary Process

The Ohio Revised Code requires the Board to budget annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the function level of control, and appropriations may not exceed estimated resources. Appropriation Authority includes current year appropriations plus encumbrances carried over from the prior year (if any). 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 Sewer District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year-end are canceled and reappropriated in the subsequent year.

**SYRACUSE RACINE REGIONAL SEWER DISTRICT
MEIGS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2012
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

3. Encumbrances

A summary of 2012 budgetary activity appears in Note 3.

E. Property, Plant, and Equipment

The Sewer District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statement does not report these items as assets.

F. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statement does not report these items as assets.

2. DEPOSITS

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

	<u>2012</u>
Demand deposits	\$303,043
Certificates of Deposit	<u>30,115</u>
Total Deposits	<u><u>\$333,158</u></u>

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2012 follows:

<u>Budgeted vs. Actual Receipts</u>		
<u>Budgeted</u>	<u>Actual</u>	
<u>Receipts</u>	<u>Receipts</u>	<u>Variance</u>
<u>\$4,784,965</u>	<u>\$3,162,637</u>	<u>(\$1,622,328)</u>

<u>Budgeted vs. Actual Budgetary Basis Expenditures</u>		
<u>Appropriation</u>	<u>Budgetary</u>	
<u>Authority</u>	<u>Expenditures</u>	<u>Variance</u>
<u>\$4,850,618</u>	<u>\$3,119,938</u>	<u>\$1,730,680</u>

4. DEBT

Debt outstanding at December 31, 2012 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
USDA Rural Development - Series A Bonds	\$452,000	2.750%
USDA Rural Development - Series B Bonds Refunding Portion	557,400	2.875%
USDA Rural Development - Series B Bonds New Money Portion	684,000	2.875%

**SYRACUSE RACINE REGIONAL SEWER DISTRICT
MEIGS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2012
(Continued)**

4. DEBT (Continued)

The Sewer District received a loan from United States Department of Agriculture Rural Development for the construction phase of the sanitary sewer collection and treatment system. Repayment of this debt will begin in 2012 in accordance with the approved amortization schedule. The debt is collateralized by water resource revenue bonds issued through USDA. The Sewer District has agreed to set utility rates sufficient to cover United States Department of Agricultural Rural Development (USDA) debt service requirements.

The Loan Agreement required the Sewer District to establish certain funds, which are restricted as to their use. The Debt Service Sewer Revenue Bond and Interest Sinking Fund are to be used for making the annual payment, the Debt Service Reserve Fund can be used to make the annual payment, however, the Sewer District needs RD consent, and the Short Lived Asset Reserve Fund can only be used to replace short lived assets.

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

Year ending December 31:	USDA - Series A	USDA - Series B Refunding	USDA - Series B New Money
2013	\$12,430	\$71,225	\$19,665
2014	19,330	71,138	29,865
2015	19,340	71,108	29,772
2016	19,245	71,232	29,873
2017	19,347	71,204	29,762
2018-2022	96,632	284,641	149,163
2023-2027	96,635		149,087
2028-2032	96,582		149,117
2033-2037	96,648		149,039
2038-2042	96,591		149,109
2043-2047	96,548		149,138
2048-2051	77,335		119,307
Total	<u>\$746,663</u>	<u>\$640,548</u>	<u>\$1,152,897</u>

5. RETIREMENT SYSTEMS

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

The Ohio Revised Code also prescribes contribution rates. For 2012, OPERS members contributed 10% of their gross salaries and the Sewer District contributed an amount equaling 14% of participants' gross salaries. The Sewer District has paid all contributions required through December 31, 2012.

**SYRACUSE RACINE REGIONAL SEWER DISTRICT
MEIGS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2012
(Continued)**

6. RISK MANAGEMENT

Commercial Insurance

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

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions

7. CONTINGENT LIABILITIES

Amounts grantor agencies pay to the Sewer District are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**SYRACUSE RACINE REGIONAL SEWER DISTRICT
MEIGS COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2012**

FEDERAL GRANTOR/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
<i>Direct from the Federal Government</i>			
Water and Waste Disposal Systems for Rural Communities	N/A	10.760	<u>\$2,152,279</u>
Total U.S. Department of Agriculture			2,152,279
<u>APPALACHIAN REGIONAL COMMISSION</u>			
<i>Direct from the Federal Government</i>			
Appalachian Regional Development	N/A	23.001	<u>185,850</u>
Total Appalachian Regional Commission			<u>185,850</u>
Total Federal Awards Expenditures			<u><u>\$2,338,129</u></u>

The Notes to the Federal Awards Expenditures Schedule is an integral part of the Schedule.

**SYRACUSE RACINE REGIONAL SEWER DISTRICT
MEIGS COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports the Syracuse-Racine Regional Sewer District's (the Sewer District's) federal award programs disbursements. The Schedule has been prepared on the cash basis of accounting.



Dave Yost • Auditor of State

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

Syracuse-Racine Regional Sewer District
Meigs County
P.O. Box 201
Racine, Ohio 45771

To the Board of Trustees:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statement of the Syracuse-Racine Regional Sewer District, Meigs County, Ohio (the Sewer District), as of and for the year ended December 31, 2012, and the related notes to the financial statement and have issued our report thereon dated July 29, 2013, wherein we noted the Sewer District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permits.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Sewer District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statement, but not to the extent necessary to opine on the effectiveness of the Sewer District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Sewer District's financial statement. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Sewer District's financial statement is 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, opining 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Sewer District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Sewer District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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Dave Yost
Auditor of State

Columbus, Ohio

July 29, 2013



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Syracuse-Racine Regional Sewer District
Meigs County
P.O. Box 201
Racine, Ohio 45771

To the Board of Trustees:

Report on Compliance for Each Major Federal Program

We have audited the Syracuse-Racine Regional Sewer District, Meigs County, Ohio (the Sewer District), compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Sewer District's major federal program for the year ended December 31, 2012. The *Summary of Audit Results* in the accompanying Schedule of Findings identifies the Sewer District's major federal program.

Management's Responsibility

The Sewer District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the Sewer District's compliance for each of the Sewer District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Sewer District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Sewer District's major program. However, our audit does not provide a legal determination of the Sewer District's compliance.

Opinion on the Major Federal Program

In our opinion, the Sewer District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2012.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which OMB Circular A-133 requires us to report, described in the accompanying Schedule of Findings as item 2012-001. This finding did not require us to modify our compliance opinion on the major federal program.

The Sewer District's response to our noncompliance finding is described in the accompanying Schedule of Findings. We did not audit the Sewer District's response and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

The Sewer District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Sewer District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Sewer District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Syracuse-Racine Regional Sewer District
Meigs County
Independent Auditor's Report on Compliance with Requirements Applicable
To Each Major Federal Program and on Internal Control Over Compliance in
Accordance with OMB Circular A-133
Page 2

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

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Dave Yost
Auditor of State

Columbus, Ohio

July 29, 2013

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**SYRACUSE RACINE REGIONAL SEWER DISTRICT
MEIGS COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2012**

1. SUMMARY OF AUDITOR'S RESULTS
--

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	Yes
<i>(d)(1)(vii)</i>	Major Programs (list):	Water and Waste System Grant CFDA #10.760
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

**SYRACUSE RACINE REGIONAL SEWER DISTRICT
MEIGS COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2011
(Continued)**

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None.

3. FINDINGS FOR FEDERAL AWARDS

Reporting

Finding Number	2012-001
CFDA Title and Number	Water and Waste System Grant CFDA #10.760 and 10.781
Federal Award Number / Year	2012
Federal Agency	U.S. Department of Agriculture
Pass-Through Agency	N/A – direct grant

Noncompliance Citation

7 C.F.R. Section 3015.205(b)(9) requires grantees to comply with all requirements imposed by the awarding agency concerning special requirements of law, program requirements, and other administrative requirements.

Section M(1) of the Water and Waste System Grant Agreement requires the Sewer District to provide financial management systems which include accurate, current, and complete disclosure of the financial results of each grant and that the financial reporting will be on an accrual basis.

The Sewer District reported on a cash basis, which is contrary to the basis required by the Grantor.

We recommend the Sewer District follow all requirements in the grant agreement.

Official's Response and Corrective Action Plan:

The Syracuse Racine Sewer District accounting system is based upon the "cash basis" as the State of Ohio UAN Accounting Program is used for accounting all financial transactions; therefore, the District does not use the accrual basis for financial reporting.

**SYRACUSE RACINE REGIONAL SEWER DISTRICT
MEIGS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A-133 § .315 (b)
DECEMBER 31, 2012**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2011-01	A noncompliance citation and material weakness of Ohio Rev. Code Section 5705.09(E) for not establishing a Bond Payment Fund as required.	Yes	N/A.
2011-02	A material weakness for material misposting requiring adjustments to the financial statement.	Yes	N/A
2011-03	Federal noncompliance (Cash Management) for violating the \$5,000, 15-day rule for expending drawdowns of CDBG funds.	Yes	N/A
2011-04	Federal Noncompliance (Reporting) for not reporting on the accrual basis (GAAP) as required by the U.S. Dept. of Agriculture in relation to the Water and Waste System Grant.	No	Re-issued as Finding Number 2012-001.

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Dave Yost • Auditor of State

SYRACUSE- RACINE REGIONAL SEWER DISTRICT

MEIGS 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
AUGUST 13, 2013**