



***TUPPERS PLAINS REGIONAL SEWER DISTRICT
MEIGS COUNTY***

Regular Audit

For the Years Ended December 31, 2005 and 2004

J.L. UHRIG
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS





**Auditor of State
Betty Montgomery**

Board of Trustees
Tuppers Plains Regional Sewer District
49460 State Route 681 W
P.O. Box 175
Tuppers Plains, Ohio 45783

We have reviewed the *Independent Auditor's Report* of the Tuppers Plains Regional Sewer District, Meigs County, prepared by J.L. Uhrig and Associates, Inc., for the audit period January 1, 2004 through December 31, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Tuppers Plains Regional Sewer District is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

October 2, 2006

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*Tuppers Plain Regional Sewer District
Meigs County
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Independent Auditor's Report

Board of Trustees
Tuppers Plain Regional Sewer District
Meigs County
49460 State Route 681 West
P.O. Box 133
Tuppers Plains, OH 45783

We have audited the accompanying financial statements of the Tuppers Plains Regional Sewer District, Meigs County (the District) as of and for the years ended December 31, 2005 and 2004. This financial statement is the responsibility of the Sewer District's management. Our responsibility is to express an opinion on this financial statement 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 *Government Auditing Standards*, issued by the Comptroller General of the United States of America. 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 described more fully in Note 1 the Sewer District prepares its financial statements on the basis of 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.

Revisions to GAAP would require the Sewer District to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2005 and 2004. Instead of the combined funds the accompanying financial statements present 2005 and 2004, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2005 and 2004. While the Sewer District does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Sewer District has elected not to reformat its statements. Since this Sewer District does not use GAAP to measure financial statement amounts, 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, 2005 and 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Sewer District as of December 31, 2005 and 2004, or its changes in financial position for the years then ended.

Board of Trustees
Tuppers Plains Regional Sewer District, Meigs County
Independent Auditor's Report

Also, in our opinion, the financial statements referred to in the first paragraph above present fairly, in all material respects, the combined fund cash balances of the Sewer District, as of December 31, 2005 and 2004, and its combined cash receipts and disbursements for the year then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Sewer District to include Management's Discussion and Analysis for the years ended December 31, 2005 and 2004. The Sewer 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 a report dated August 24, 2006 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 grants. While we do 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* and should be read in conjunction with this report when considering the results of our audit.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.

August 24, 2006

**TUPPERS PLAINS REGIONAL SEWER DISTRICT
MEIGS COUNTY
Combined Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances
Enterprise Funds
For the Years Ended December 31, 2005 and 2004**

	2005	2004
Operating Cash Receipts:		
Charges for Services	\$141,711	\$130,371
Miscellaneous	11	1,034
	141,722	131,405
Operating Cash Disbursements:		
Personal Services	35,434	27,011
Utilities	10,731	9,100
Repairs and Maintenance	21,676	23,841
Other Contractual Services	0	4,896
Office Supplies and Materials	794	1,754
Insurance	3,354	4,788
Audit Costs	0	7,705
Miscellaneous	1,973	2,029
Capital Outlay	7,832	0
	81,794	81,124
Total Operating Cash Disbursements	81,794	81,124
Operating Income/ (Loss)	59,928	50,281
Non-Operating Cash Receipts:		
Intergovernmental Revenues	3,120	0
Interest	2,952	3,686
	6,072	3,686
Total Non-Operating Cash Receipts	6,072	3,686
Non-Operating Cash Disbursements:		
Debt Service	54,912	54,862
	54,912	54,862
Total Non-Operating Cash Disbursements	54,912	54,862
Net Receipts Over/(Under) Disbursements	11,088	(895)
Cash Balances, January 1,	152,818	153,713
Cash Balances, December 31	\$163,906	\$152,818

TUPPERS PLAIN REGIONAL SEWER DISTRICT
MEIGS COUNTY
Notes to the Financial Statements
December 31, 2005 and 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Entity

The Tupper Plains Regional Sewer District, Meigs County (the Sewer 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 Sewer District is directed by an appointed five-member Board of Trustees. 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.

Basis of Accounting

This financial statement follows 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.

This statement includes adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

Cash and Investments

Certificates of deposit are valued at cost.

Fund Accounting

The Sewer District uses fund accounting to segregate cash and investments that are restricted as to use. The Sewer District classifies its funds into the Enterprise Fund Type.

Enterprise Funds account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The Sewer District has the following Enterprise Funds:

Sewer Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

Bond Payment Fund - This fund receives charges for services from residents to accumulate resources for the payment of bond indebtedness.

Bond Reserve Fund - This fund receives charges for services from residents to accumulate the required minimum reserve related to bond indebtedness.

OPWC Fund - This fund receives charges for services from residents to accumulate resources for the payment of note indebtedness.

TUPPERS PLAIN REGIONAL SEWER DISTRICT
MEIGS COUNTY
Notes to the Financial Statements
December 31, 2005 and 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Budgetary Process

The Ohio Revised Code requires the Sewer District to adopt an annual budget.

Appropriations

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

Estimated Resources

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

Encumbrances

The Ohio Revised Code requires the Sewer District to reserve (encumber) appropriations when commitments are made. The Sewer District did not use the encumbrance method of accounting.

A summary of 2005 and 2004 budgetary activity appears in Note 3.

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.

NOTE 2 - EQUITY IN POOLED CASH AND INVESTMENTS

The Sewer 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:

	2005	2004
Demand Deposits	\$98,924	\$87,836
Certificates of Deposit	64,982	64,982
Total Deposits	\$163,906	\$152,818

Deposits: Deposits are either insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Sewer District.

TUPPERS PLAIN REGIONAL SEWER DISTRICT
MEIGS COUNTY
Notes to the Financial Statements
December 31, 2005 and 2004

NOTE 3 - BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2005 and 2004 follows:

Budgeted vs. Actual Receipts		
Fund Type	2005	2004
Budgeted Receipts	\$133,121	\$134,134
Actual Receipts	147,794	135,091
Variance	\$14,673	\$957

Budgeted vs. Actual Budgetary Basis Expenditures		
Fund Type	2005	2004
Appropriation Authority	\$133,121	\$137,962
Budgetary Expenditures	136,606	135,987
Variance	(\$3,485)	\$1,975

Contrary to Ohio Law, budgetary expenditures exceeded appropriations in the Sewer Fund by \$3,485 for the year ended December 31, 2005.

NOTE 4 - DEBT

Debt outstanding at December 31, 2005 was as follows:

	Interest Rate	Principal Outstanding 12-31-04	Additions	Deletions	Principal Outstanding 12-31-05
Rural Development Water Resource Revenue Bonds	4.50%	\$803,600	\$0	\$10,500	\$793,100
Ohio Public Works Commission Note	0.00%	119,625	0	8,250	111,375
Total		\$923,225	\$0	\$18,750	\$904,475

The Rural Development Water Resource Revenue Bonds were issued on November 16, 1998 in the amount of \$841,000. The bonds are secured solely by Sewer District revenue and are not a general obligation of the Sewer District or the County.

The Ohio Public Works Commission Note was entered into by the Sewer District in 1996. This unsecured note was non-interest bearing. The approved loan amount was \$165,000 and was fully drawn-down during 1999. Semiannual principal payments of \$4,125 are due on January 1, and July 1 of each year.

As required by the Rural Water Resource Revenue Bond covenant, the Sewer District has established and funded a bond reserve fund. The balance in the fund at December 31, 2005 is \$46,666.

**TUPPERS PLAIN REGIONAL SEWER DISTRICT
MEIGS COUNTY**

*Notes to the Financial Statements
December 31, 2005 and 2004*

NOTE 4 - DEBT - Continued

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

Year Ending December 31:	Water Resource Revenue Bonds	Ohio Public Works Commission Note
2006	\$45,590	\$8,250
2007	46,599	8,250
2008	46,586	8,250
2009	46,550	8,250
2010	46,593	8,250
2011 - 2015	232,943	41,250
2016 - 2020	232,955	28,875
2021 - 2025	232,949	0
2026 - 2030	233,040	0
2031 - 2035	232,925	0
2036 - 2038	139,800	0
Total Debt Payments	1,536,530	111,375
Less: Interest	743,430	0
Total Principal	\$793,100	\$111,375

NOTE 5 - RISK MANAGEMENT

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

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

NOTE 6 - CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

**Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Required by
Government Auditing Standards**

Board of Trustees
Tuppers Plains Regional Sewer District
Meigs County
49460 State Route 681 West
P.O. Box 133
Tuppers Plains, OH 45783

We have audited the accompanying financial statements of Tuppers Plains Regional Sewer District, Meigs County, Ohio (Sewer District) , as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated August 24, 2006. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Sewer 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 opine 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 reportable 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 caused by error or fraud 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sewer 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2005-01. We also noted a certain immaterial instance of noncompliance that we have reported to management of the Sewer District in a separate letter dated August 24, 2006.

Board of Trustees
Tuppers Plains Regional Sewer District, Meigs County
Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Required by
Government Auditing Standards

This report is intended for the information and use of the Board of Trustees, management, and audit committee, and is not intended to be and should not be used by anyone other than these specified parties.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.

August 24, 2006

*TUPPERS PLAINS REGIONAL SEWER DISTRICT
MEIGS COUNTY
Schedule of Findings
For the Years Ended December 31, 2005 and 2004*

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

Finding Number 2005-01

Ohio Revised Code Section 5705.41(D) states no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriated fund free from any previous encumbrances.

The following exceptions to this basic requirement are provided by statute:

Then and Now Certificate: This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time that he is completing his certification, sufficient funds were available or in the process of collection, to the credit of a proper of collection, to the credit of proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.

If the amount involved is less than \$1,000 dollars (which was increased to \$3,000 on April 7, 2003), the Sewer District Treasurer may authorize payment through a Then and Now Certificate without affirmation of the Sewer District Board of Trustees, if such expenditure is otherwise valid.

The Sewer District did not encumber funds prior to expenditure. This could lead to obligations being entered into when there is not sufficient funds available to cover the transaction.

We recommend the Sewer District Secretary-Treasurer certify availability of funds prior to ordering goods or services.

Officials' Response

The Sewer District currently adopts a budget which is approved the by Board of Trustees and maintains a budget ledger, expense ledger, and cashbook. All invoices are presented to the Board of Trustees for approval of payment. At this time we do not feel that it would be cost effective or time efficient to produce purchase orders for each expenditure.

TUPPERS PLAINS REGIONAL SEWER DISTRICT
MEIGS COUNTY
Schedule of Prior Audit Findings
For the Years Ended December 31, 2005 and 2004

Description	Status	Comments
<i>Government Auditing Standards:</i>		
1. ORC 5705.41(B) - actual disbursements exceeded appropriations.	Not Corrected	We have reported this matter to management in a separate letter dated August 24, 2006.
2. ORC 5705.41(D) - funds were not encumbered prior to a purchase commitment being made.	Not Corrected	Refer to finding 2005-01

TUPPERS PLAINS REGIONAL SEWER DISTRICT
MEIGS COUNTY
Corrective Action Plan
For the Years Ended December 31, 2005 and 2004

Finding Number	Planned Corrective Action	Anticipated Completion Date	Contact Person
2005-001	The Sewer District has the Board of Trustees review bills before they are paid, but they do not use purchase orders to encumber funds and have no plans to utilize them at this time.	Immediately	Loretta Murphy, Secretary/Treasurer



**Auditor of State
Betty Montgomery**

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TUPPERS PLAINS 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
OCTOBER 12, 2006**