



**Auditor of State
Betty Montgomery**

NORTHERN AREA WATER AUTHORITY
MIAMI COUNTY

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Northern Area Water Authority
Miami County
260 South Garber Drive
Tipp City, Ohio 45371

To the Board of Participants:

We have audited the accompanying financial statements of the Northern Area Water Authority, Miami County, (NAWA), as of and for the year ended December 31, 2003, as listed in the table of contents. These financial statements are the responsibility of NAWA's management. Our responsibility is to express opinions 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Northern Area Water Authority, Miami County, as of December 31, 2003, and the results of its operations and the cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2, during the year ended December 31, 2003, the NAWA implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2004, on our consideration of NAWA's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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 in considering the results of our audit.

Northern Area Water Authority
Miami County
Independent Accountants' Report

The Management's Discussion and Analysis is not a required part of the financial statement but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

September 10, 2004

NORTHERN AREA WATER AUTHORITY

TIPP CITY, OHIO

Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2003

Unaudited

The discussion and analysis of the Northern Area Water Authority's (NAWA) financial performance provides an overall review of NAWA for the year ended December 31, 2003. The intent of this discussion and analysis is to look at NAWA's performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of NAWA's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2003 are as follows:

- In total, net assets increased \$296. Virtually all revenues (loan proceeds) and expenses (contractual services) have been capitalized into balance sheet accounts, loans payable and construction in progress.
- General revenues (interest income) accounted for 100% of all revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts – *management's discussion and analysis* and the *basic financial statements*.

The financial statements include notes that explain some of the information in the financial statements and provide more detailed data.

FINANCIAL ANALYSIS

A comparative analysis of 2002 and 2003 is presented below:

	2003	2002	Increase (Decrease) over/ (under) 2002
Current and other assets	\$118,442	\$20,094	\$98,348
Capital assets, Net	963,457	13,908	949,549
Total assets	1,081,899	34,002	1,047,897
Long-term debt outstanding	981,173	13,908	967,265
Other liabilities	80,336	0	80,336
Total liabilities	1,061,509	13,908	1,047,601
Net assets			
Invested in capital assets, net of related debt	(17,716)	0	(17,716)
Unrestricted	38,106	20,094	18,012
Total net assets	<u>\$20,390</u>	<u>\$20,094</u>	<u>\$296</u>

NORTHERN AREA WATER AUTHORITY

TIPP CITY, OHIO

*Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2003*

Unaudited

Changes in Net Assets

The following table shows the changes in net assets for the fiscal year 2003 and 2002:

	2003	2002	Increase (Decrease) over/ (Under) 2002
Revenues			
Program revenues:			
Capital Grants and Contributions	\$0	\$20,000	(\$20,000)
General revenues:			
Investment Income	345	94	251
Total revenues	345	20,094	(19,749)
Program Expenses:			
Materials and Supplies	49	0	49
Total expenses	49	0	49
Total Change in Net Assets	296	20,094	(19,798)
Beginning Net Assets	20,094	0	20,094
Ending Net Assets	\$20,390	\$20,094	\$296

Capital grants and contributions in 2002 represented the initial seed money to start NAWA. The \$20,000 represents \$10,000 from each City (Tipp City and Vandalia) included in NAWA. The seed money was a one-time revenue source. Investment earnings increased slightly due to the investment of the seed monies for an entire year in 2003.

Materials and supplies expense in 2003 represent purchases of miscellaneous items for use by NAWA.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2003 NAWA had \$963,457 invested in construction in progress. The following table shows fiscal year 2003 and 2002 balances:

	2003	2002	Increase (Decrease)
Construction in Progress	\$963,457	\$13,908	\$949,549
Totals	\$963,457	\$13,908	\$949,549

NORTHERN AREA WATER AUTHORITY

TIPP CITY, OHIO

*Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2003*

Unaudited

The increase in construction in progress reflects the engineering costs associated with the construction of the water plant facilities.

Additional information on the NAWA's capital assets can be found in Note 4.

Debt

At December 31, 2003, NAWA had \$981,173 in Ohio Water Development Authority (OWDA) Loans outstanding. The following table summarizes NAWA's debt outstanding as of December 31, 2003 and 2002:

	<u>2003</u>	<u>2002</u>
OWDA Loans Payable	<u>\$981,173</u>	<u>\$13,908</u>
Totals	<u><u>\$981,173</u></u>	<u><u>\$13,908</u></u>

Additional information on NAWA's long-term debt can be found in Note 5.

CURRENT FINANCIAL ISSUES AND CONCERNS

At December 31, 2003, NAWA had total assets of \$1,081,899 and total net assets of \$20,390 which resulted from a change in net assets of \$296. This represents a return on net assets of 1.47%. Ongoing prudent management of NAWA's limited resources by the Board of Trustees provided financial growth during 2003.

REQUESTS FOR INFORMATION

This financial report is designed to provide the citizens, taxpayers, and consumers of the Cities of Tipp City and Vandalia, creditors and investors with a general overview of NAWA's finances and to show NAWA's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Finance Department by calling 937-667-8426 or writing to City of Tipp City Finance Department, 260 South Garber Drive, Tipp City, Ohio 45371.

NORTHERN AREA WATER AUTHORITY

TIPP CITY, OHIO

Statement of Net Assets

Proprietary Funds

December 31, 2003

ASSETS:

Current assets:

Cash and Cash Equivalents	\$	39,017
Accounts Receivable		<u>79,425</u>
Total current assets		<u>118,442</u>

Noncurrent assets:

Capital assets:

Construction in Progress		<u>963,457</u>
Total capital assets (net of accum. depr.)		<u>963,457</u>

Total noncurrent assets		<u>963,457</u>
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Total assets		<u>1,081,899</u>
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LIABILITIES:

Current liabilities:

Accounts Payable		<u>80,336</u>
Total current liabilities		<u>80,336</u>

Noncurrent liabilities:

Ohio Water Development Authority Loans Payable		<u>981,173</u>
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Total noncurrent liabilities		<u>981,173</u>
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Total liabilities		<u>1,061,509</u>
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NET ASSETS:

Invested in Capital Assets, Net of Related Debt		(17,716)
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Unrestricted		<u>38,106</u>
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Total Net Assets	\$	<u>20,390</u>
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See accompanying notes to the basic financial statements

NORTHERN AREA WATER AUTHORITY

TIPP CITY, OHIO

Statement of Revenues, Expenses and Changes in Fund Net Assets

Proprietary Funds

For the Year Ended December 31, 2003

Total Operating Revenues	\$ <u>0</u>
Operating Expenses:	
Materials and Supplies	<u>49</u>
Total Operating Expenses	<u>49</u>
Operating Loss	<u>(49)</u>
Non-Operating Revenues:	
Interest Income	<u>345</u>
Total Non-Operating Revenues	<u>345</u>
Net Income	296
Net Assets, Beginning of Year	<u>20,094</u>
Net Assets, End of Year	<u>\$ 20,390</u>

See accompanying notes to the basic financial statements

NORTHERN AREA WATER AUTHORITY

TIPP CITY, OHIO

Statement of Cash Flows Proprietary Funds For the Year Ended 31, 2003

<u>Cash Flows from Operating Activities:</u>	
Cash Payments for Goods and Services	(49)
Net Cash Used by Operating Activities	(49)
<u>Cash Flows from Capital and Related Financing Activities:</u>	
Acquisition and Construction of Assets	(855,214)
Proceeds from Ohio Water Development Authority Loans	873,841
Net Cash Provided by Capital and Related Financing Activities	18,627
<u>Cash Flows from Investing Activities:</u>	
Receipt of Interest	345
Net Cash Provided Investing Activities	345
Net Increase in Cash and Cash Equivalents	18,923
Cash and Cash Equivalents at Beginning of Year	20,094
Cash and Cash Equivalents at End of Year	\$39,017
<u>Reconciliation of Operating Loss to Net Cash Used by Operating Activities:</u>	
Operating Loss	(49)
Net Cash Used by Operating Activities	(49)

Schedule of Noncash Investing, Capital and Financing Activities:

As of December 31, 2003, NAWA had accounts receivable and accounts payable in the amounts of \$79,425 and \$80,336, respectively. Due to the nature of the OWDA Loan program, both amounts affect the Loan balance at year end yet do not have impact on cash balances.

See accompanying notes to the basic financial statements

NORTHERN AREA WATER AUTHORITY

TIPP CITY, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Northern Area Water Authority (NAWA) is a joint venture between the Cities of Tipp City and Vandalia, Ohio. NAWA will oversee the design, construction and operation of a new water treatment plant that will be located in Tipp City and provide water treatment services to both communities. NAWA is governed by a five-member management board, which will have complete authority over all aspects of the plant's operation. The City of Tipp City is the fiscal agent for NAWA and, accordingly, NAWA is reported as an agency fund of the City. The accompanying financial statements present only NAWA and are not intended to present the financial position of either City participating in the joint venture.

The accompanying basic financial statements of NAWA present the financial position, results of operations and the cash flows of the entity. The financial statements are presented as of December 31, 2003 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

The accompanying basic financial statements comply with the provisions of the GASB Statement No. 14, *"The Financial Reporting Entity,"* in that the financial statements include all organizations, activities, functions and component units for which NAWA (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) NAWA's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on NAWA.

Based on the foregoing, NAWA's financial reporting entity has no component units but includes all funds that are part of the primary government.

The accounting policies and financial reporting practices of NAWA conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of NAWA's significant accounting policies:

B. Basis of Presentation

NAWA is accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets and liabilities associated with the operation of the entity are included on the balance sheet. The operating statement presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets.

NORTHERN AREA WATER AUTHORITY

TIPP CITY, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

NAWA distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with NAWA's principal ongoing operations. The principal operating revenues of NAWA are charges to customers for sales and services. Operating expenses for NAWA includes the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the NAWA's policy to use restricted resources first, then unrestricted resources as they are needed.

Management's Discussion and Analysis (MD&A) presents information regarding program and general revenues. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of NAWA, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which NAWA is self-financing or draws from the general revenues of the entity. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function.

C. Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenses in the accounts and reported in the financial statements, and relates to the timing of the measurements made.

The accrual basis of accounting is utilized for reporting purposes. Revenues are recognized when they are earned and expenses are recognized when incurred.

Pursuant to GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting," NAWA follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

NORTHERN AREA WATER AUTHORITY

TIPP CITY, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process

An operating budget for NAWA is prepared and approved annually by the Board of Directors. Budgetary modifications may only be made by resolution of the Board.

E. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits.

F. Capital Assets and Depreciation

Capital assets are defined by NAWA as assets with an initial, individual cost of more than \$750 and an estimated useful life threshold of three or more years.

Property, plant and equipment acquired is stated at cost. Contributed capital assets are recorded at fair market value at the date received.

Depreciation will be provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives (Years)</u>
Buildings	50
Improvements Other Than Buildings	10 - 45
Machinery, Equipment, Furniture and Fixtures	3 - 35

Depreciation on capital assets will be charged to net assets. At December 31, 2003 the only capital assets in existence are construction in progress. These assets will not be depreciated until they are completed and placed into service.

G. Operating Revenues and Expenses

NAWA distinguishes operating revenues and expenses from nonoperating items. Operating revenues are those revenues that are generated directly from the primary activity of NAWA. For NAWA, these revenues are charges for services for water treatment and distribution. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of NAWA. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NORTHERN AREA WATER AUTHORITY

TIPP CITY, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2003***

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE

For fiscal year 2003, NAWA has implemented GASB Statement No. 34, “*Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*”; GASB Statement No. 37, “*Basic Financial Statements for State and Local Governments: Omnibus*”; GASB Statement No. 38, “*Certain Financial Statement Note Disclosures*”; and GASB Interpretation No. 6, “*Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statement.*” At December 31, 2003, there was no effect on fund balance as a result of implementing GASB Statements 36, 37 and 38, or Interpretation No. 6.

The beginning net asset amount reflects the change in fund balance at December 31, 2002, caused by the conversion to the accrual basis of accounting.

Fund Balance December 31, 2002	\$0
GASB 34 Adjustments:	
Capital Assets	13,908
OWDA Loan Payable	(13,908)
Intergovernmental Payable	20,094
Net Assets, December 31, 2002	<u>20,094</u>

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NORTHERN AREA WATER AUTHORITY

TIPP CITY, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2003

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Ohio law requires the classification of funds held by NAWA into three categories:

Category 1 consists of “active” funds - those funds required to be kept in “cash” or “near cash” status for immediate use by NAWA. Such funds must be maintained either as cash in the NAWA Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of “inactive” funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

Category 3 consists of “interim” funds - those funds not needed for immediate use but needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

NORTHERN AREA WATER AUTHORITY

TIPP CITY, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2003

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which NAWA places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Based upon criteria described in GASB Statement No. 3, "Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements," collateral held in single financial collateral pools with securities being held by the pledging financial institution's agent in the pool's name are classified as Category 3.

The GASB has established risk categories for deposits and investments as follows:

Deposits:

- Category 1 Insured or collateralized with securities held by NAWA or by its agent in NAWA's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in NAWA's name.
- Category 3 Uncollateralized or collateralized with securities held by the pledging financial institution's trust department or agent but not in NAWA's name.

Investments:

- Category 1 Insured or registered with securities held by NAWA or its agent in NAWA's name.
- Category 2 Uninsured and unregistered with securities held by the counterparty's trust department or agent in NAWA's name.
- Category 3 Uninsured and unregistered with securities held by the counterparty or by its trust department or agent but not in NAWA's name.

A. Deposits

At year end, the carrying amount of NAWA's deposits was \$39,017 and the bank balance was \$39,017. Federal depository insurance covered all of the bank balance.

NORTHERN AREA WATER AUTHORITY

TIPP CITY, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2003

NOTE 4 - CAPITAL ASSETS

Summary by category of changes in capital assets:

Category	Restated December 31, 2002	Additions	Deletions	December 31, 2003
Construction in Progress	\$13,908	\$949,549		\$963,457
Totals	\$13,908	\$949,549	\$0	\$963,457

NOTE 5 - LONG-TERM OBLIGATIONS

Long-term debt of NAWA at December 31, 2003 was as follows:

	Maturity Date	Balance December 31, 2002	Issued (Retired)	Balance December 31, 2003
Ohio Water Development Authority Loan: 5.64% Planning Loan	2008	\$13,908	\$967,265	\$981,173

Principal and interest requirements on the OWDA loan will not be established until all proceeds have been received by NAWA. The original loan was approved in the amount of \$2,500,000. Payments on the loan will commence (at the earliest) on January 1, 2008, or the date at which NAWA obtains long-term financing for the project.

NOTE 6 - RISK MANAGEMENT

NAWA is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. As of December 31, 2003, NAWA was in the process of acquiring Directors and Officers Liability Coverage in the amount of \$3,000,000 with a deductible of \$10,000. The policy took effect January 28, 2004. The City of Tipp City will provide property and general liability coverage for NAWA as part of its operating contract with NAWA.

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Northern Area Water Authority
Miami County
260 South Garber Drive
Tipp City, Ohio 45371

To the Board of Participants:

We have audited the financial statements of the Northern Area Water Authority, Miami County, (NAWA), as of and for the year ended December 31, 2003, and have issued our report thereon dated September 10, 2004. 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.

Compliance

As part of obtaining reasonable assurance about whether NAWA's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grants, 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 such an opinion. The results of our tests disclosed no instances of noncompliance we must report under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that we have reported to management of NAWA in a separate letter dated September 10, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered NAWA'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 provide assurance 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 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 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. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to NAWA's management in a separate letter dated September 10, 2004.

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

September 10, 2004



**Auditor of State
Betty Montgomery**

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800-282-0370

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**NORTHERN AREA WATER AUTHORITY
MIAMI 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
NOVEMBER 4, 2004**