



**TUPPERS PLAINS REGIONAL SEWER DISTRICT
MEIGS COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**TUPPERS PLAINS REGIONAL SEWER DISTRICT
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REPORT OF INDEPENDENT ACCOUNTANTS

Tuppers Plains Regional Sewer District
Meigs County
P.O. Box 175
Tuppers Plains, Ohio 45783

To the Board of Trustees:

We have audited the accompanying financial statement of Tuppers Plains Regional Sewer District, Meigs County, Ohio, (the Sewer District) as of and for the years ended December 31, 1999. 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 generally accepted auditing standards 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 discussed in Note 1, the Sewer District prepares its financial statement on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash balance and reserve for encumbrances of the Tuppers Plains Regional Sewer District, Meigs County, as of December 31, 1999, and its cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2000 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.

This report is intended solely for the information and use of the management, the Board of Trustees, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

September 28, 2000

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**TUPPERS PLAINS REGIONAL SEWER DISTRICT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCE
FOR THE YEAR ENDED DECEMBER 31, 1999**

Operating Cash Receipts:	
Charges for Services	\$65,744
Miscellaneous	8,231
	<u>8,231</u>
Total Operating Cash Receipts	<u>73,975</u>
Operating Cash Disbursements:	
Personal Services	10,334
Utilities	6,344
Repairs and Maintenance	4,935
Other Contractual Services	58,401
Chemicals and Operating Supplies	3,222
Office Supplies and Materials	4,074
Insurance	2,012
Capital Outlay	361,367
	<u>361,367</u>
Total Operating Cash Disbursements	<u>450,689</u>
Operating Income/(Loss)	<u>(376,714)</u>
Non-Operating Cash Receipts:	
Intergovernmental Receipts	451,813
Interest	493
Other Non-Operating Receipts	19,784
	<u>19,784</u>
Total Non-Operating Cash Receipts	<u>472,090</u>
Non-Operating Cash Disbursements:	
Debt Service	40,104
	<u>40,104</u>
Total Non-Operating Cash Disbursements	<u>40,104</u>
Excess of Receipts Over/(Under) Disbursements	55,272
Cash Balance, January 1	1,187
	<u>1,187</u>
Cash Balance, December 31	<u><u>\$56,459</u></u>
Reserve for Encumbrances, December 31	<u><u>\$9,504</u></u>

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

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**TUPPERS PLAINS REGIONAL SEWER DISTRICT
NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Tuppens 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.

B. Basis of Accounting

The 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.

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

C. Cash and Investments

Cash accounts and certificates of deposits are valued at cost. The Sewer District did not have investments.

D. Budgetary Process

The Sewer District's Board of Trustees currently do not adopt an operating budget. Recent Ohio Attorney General Opinion No. 99-020 has clarified that the budget process described in Chapter 5705, Revised Code, applies to the Sewer District, regardless of whether the Sewer District levies property taxes. The Sewer District must henceforth adopt annual appropriations, limited by estimated resources. Expenditures will be limited by appropriations.

E. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statement.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Sewer District invests in certificates of deposit. The carrying amount of cash and investments at December 31 was as follows:

	1999
Demand deposits	\$36,366
Certificates of deposit	<u>20,093</u>
Total deposits	<u>\$56,459</u>

**TUPPERS PLAINS REGIONAL SEWER DISTRICT
NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 1999
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

Deposits: Deposits are either (1) insured by the Federal Deposit Insurance Corporation, or (2) collateralized by securities specifically pledged by the financial institution to the Sewer District.

3. DEBT

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
Rural Development Water Resource Revenue Bond	\$841,000	4.50%
Ohio Public Works Commission Note	160,875	0%
Total	\$1,001,875	

The Rural Development Water Resource Revenue Bond was issued on November 16, 1998. The bond is secured solely by Sewer District revenue and is not a general obligation of the Sewer District or the County. The principal of the bond is payable on November 1 of each year beginning November 1, 2001. Interest on the bond, was not amortized, but is compounded daily and billed to the District at the rate of 4.5% per annum due on the first day of November of each year beginning November 1, 1999.

The Ohio Public Works Commission note was entered into by the Sewer District in 1996. This unsecured note was non-interest bearing and was not closed as of December 31, 1999. The approved loan amount was \$165,000 and was fully drawn-down during 1999. The first of the semiannual principal payments of \$4,125 was due on January 1, 2000 but was paid during 1999.

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

Year ending December 31:	Water Resource Revenue Bond	Ohio Public Works Commission Note
2000	\$0	\$8,250
2001	8,700	8,250
2002	9,200	8,250
2003	9,500	8,250
2004	10,000	8,250
Subsequent	803,600	119,625
Total	\$841,000	\$160,875

4. RISK MANAGEMENT

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

- Comprehensive property and general liability
- Public officials' liability
- Errors and omissions



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

Tuppers Plains Regional Sewer District
Meigs County
P.O. Box 175
Tuppers Plains, Ohio 45783

To the Board of Trustees:

We have audited the accompanying financial statement of Tuppers Plains Regional Sewer District, Meigs County, Ohio, (the Sewer District) as of and for the year ended December 31, 1999, and have issued our report thereon dated September 28, 2000. We conducted our audit in accordance with generally accepted auditing standards 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 the Tuppers Plains Regional Sewer District's financial statement is 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards* . However, we noted certain immaterial instances of noncompliance that we have reported to management of the Sewer District in a separate letter dated September 28, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Tuppers Plains 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 statement 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 statement 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 management of the Sewer District in a separate letter dated September 28, 2000.

Tuppers Plains Regional Sewer District
Meigs County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
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This report is intended for the information and use of the management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

September 28, 2000

**TUPPERS PLAINS REGIONAL SEWER DISTRICT
 SCHEDULE OF PRIOR AUDIT FINDINGS
 DECEMBER 31, 1999**

PRIOR AUDIT FINDINGS RELATED TO THE FINANCIAL STATEMENT REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number	Finding Summary	Fully Corrected?	Comments
1998-30753-001	Ohio Rev. Code Section 135.18 requires the Sewer District to designate a public depository and to obtain sufficient eligible pledged or pooled securities for the funds deposited.	Yes	Obtained sufficient pledged collateral during 1999.



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TUPPER 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 19, 2000**