

REGIONAL METROPOLITAN UTILITY AUTHORITY

**ACCOUNTANTS' REPORTS and FINANCIAL STATEMENTS
June 30, 2005 and 2004**

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Independent Accountants' Report on Financial Statements and Supplementary Information

Board of Trustees
Regional Metropolitan Utility Authority
Tulsa, Oklahoma

We have audited the accompanying basic financial statements of Regional Metropolitan Utility Authority, a component unit of the City of Tulsa, Oklahoma, as of and for the year ended June 30, 2005, as listed in the index. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Regional Metropolitan Utility Authority as of and for the year ended June 30, 2004, were audited by other accountants whose report dated January 28, 2005, expressed an unqualified opinion on those statements.

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.

In our opinion, the 2005 financial statements referred to above present fairly, in all material respects, the financial position of Regional Metropolitan Utility Authority as of June 30, 2005, and its changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2005, on our consideration of the Authority'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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. 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.

November 29, 2005

BKD LLP

REGIONAL METROPOLITAN UTILITY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
June 30, 2005 and 2004

As management of the Regional Metropolitan Utility Authority (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended June 30, 2005. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements, which begin on page 6. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets of the Authority exceeded its liabilities at the close of the most recent year by \$19,600. Of this amount, \$452 is unrestricted and may be used to meet the Authority's ongoing obligations.
- The Authority's net assets decreased from \$19,936 at June 30, 2004 to \$19,600 at June 30, 2005. During 2005, the Authority had a decrease in net assets of \$336 compared to a decrease in net assets of \$548 during 2004.
- The Authority's cash and cash equivalents increased to \$305 at June 30, 2005, from \$258 at June 30, 2004.
- Accounts receivable increased to \$180 at June 30, 2005, from \$92 at June 30, 2004.

Overview of the Financial Statements

The Authority is a joint venture among the Cities of Tulsa, Broken Arrow, Jenks, Bixby and Owasso. The purpose of the Authority is to provide, operate and maintain water supply, wastewater and pollution control facilities for the benefit of the Cities of Tulsa and Broken Arrow. Currently, the Authority is operating a sewage treatment facility (Haikey Creek Sewage Treatment Plant) and is conducting studies for future facilities.

This discussion and analysis are intended to serve as an introduction to the Authority's audit report. This audit report consists of two parts: 1) management's discussion and analysis and 2) basic financial statements. The basic financial statements also include notes that explain in more detail some of the information in the financial statements.

REGIONAL METROPOLITAN UTILITY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
June 30, 2005 and 2004

Required Financial Statements

The basic financial statements of the Authority report information using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Statement of Net Assets includes all of the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for assessing the liquidity and financial flexibility of the Authority. All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Assets. This statement measures the financial success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all its costs through its user fees and other charges, profitability, and credit worthiness. The third required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and changes in cash resulting from operating, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the period.

Net Assets

The Authority's net assets decreased to \$19,600 at June 30, 2005 from \$19,936 at June 30, 2004 and from \$20,484 at June 2003. The following table provides a summary of net assets:

SUMMARY OF NET ASSETS

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Current assets	\$ 487	\$ 352	\$ 311
Capital assets, net	<u>19,148</u>	<u>19,584</u>	<u>20,173</u>
Total assets	<u>19,635</u>	<u>19,936</u>	<u>20,484</u>
Current Liabilities	<u>35</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>35</u>	<u>-</u>	<u>-</u>
Invested in capital assets	19,148	19,584	20,173
Unrestricted	<u>452</u>	<u>352</u>	<u>311</u>
Total net assets	<u>\$ 19,600</u>	<u>\$ 19,936</u>	<u>\$ 20,484</u>

In 2005 current assets increased \$135 due to a change in the contract regarding the full service operation and maintenance of the Haikey Creek Wastewater treatment facilities. This change allows for The Authority to be responsible for and to recover electrical energy costs and other administrative fees such as legal and auditing fees. This resulted in an increase in cash of \$47 and an increase in accounts receivable of \$88.

In 2004 current assets increased \$41 due to a decrease in capital distribution to the joint venture partners. Accounts receivable increased \$83 due to the timing of payments.

REGIONAL METROPOLITAN UTILITY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
June 30, 2005 and 2004

SUMMARY OF CHANGES IN NET ASSETS

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Operating revenues	\$ 1,312	\$ 904	\$ 925
Nonoperating revenues	<u>9</u>	<u>3</u>	<u>25</u>
Total revenues	<u>1,321</u>	<u>907</u>	<u>950</u>
Depreciation expense	656	599	664
Other operating expense	<u>1,141</u>	<u>836</u>	<u>835</u>
Total expenses	<u>1,797</u>	<u>1,435</u>	<u>1,499</u>
Loss before contributions	(476)	(528)	(549)
Capital contributions	140	105	-
Capital distributions	<u>-</u>	<u>(125)</u>	<u>(558)</u>
Change in net assets	(336)	(548)	(1,107)
Net assets, beginning of year	<u>19,936</u>	<u>20,484</u>	<u>21,591</u>
Net assets, end of year	<u>\$ 19,600</u>	<u>\$ 19,936</u>	<u>\$ 20,484</u>

In 2005, the Authority's operating revenues increased 45.1% and other operating expense increased 36.5% due to a change in the plant operations contract which requires the Authority to be responsible for and to recover electrical energy costs and other administrative fees such as legal and auditing fees.

In 2004, the Authority's operating revenues declined 2.3% related to a decrease in plant operations costs.

Nonoperating revenue decreased \$22 due to a decrease in investment income related to smaller cash balances. Capital distribution decreased \$433 during 12004; the joint venture partners took capital distributions to satisfy part of their receivables related to usage of the plant. The result of the net decrease in revenues and capital distributions caused a decrease in net assets of 2.7%

REGIONAL METROPOLITAN UTILITY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
June 30, 2005 and 2004

Capital Assets

The Authority's investment in capital assets as of June 30, 2005 amounts to \$19,148 (net of accumulated depreciation). This investment in capital assets includes land improvements, buildings, equipment, and construction-in-progress. Capital asset acquisitions during the year totaled \$220.

CAPITAL ASSETS

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Land improvements	\$ 2,962	\$ 2,962	\$ 198
Building	26,193	24,346	24,346
Equipment	60	60	2,823
Construction-in-progress	<u>179</u>	<u>1,806</u>	<u>1,797</u>
	29,394	29,174	29,164
Less accumulated depreciation	<u>(10,246)</u>	<u>(9,590)</u>	<u>(8,991)</u>
Capital assets, net	<u>\$ 19,148</u>	<u>\$ 19,584</u>	<u>\$ 20,173</u>

Requests for Information

The financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the office of the Controller, 200 Civic Center, Tulsa, Oklahoma 74103.

REGIONAL METROPOLITAN UTILITY AUTHORITY
STATEMENTS OF NET ASSETS
June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 305,168	\$ 258,189
Accounts receivable - related parties	180,162	92,384
Interest receivable	2,134	1,449
	<u>487,464</u>	<u>352,022</u>
Total current assets		
Capital assets, net	<u>19,147,947</u>	<u>19,583,699</u>
Total assets	<u>19,635,411</u>	<u>19,935,721</u>
<u>LIABILITIES</u>		
Current Liabilities		
Accounts Payables	<u>35,165</u>	<u>-</u>
Total Liabilities	<u>35,165</u>	<u>-</u>
<u>NET ASSETS</u>		
Invested in capital assets	19,147,947	19,583,699
Unrestricted	<u>452,299</u>	<u>352,022</u>
Total net assets	<u>\$ 19,600,246</u>	<u>\$ 19,935,721</u>

The accompanying notes are an integral part of these financial statements

REGIONAL METROPOLITAN UTILITY AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Years Ended June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Operating revenues:		
Wastewater services	\$ 1,312,190	\$ 904,514
Operating expenses:		
Services and fees	1,141,037	836,022
Depreciation	656,032	598,927
Total operating expenses	<u>1,797,069</u>	<u>1,434,949</u>
Operating loss	<u>(484,879)</u>	<u>(530,435)</u>
Nonoperating revenues (expenses):		
Investment income	7,816	1,294
Land rental from property leased to third party	1,250	1,250
Net nonoperating revenues	<u>9,066</u>	<u>2,544</u>
Loss before other revenues (expenses)	(475,813)	(527,891)
Other revenues (expenses):		
Capital contributions - City of Broken Arrow	114,838	-
Capital distribution - City of Broken Arrow	-	(62,500)
Capital contributions - City of Tulsa	25,500	105,000
Capital distribution - City of Tulsa	-	(62,500)
	<u>140,338</u>	<u>(20,000)</u>
Change in net assets	(335,475)	(547,891)
Net assets, beginning of year	<u>19,935,721</u>	<u>20,483,612</u>
Net assets, end of year	<u>\$ 19,600,246</u>	<u>\$ 19,935,721</u>

The accompanying notes are an integral part of these financial statements

REGIONAL METROPOLITAN UTILITY AUTHORITY
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities:		
Cash receipts from customers	\$ 1,224,412	\$ 696,534
Cash payments to suppliers of goods and services	<u>(1,105,871)</u>	<u>(836,022)</u>
Net cash provided by (used in) operating activities	<u>118,541</u>	<u>(139,488)</u>
Cash flows provided by noncapital and related financing activities:		
Rental income	<u>1,250</u>	<u>1,250</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(220,280)	(9,749)
Capital contribution - City of Broken Arrow	114,838	-
Capital contribution - City of Tulsa	<u>25,500</u>	<u>105,000</u>
Net cash provided by (used in) capital and related financing activities	<u>(79,942)</u>	<u>95,251</u>
Cash flows provided by investing activities:		
Interest received	<u>7,130</u>	<u>2,409</u>
Increase (decrease) in cash and cash equivalents	46,979	(40,578)
Cash and cash equivalents, beginning of year	<u>258,189</u>	<u>298,767</u>
Cash and cash equivalents, end of year	<u>\$ 305,168</u>	<u>\$ 258,189</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:		
Operating loss	\$ (484,879)	\$ (530,435)
Adjustments:		
Depreciation	656,032	598,927
Increase in receivables	(87,777)	(82,980)
Increase in payables	35,165	-
Non cash capital distribution to settle wastewater service receivables	<u>-</u>	<u>(125,000)</u>
Net cash provided by (used in) operating activities	<u>\$ 118,541</u>	<u>\$ (139,488)</u>

The accompanying notes are an integral part of these financial statements

REGIONAL METROPOLITAN UTILITY AUTHORITY

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Regional Metropolitan Utility Authority (the “Authority”) are prepared in accordance with generally accepted accounting principles (“GAAP”) as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the standard-setting body for governmental accounting and financial reporting. Pronouncements of the Financial Accounting Standards Board (“FASB”) issued after November 30, 1989 are not applied in the preparation of the financial statements of proprietary funds in accordance with an election made by the Authority under GASB Statement No. 20. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

ORGANIZATION - The Authority is a public trust created under the provisions of the Oklahoma Trust Act. Ownership of the Authority's assets is retained by the Authority for the beneficiaries of the trust. Upon termination of the trust, the net assets will be distributed to the beneficiaries based upon their pro rata interest. The current beneficiaries are the Cities of Tulsa, Broken Arrow, Jenks, Bixby and Owasso; however, only the Cities of Tulsa and Broken Arrow currently hold equity interests in the Authority.

OPERATIONS - The purpose of the Authority, as set out in the declaration of trust, is to provide, operate and maintain water supply, wastewater and pollution control facilities for the benefit of various governmental entities. Currently, the Authority is providing a wastewater facility (Haikey Creek Sewage Treatment Plant) and is conducting studies for future facilities.

BASIS OF ACCOUNTING - The financial statements of the Authority have been prepared on the accrual basis of accounting using the economic resources measurement focus. Revenues, expenses, gains, losses, assets and liabilities from exchange and exchange-like transactions are recognized when the exchange transaction takes place. Voluntary nonexchange transactions are recognized when all applicable eligibility requirements are met. Operating revenues and expenses include exchange transactions. Investment income, land rental from property leased to a third party and voluntary nonexchange transactions are included in nonoperating revenues and expenses. The Authority first applies restricted net assets when an expense or outlay is incurred for purposes for which both restricted and unrestricted net assets are available.

CASH AND CASH EQUIVALENTS - Cash balances, other than petty cash, are pooled with the City of Tulsa's cash and invested by the City of Tulsa's Treasurer. Interest income on pooled cash and investments is allocated monthly based on the percentage of the Authority's average daily equity in pooled cash and investments to the total average daily pooled equity in pooled cash and investments.

For purposes of the statement of cash flows, the Authority considers pooled cash and investments, demand deposits with banks, and investments with an original maturity of three months or less to be cash equivalents.

REGIONAL METROPOLITAN UTILITY AUTHORITY

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

CAPITAL ASSETS – Capital assets are stated at cost. Effective for the year ending June 30, 2003, the Authority increased its capitalization threshold to \$5,000 from the previous threshold of \$1,000. There was no effect on the Authority as a result of this change. Capital assets placed in service are depreciated on a straight-line basis over the following estimated useful lives.

Land improvements	20 – 75 years
Buildings	48 years
Equipment	5 – 15 years

Cost and related accumulated depreciation are removed from the records when capital assets are sold or abandoned. The related gain or loss is recorded in the period of sale or disposal.

INCOME TAXES - The Authority, as a political subdivision, is excluded from taxation under Section 115(1) of the Internal Revenue Code.

USE OF ESTIMATES - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

2. CASH DEPOSITS AND INVESTMENTS

Cash deposits of the Authority are maintained within the City of Tulsa's pooled cash and investments account. Pooled cash and investments consist primarily of time deposits and other securities guaranteed by the United States Government or its agencies. At June 30, 2005 and 2004, the pooled cash and investments amounted to \$305,168 and \$258,189, respectively. The amounts pooled with the City of Tulsa at June 30, 2005 and 2004 were represented by investments which were insured or registered or securities held by the City of Tulsa or its agent in the City of Tulsa's name.

The Authority follows the provisions of GASB Statement No. 31, "Certain Investments and External Investment Pools," which requires governmental entities to report investments at fair value in the statement of net assets. During the year ended June 30, 2005, the Authority experienced a net decrease in the fair value of investments of \$271, compared to a net decrease of \$7,285 for the year ended June 30, 2004. These amounts are included in investment income in the Statements of Revenues, Expenses and Changes in Net Assets.

REGIONAL METROPOLITAN UTILITY AUTHORITY

NOTES TO FINANCIAL STATEMENTS

3. CAPITAL ASSETS

The changes in capital assets during 2005 and 2004 are summarized as follows:

2005:	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets not being depreciated:				
Construction-in-progress	\$ 1,806,075	\$ 169,280	\$ (1,796,325)	\$ 179,030
Capital assets being depreciated:				
Land improvements	2,961,551	-	-	2,961,551
Buildings	24,345,916	1,847,325	-	26,193,241
Equipment	59,850	-	-	59,850
Total capital assets being depreciated	27,367,317	1,847,325	-	29,214,643
Less accumulated depreciation for:				
Land improvements	(1,056,879)	(58,354)	-	(1,115,233)
Buildings	(8,472,964)	(597,678)	-	(9,070,642)
Equipment	(59,850)	-	-	(59,850)
Total accumulated depreciation	(9,589,693)	(656,032)	-	(10,245,725)
Total capital assets being depreciated, net	17,777,624	1,191,293	-	18,968,917
Total capital assets, net	\$ 19,583,699	\$ 1,360,573	\$ (1,796,325)	\$ 19,147,947
2004:	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets not being depreciated:				
Construction-in-progress	\$ 1,796,326	\$ 9,749	\$ -	\$ 1,806,075
Capital assets being depreciated:				
Land improvements	197,926	2,763,625	-	2,961,551
Buildings	24,345,916	-	-	24,345,916
Equipment	2,823,475	-	(2,763,625)	59,850
Total capital assets being depreciated	27,367,317	2,763,625	(2,763,625)	27,367,317
Less accumulated depreciation for:				
Land improvements	(40,904)	(1,015,975)	-	(1,056,879)
Buildings	(7,989,058)	(483,906)	-	(8,472,964)
Equipment	(960,803)	-	900,953	(59,850)
Total accumulated depreciation	(8,990,765)	(1,499,881)	900,953	(9,589,693)
Total capital assets being depreciated, net	18,376,552	1,263,744	(1,862,672)	17,777,624
Total capital assets, net	\$ 20,172,878	\$ 1,273,493	\$ (1,862,672)	\$ 19,583,699

Increases and decreases in assets and accumulated depreciation include amounts applicable to reclassification of certain assets.

REGIONAL METROPOLITAN UTILITY AUTHORITY
NOTES TO FINANCIAL STATEMENTS

4. **JOINT VENTURE EQUITY INTERESTS**

The joint venture equity interests at June 30, 2005 and 2004 are as follows:

	<u>2005</u>	<u>2004</u>
Tulsa	\$ 9,867,626	\$ 10,072,383
Broken Arrow	<u>9,732,620</u>	<u>9,863,338</u>
	<u>\$ 19,600,246</u>	<u>\$ 19,935,721</u>

5. **COMMITMENTS**

At June 30, 2005, the Authority had no open construction commitments related to the Haikey Creek Wastewater Treatment Plant. Future commitments will be funded by additional capital contributions from the City of Tulsa and the City of Broken Arrow.

6. **OPERATING AGREEMENTS**

In May 2004, the Authority entered into a five-year operating agreement with the City of Tulsa by which they agreed to operate and maintain the Haikey Creek Wastewater Treatment Plant on a fixed fee basis. The contract may be terminated at any time, upon 90 days prior written notice to the other party.

At June 30, 2005, the amounts to be paid to the City of Tulsa under the terms of the operating agreement are as follows.

2006	840,100
2007	856,950
2008	<u>726,000</u>
	<u>\$ 2,423,050</u>

7. **RELATED PARTY TRANSACTIONS**

During the years ended June 30, 2005 and 2004, the Authority conducted the following transactions with the City of Tulsa and other related entities:

	<u>2005</u>	<u>2004</u>
Fees paid under operating agreement - City of Tulsa	<u>\$ 823,633</u>	<u>\$ 786,534</u>
Accounts receivable - City of Broken Arrow	<u>\$ 141,344</u>	<u>\$ 92,384</u>
Revenue for user fees paid by the City of Broken Arrow and Tulsa metropolitan Utility Authority	<u>\$ 1,312,190</u>	<u>\$ 904,514</u>



**Independent Accountants' Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters Based on an Audit of the
Financial Statements Performed in Accordance with
Government Auditing Standards**

Board of Trustees
Regional Metropolitan Utility Authority
Tulsa, Oklahoma

We have audited the financial statements of Regional Metropolitan Utility Authority as of and for the year ended June 30, 2005, and have issued our report thereon dated November 29, 2005. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority'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 an opinion 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 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 Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

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

BKD LLP

November 29, 2005

REGIONAL METROPOLITAN UTILITY AUTHORITY

SCHEDULE OF FINDINGS AND RESPONSES

Year Ended June 30, 2005

Findings Required to be Reported by *Government Auditing Standards*

<u>Reference Number</u>	<u>Finding</u>	<u>Responses</u>
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No matters are reportable