



**SOUTHEASTERN OHIO JOINT SOLID WASTE  
MANAGEMENT DISTRICT  
NOBLE COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2001 - 2000**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**SOUTHEASTERN OHIO JOINT SOLID WASTE  
MANAGEMENT DISTRICT  
NOBLE COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balances – For the Year Ended December 31, 2001 .....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balances – For the Year Ended December 31, 2000 .....	4
Notes to the Financial Statements .....	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	9

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## REPORT OF INDEPENDENT ACCOUNTANTS

Southeastern Ohio Joint Solid Waste Management District  
Noble County  
515 Main Street  
Caldwell, Ohio 43724

To the Board of Directors:

We have audited the accompanying financial statements of Southeastern Ohio Joint Solid Waste Management District, Noble County, Ohio, (the District) as of and for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion 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 opinion.

As discussed in Note 1, the District prepares its financial statements 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 statements referred to above present fairly, in all material respects, the cash balances of the Southeastern Ohio Joint Solid Waste Management District, Noble County, as of December 31, 2001 and 2000, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2002 on our consideration of the District'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.

This report is intended solely for the information and use of the audit committee, management, the Board of Directors 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.

**Jim Petro**  
Auditor of State

February 19, 2002

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**SOUTHEASTERN OHIO JOINT SOLID WASTE MANAGEMENT DISTRICT  
NOBLE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<b>General</b>
<b>Cash Receipts:</b>	
Intergovernmental	\$128,000
Charges for services	446,848
Interest	71,093
Office Rent	5,956
Miscellaneous	8,705
 Total Cash Receipts	 660,602
<b>Cash Disbursements:</b>	
Current:	
Salaries	96,957
Public Employee's Retirement	11,675
Insurance	18,125
Medicare	1,362
Worker's Compensation	1,194
Travel	1,123
Supplies and Materials	3,311
Equipment	20,063
Vehicle Expense	4,477
Contracts - Services	205,548
Professional Services	10,089
Rent	5,400
Advertising and Printing	45,816
Utilities	5,527
Indirect Services	7,293
Contract Repairs	401
Grant Refunds	67,761
Other	3,095
 Total Cash Disbursements	 509,217
 Total Cash Receipts Over/(Under) Cash Disbursements	 151,385
 Cash Balances, January 1	 1,246,295
 <b>Cash Balances, December 31</b>	 <b>\$1,397,680</b>
 Reserve for Encumbrances, December 31	 \$1,424

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

**SOUTHEASTERN OHIO JOINT SOLID WASTE MANAGEMENT DISTRICT  
NOBLE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<b>General</b>
<b>Cash Receipts:</b>	
Intergovernmental	\$100,000
Charges for services	447,560
Interest	71,305
Rembursements	3,349
Miscellaneous	9,380
 Total Cash Receipts	 631,594
<b>Cash Disbursements:</b>	
Current:	
Salaries	94,115
Public Employee's Retirement	11,257
Insurance	12,915
Medicare	1,329
Worker's Compensation	171
Travel	1,315
Supplies and Materials	2,642
Equipment	20,597
Vehicle Expense	3,002
Contract Services	177,025
Professional Services	8,765
Rent	5,400
Advertising and Printing	31,365
Utilities	5,735
Auditors	2,889
Indirect Services	6,362
Contract Repairs	383
Grant Refunds	63,237
Other	6,697
 Total Cash Disbursements	 455,201
 Total Cash Receipts Over/(Under) Cash Disbursements	 176,393
 Cash Balances, January 1	 1,069,902
 <b>Cash Balances, December 31</b>	 <b>\$1,246,295</b>
 Reserve for Encumbrances, December 31	 \$3,292

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



**SOUTHEASTERN OHIO JOINT SOLID WASTE  
MANAGEMENT DISTRICT  
NOBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Southeastern Ohio Joint Solid Waste Management District, Noble County (the 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 District is directed by an eighteen member Board of Directors comprised of the three County Commissioners of Guernsey, Monroe, Morgan, Muskingum, Noble, and Washington Counties. The District provides for management strategies and local government funding on behalf of the participating counties regarding contractual arrangements with private solid waste disposal facilities, which would assure continued access to adequate disposal capacity for the District.

The District's management believes these financial statements present all activities for which the District is financially accountable.

**B. Basis of Accounting**

These financial statements follow 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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

In accordance with Ohio Revised Code, the District's cash is held and invested by the Noble County Treasurer, who acts as custodian for District monies. The District's assets are held in the County's cash and investment pool, and are valued at the Treasurer's reported carrying amount. The District maintains no control over the investment of its funds. The disclosure of the County's deposits and investments at December 31, 2001 and December 31, 2000, is made in the County's Annual Financial Report for the years ended December 31, 2001 and December 31, 2000.

**D. Budgetary Process**

The Ohio Revised Code requires an annual operating budget.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the function or object level of control, and appropriations may not exceed estimated resources. The Board of Directors must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

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

**SOUTHEASTERN OHIO JOINT SOLID WASTE  
MANAGEMENT DISTRICT  
NOBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Budgetary Process (Continued)**

**3. Encumbrances**

The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2001 and 2000 budgetary activity appears in Note 2.

**E. 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.

**F. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the District.

**2. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2001 and December 31, 2000 follows:

2001 Budgeted vs. Actual Receipts			
	Budgeted Receipts	Actual Receipts	Variance
	\$420,080	\$660,602	\$240,522

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
	Appropriation Authority	Budgetary Expenditures	Variance
	\$735,761	\$510,641	\$225,120

2000 Budgeted vs. Actual Receipts			
	Budgeted Receipts	Actual Receipts	Variance
	\$416,175	\$631,594	\$215,419

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
	Appropriation Authority	Budgetary Expenditures	Variance
	\$668,000	\$458,493	\$209,507

**SOUTHEASTERN OHIO JOINT SOLID WASTE  
MANAGEMENT DISTRICT  
NOBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**3. RETIREMENT SYSTEMS**

The District's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% for the periods January 1, 2001 through December 31, 2001 and from January 1, 2000 through June 30, 2000. For the period July 1, 2000 through December 31, 2000 PERS temporarily reduced the employer's contribution rate to 8.13% of participants gross salaries. The District has paid all contributions required through December 31, 2001.

**4. RISK MANAGEMENT**

The District has obtained commercial insurance for the following risks:

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

The District also provides health insurance coverage to its full-time employees through a private carrier.

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

Southeastern Ohio Joint Solid Waste Management District  
Noble County  
515 Main Street  
Caldwell, Ohio 43724

To the Board of Trustees:

We have audited the accompanying financial statements of Southeastern Ohio Joint Solid Waste Management District, Noble County, Ohio (the District), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated February 19, 2002. 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 the 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated February 19, 2002.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the 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 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 management of the District in a separate letter dated February 19, 2002.

Southeastern Ohio Joint Solid Waste Management District  
Noble County  
Report of Independent Accountants on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

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

**Jim Petro**  
Auditor of State

February 19, 2002



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**SOUTHEASTERN OHIO JOINT SOLID WASTE MANAGEMENT DISTRICT**

**NOBLE 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  
APRIL 9, 2002**