JEFFERSON BELMONT JOINT SOLID WASTE AUTHORITY
JEFFERSON COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2005-2006

Mary Taylor, CPA
Auditor of State

JEFFERSON BELMONT JOINT SOLID WASTE AUTHORITY
JEFFERSON COUNTY

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Mary Taylor, CPA
Auditor of State

Jefferson Belmont Joint Solid Waste Authority
Jefferson County
125 Fernwood Road
P.O. Box 2129
Wintersville, Ohio 43953

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 12, 2007

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INDEPENDENT ACCOUNTANTS' REPORT

Jefferson Belmont Joint Solid Waste Authority
Jefferson County
125 Fernwood Road
P.O. Box 2129
Wintersville, OH 43953

To the Board of Trustees:

We have audited the accompanying financial statements of Jefferson Belmont Joint Solid Waste Authority, Jefferson County, (the Authority) as of and for the years ended December 31, 2006 and 2005. 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.

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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Authority has prepared these financial statements using 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 Authority to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2006 and 2005. While the Authority 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 Authority has elected not to reformat its statements. Since this Authority 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, 2006 and 2005, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Authority as of December 31, 2006 and 2005 or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances and reserves for encumbrances of Jefferson Belmont Joint Solid Waste Authority, Jefferson County, as of December 31, 2006 and 2005, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Authority to include Management's Discussion and Analysis for the years ended December 31, 2006 and 2005. The Authority 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 our report dated June 12, 2007, 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. While we did 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*. You should read it in conjunction with this report in assessing the results of our audit.

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 12, 2007

JEFFERSON BELMONT JOINT SOLID WASTE AUTHORITY
JEFFERSON COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	2006	2005
Cash Receipts:		
Special assessment	$18,140	$376,768
Intergovernmental		2,000
Fees	555,448	42,400
Miscellaneous	3,640	
Total cash receipts	577,228	421,168
Cash Disbursements:		
Current:		
Salaries	76,452	34,000
Supplies and Materials	9,106	677
Equipment	30,159	242,712
Contracts - Repair	36,201	43,498
Contracts - Services	114,344	9,110
Public Employee's Retirement	9,153	4,542
Worker's Compensation	1,373	1,135
Plan Implementation	334,345	189,894
Other	6,259	12,370
Total Disbursements	617,392	537,938
Total Receipts Over/(Under) Disbursements	(40,164)	(116,770)
Fund Cash Balances, January 1	171,576	288,346
Fund Cash Balances, December 31	**$131,412**	**$171,576**
Reserve for Encumbrances, December 31	$3,443	$3,255

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

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Jefferson Belmont Joint Solid Waste Authority, Jefferson County, (the Authority) as a body corporate and politic. The Authority is directed by a fourteen-member Board of Trustees, eight of whom are appointed by statute and the remaining six are appointed by the eight statutory members. Each County is represented by the following statutory members of the Board: one County Commissioner, a representative from the largest city in each County, one health department representative and one township trustee. The appointed members consist of one village representative, one waste generator and one member of the general public from each County. The Authority provides solid waste disposal, recycling opportunities, and other waste management services to these counties.

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

5. Basis of Accounting

These financial statements follow the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Authority recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the Auditor of state prescribes or permits.

5. Cash and Investments

In accordance with Ohio Revised Code, the Jefferson County Treasurer was the custodian for the Authority's monies as of December 31, 2005. The County held the Authority's cash and investments in its cash and investment pool, valued at the Treasurer's reported carrying amount.

As of December 31, 2006, the Authority reports Investments as assets. Accordingly, the Authority does not report disbursements for investment purchases or receipts for investment sales. The Authority reports gains or losses at the time of sale as receipts or disbursements, respectively.

The Authority values certificates of deposit at cost.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

D. Budgetary Process

The Ohio Revised Code requires the Authority to budget annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, 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 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.

3. Encumbrances

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

A summary of 2006 and 2005 budgetary activity appears in Note 3.

E. Property, Plant, and Equipment

The Authority records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

5. EQUITY IN POOLED CASH AND INVESTMENTS

The Authority maintains a cash and investments pool. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31, 2006 was as follows:

	2006
Demand deposits	$1,476
Certificates of deposit	7,776
Total deposits	9,252
Repurchase agreement	122,160
Total deposits and investments	$131,412

(As of December 31, 2005, the Jefferson County Treasurer was the custodian of the Authority's monies.)

5. EQUITY IN POOLED CASH AND INVESTMENTS – (Continued)

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

Investments: The Authority's financial institution transfers securities to the Authority's agent to collateralize repurchase agreements. The securities are not in the Authority's name.

5. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2006 and 2005 follows:

Budgeted vs. Actual Receipts

Year	Budgeted Receipts	Actual Receipts	Variance
2006	$575,549	$577,228	$1,680
2005	421,168	421,168	0

Budgeted vs. Actual Budgetary Basis Expenditures

Year	Appropriation Authority	Budgetary Expenditures	Variance
2006	$726,505	$620,835	$105,671
2005	657,987	541,193	116,794

5. RETIREMENT SYSTEMS

The Authority's full-time employees belong to the Public Employees Retirement System (OPERS) of Ohio. OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes retirement benefits, including postretirement healthcare, and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2006 and 2005, OPERS members contributed 9.0 percent and 8.5 percent of their gross salaries for 2006 and 2005, respectively. The Authority contributed an amount equal to 13.70 percent and 13.55 percent of participants' gross salaries for 2006 and 2005, respectively. The Authority has paid all contributions required through December 31, 2006.

5. RISK MANAGEMENT

Commercial Insurance

The Authority has obtained commercial insurance for the following risks:

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

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Mary Taylor, CPA
Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Jefferson Belmont Joint Solid Waste Authority
Jefferson County
125 Fernwood Rd.
P.O. Box 2129
Wintersville, OH 43953

To the Board of Trustees:

We have audited the financial statements of the Jefferson Belmont Joint Solid Waste Authority, Jefferson County, (the Authority) as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated June 12, 2007, wherein we noted the Authority followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Authority's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Authority's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Authority's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

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Compliance and Other Matters

As part of reasonably assuring whether the Authority's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of the audit committee, management and the Board of Trustees. We intend it for no one other than these specified parties.

Mary Taylor

Mary Taylor, CPA
Auditor of State

June12, 2007

Mary Taylor, CPA
Auditor of State

JEFFERSON BELMONT JOINT SOLID WASTE AUTHORITY

JEFFERSON 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
JULY 17, 2007

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