

Athens-Hocking Joint Solid Waste District

Regular Audit

January 1, 2008, through December 31, 2009
Fiscal Years Audited Under GAGAS: 2009 and 2008



Balestra, Harr & Scherer, CPAs, Inc.

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Mary Taylor, CPA
Auditor of State

Board of Directors
Athens-Hocking Joint Solid Waste District
13183 State Route 13
Chauncey, Ohio 45719

We have reviewed the *Independent Auditor's Report* of the Athens-Hocking Joint Solid Waste District, Athens County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2008 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Athens-Hocking Joint Solid Waste District is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

September 3, 2010

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Athens-Hocking Joint Solid Waste District
Athens County, Ohio

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Independent Auditor's Report

Members of the Board
Athens-Hocking Joint Solid Waste District
13183 State Route 13
Chauncey, Ohio 45719

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Athens-Hocking Joint Solid Waste District, (the District) as of and for the years ended December 31, 2009 and 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District'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 the Comptroller General of the United States' *Government Auditing Standard*. 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 that our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of December 31, 2009 and 2008, and the respective changes in cash basis financial position and the respective budgetary comparisons for the General and Major Special Revenue Funds, for the years then ended in conformity with the accounting basis Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2010, 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 grant agreements and other matters. While we did not opine on this 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.

Members of the Board
Athens-Hocking Joint Solid Waste District
Independent Auditor's Report
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Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.



Balestra, Harr & Scherer, CPAs, Inc.

June 29, 2010

Athens-Hocking Joint Solid Waste District
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

The discussion and analysis of the Athens-Hocking Joint Solid Waste District's (the District) financial performance provides an overall review of the District's financial activities for the years ended December 31, 2009 and 2008, within the limitations of the District's cash basis of accounting. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for the year 2009 are as follows:

- Net assets decreased \$224,858 from 2008 to 2009.
- General receipts accounted for \$79,622 in receipts or 4 percent of all receipts. Program specific receipts in the form of charges for services and sales and operating grants and contributions accounted for \$2,004,747 or 96 percent of total receipts of \$2,084,369.
- The District had \$2,309,227 in disbursements related to governmental activities; all of these disbursements were offset by program specific charges for services and sales and operating grants and contributions.

Key financial highlights for the year 2008 are as follows:

- Net assets increased \$79,613.
- General receipts accounted for \$14,128 in receipts or less than 1 percent of all receipts. Program specific receipts in the form of charges for services and sales and operating grants and contributions accounted for \$2,343,343 or more than 99 percent of total receipts of \$2,357,471.
- The District had \$2,437,084 in disbursements related to governmental activities; all but \$79,613 of these disbursements were offset by program specific charges for services and sales and operating grants and contributions.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the District's cash basis of accounting.

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions on a cash basis of accounting.

The Statement of Net Assets – Cash Basis and Statement of Activities – Cash Basis provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the basic financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information in the statements.

Athens-Hocking Joint Solid Waste District
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America. Under the District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the District as a Whole

The statement of net assets and the statement of activities reflect how the District did financially during 2009 and 2008, within the limitations of the cash basis of accounting. The Statement of Net Assets – Cash Basis presents the cash balances of the governmental activities of the District at year end. The Statement of Activities – Cash Basis compares cash disbursements with program receipts for each governmental activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the District's general receipts.

These statements report the District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the District's financial health. Over time, increases or decreases in the District's cash position is one indicator of whether the District's financial health is improving or deteriorating. When evaluating the District's financial condition, you should also consider other non-financial factors as well as the District's reliance on other local governments' property tax bases, the condition of the District's capital assets and infrastructure, the extent of the District's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth.

In the Statement of Net Assets – Cash Basis and the Statement of Activities – Cash Basis, the District's basic sanitation and recycling service is reported. Charges for services and state and federal grants finance most of these activities. Benefits provided through the governmental activities are not necessarily paid for by the people receiving them.

Athens-Hocking Joint Solid Waste District
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the District's major funds – not the District as a whole. The District establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the District are governmental.

Governmental Funds - The District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed short-term view of the District's governmental operations and the services it provides. Governmental fund information helps determine whether there are more or less financial resources on a cash basis that can be spent to finance the District's programs. The District's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. For 2009 and 2008, the District's major governmental funds are the General Fund, Recycling Center Fund, Market Development Fund and Capital Improvement Fund. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The District as a Whole

Table 1 provides a summary of the District's net assets for 2009 compared to 2008 and 2008 compared to 2007 on a cash basis:

Table 1
Net Assets – Cash Basis

	Governmental Activities		
	2009	2008	2007
Assets			
Equity in Pooled Cash and Cash Equivalents	\$380,566	\$605,424	\$685,037
Net Assets			
Restricted for:			
Recycling Center	20,385	29,463	24,659
Recycle Ohio	481	481	481
Emergency Relief & Cleanup	5,057	6,860	8,463
Market Development	0	200,000	200,000
Capital Projects	103,742	188,360	301,097
Unrestricted	250,901	180,260	150,337
Total Net Assets	\$380,566	\$605,424	\$685,037

As mentioned previously, net assets decreased \$224,858 from 2008 to 2009. The decrease is due primarily to less charges for services and sales in 2009 as compared to 2008 in the Recycling Center and also the use of available resources to fund the Market Development program.

Athens-Hocking Joint Solid Waste District
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

The District as a Whole (Continued)

Table 2 reflects the changes in net assets in 2009, 2008 and 2007.

Table 2
Changes in Net Assets

	Governmental Activities 2009	Governmental Activities 2008	Governmental Activities 2007
Receipts			
Program Cash Receipts			
Charges for Services and Sales	\$1,947,215	\$2,264,398	\$2,201,639
Operating Grants and Contributions	57,532	78,945	218,721
Total Program Cash Receipts	<u>2,004,747</u>	<u>2,343,343</u>	<u>2,420,360</u>
General Receipts			
Proceeds from Loan	60,000	-	-
Other Receipts	19,622	14,128	11,172
Total General Receipts	<u>79,622</u>	<u>14,128</u>	<u>11,172</u>
Total Receipts	<u>\$2,084,369</u>	<u>\$2,357,471</u>	<u>\$2,431,532</u>
Disbursements:			
Sanitation/Recycling:			
Salaries	753,826	816,593	738,711
Fringe Benefits	575,138	562,063	450,079
Supplies and Materials	15,430	15,093	12,389
Repair and Maintenance	93,776	135,924	106,021
Equipment	260,854	260,134	103,507
Contracts-Services	400,191	387,952	311,700
Travel and Transportation	99,650	160,829	112,089
Utilities	14,509	12,381	13,099
Reimbursements	-	-	81,067
Advertising	7,504	5,598	-
Legal Fees	7,130	654	-
Other	21,219	79,863	34,174
Debt Service:			
Principal Retirement	60,000	-	-
Total Disbursements	<u>2,309,227</u>	<u>2,437,084</u>	<u>1,962,836</u>
Change in Net Assets	(224,858)	(79,613)	468,696
Net Assets Beginning of Year	<u>605,424</u>	<u>685,037</u>	<u>216,341</u>
Net Assets End of Year	<u>\$380,566</u>	<u>\$605,424</u>	<u>\$685,037</u>

Athens-Hocking Joint Solid Waste District
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

The District as a Whole (Continued)

Program cash receipts decreased due to a grant received in 2007 and the decrease in revenue received for charges for services for sanitation and recycling fees. Fringe Benefits increased due to the rise in workers' compensation premiums. Equipment and contract services increased due to disbursements made from the Market Development grant program.

Governmental Activities

If you look at the Statement of Activities – Cash Basis on pages 11 and 17, you will see that the first column lists the major services provided by the District. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for salaries and fringe benefits, which combined account for 58% and 57% of all governmental disbursements, for 2009 and 2008, respectively. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the District that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This “net cost” amount represents the cost of the service which ends up being paid from money provided by local townships and municipalities taxpayers and state subsidies. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

Table 3
Governmental Activities

	Total Cost of Services 2009	Net Cost of Services 2009	Total Cost of Services 2008	Net Cost of Services 2008
Disbursements:				
Sanitation/Recycling:				
Salaries	\$753,826	(\$110,817)	\$816,593	(\$48,163)
Fringe Benefits	575,138	(84,548)	562,063	(33,150)
Supplies and Materials	15,430	(2,268)	15,093	(890)
Repair and Maintenance	93,776	(13,786)	135,924	(8,017)
Equipment	260,854	(38,347)	260,134	(15,342)
Contracts-Services	400,191	(23,841)	387,952	27,119
Travel and Transportation	99,650	(14,649)	160,829	(9,486)
Utilities	14,509	(2,133)	12,381	(730)
Advertising	7,504	(1,103)	5,598	(331)
Legal Fees	7,130	(1,048)	654	(38)
Other	21,219	(3,119)	79,863	(4,713)
Debt Service:				
Principal Retirement	60,000	(8,821)	-	-
Total Disbursements	\$2,309,227	(\$304,480)	\$2,437,084	(\$93,741)

Athens-Hocking Joint Solid Waste District
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

The District's Funds

During 2009, the General Fund had \$503,289 in receipts and other financing sources and \$432,648 in disbursements and other financing uses. The General Fund's cash balance increased \$70,641. The Recycling Center Fund had \$1,704,175 in receipts and \$1,713,253 in disbursements and other financing uses. The Recycling Center's cash balance decreased \$9,078. The Capital Improvements Fund had \$0 in receipts and \$84,618 in disbursements and other financing uses. The Capital Improvement Fund's cash balance decreased \$84,618. The Market Development Fund had \$34,989 in receipts and \$234,989 in disbursements. The Market Development Fund's cash balance decreased \$200,000.

During 2008, the General Fund had \$376,655 in receipts and \$346,732 in disbursements. The General Fund's cash balance increased \$29,923. The Recycling Center Fund had \$1,930,816 in receipts and \$1,926,012 in disbursements and other financing uses. The Recycling Center's cash balance increased \$4,804. The Capital Improvement Fund had \$133,442 in other financing sources and \$246,179 in disbursements. The Capital Improvement Fund's cash balance decreased \$112,737. The Market Development Fund had \$50,000 in receipts and \$50,000 in disbursements. The Market Development Fund's cash balance did not change.

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of 2009 and 2008, the District amended its appropriations and estimated revenues, and the budgetary statement reflects both the original and final amounts. During 2009, the District increased its final budget for the proceeds of loan in the amount of \$60,000. Budgeted revenues were above actual revenues due to over budgeting of tipping fees by the District. The District's actual appropriations were well below estimates due to conservative budgeting by the District for fringe benefits and contract services. During 2009, the District increased its final budget for receipts by \$40,000 for tipping fees and \$15,000 for curbside fees. During 2008 budgeted appropriations were above actual disbursements for fringe benefits due to conservative budgeting by the District.

Debt

During 2008, the District had no debt activity.

During 2009, the District secured a \$60,000 loan in order to help cover payroll expenses. The note was repaid in 2009. Additional information regarding debt can be found in Note 5 to the basic financial statements.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and providers with a general overview of the District's finances and to reflect the District's accountability for the money it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Cindy S. Sharpe, Administration Coordinator, Athens-Hocking Joint Solid Waste District, P.O. Box 2607, Athens, Ohio 45701.

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Athens-Hocking Joint Solid Waste District
Statement of Net Assets - Cash Basis
As of December 31, 2009

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 380,566
<i>Total Assets</i>	\$ 380,566
Net Assets	
Restricted for:	
Recycling Center	\$ 20,385
Recycle Ohio	481
Emergency Relief & Cleanup	5,057
Capital Projects	103,742
Unrestricted	250,901
<i>Total Net Assets</i>	\$ 380,566

See accompanying notes to the basic financial statements.

Athens-Hocking Joint Solid Waste District
Statement of Activities - Cash Basis
For the Year Ended December 31, 2009

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Sanitation/Recycling:				
Salaries	\$ 753,826	\$ 635,650	\$ 7,359	\$ (110,817)
Fringe Benefits	575,138	484,975	5,615	(84,548)
Supplies and Materials	15,430	13,011	151	(2,268)
Repair and Maintenance	93,776	79,075	915	(13,786)
Equipment	260,854	219,961	2,546	(38,347)
Contracts-Services	400,191	337,454	38,896	(23,841)
Travel and Transportation	99,650	84,028	973	(14,649)
Utilities	14,509	12,234	142	(2,133)
Advertising	7,504	6,328	73	(1,103)
Legal Fees	7,130	6,012	70	(1,048)
Other	21,219	17,893	207	(3,119)
Debt Service:				
Principal Retirement	60,000	50,594	585	(8,821)
<i>Total Governmental Activities</i>	<u>\$ 2,309,227</u>	<u>\$ 1,947,215</u>	<u>\$ 57,532</u>	<u>(304,480)</u>
General Receipts				
Proceeds from Loan				60,000
Other Receipts				19,622
<i>Total General Receipts</i>				<u>79,622</u>
Change in Net Assets				(224,858)
<i>Net Assets Beginning of Year</i>				<u>605,424</u>
<i>Net Assets End of Year</i>				<u>\$ 380,566</u>

See accompanying notes to the basic financial statements.

Athens-Hocking Joint Solid Waste District
Statement of Cash Basis Assets and Fund Balances - Cash Basis
Governmental Funds
As of December 31, 2009

	<u>General</u>	<u>Recycling Center</u>	<u>Capital Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 250,901	\$ 20,385	\$ 103,742	\$ 5,538	\$ 380,566
<i>Total Assets</i>	<u>\$ 250,901</u>	<u>\$ 20,385</u>	<u>\$ 103,742</u>	<u>\$ 5,538</u>	<u>\$ 380,566</u>
Fund Balances					
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	\$ 250,901	\$ -	\$ -	\$ -	\$ 250,901
Special Revenue Funds	-	20,385	-	5,538	25,923
Capital Projects Funds	-	-	103,742	-	103,742
<i>Total Fund Balances</i>	<u>\$ 250,901</u>	<u>\$ 20,385</u>	<u>\$ 103,742</u>	<u>\$ 5,538</u>	<u>\$ 380,566</u>

See accompanying notes to the basic financial statements.

Athens-Hocking Joint Solid Waste District
Statement of Receipts, Disbursements and Changes in Cash Basis Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2009

	General	Recycling Center	Capital Improvement Fund	Market Development Fund	Other Governmental Funds	Total Governmental Funds
Receipts						
Intergovernmental	\$ -	\$ -	\$ -	\$ 34,989	\$ -	\$ 34,989
Tipping Fees	152,043	-	-	-	-	152,043
Curbside Fees	113,540	113,540	-	-	-	227,080
Other Fees	-	92,606	-	-	-	92,606
Recycling Fees	-	1,294,767	-	-	-	1,294,767
Sales	-	180,719	-	-	-	180,719
Miscellaneous	19,622	22,543	-	-	-	42,165
<i>Total Receipts</i>	<u>285,205</u>	<u>1,704,175</u>	<u>-</u>	<u>34,989</u>	<u>-</u>	<u>2,024,369</u>
Disbursements						
Current:						
Salaries	136,059	617,767	-	-	-	753,826
Fringe Benefits	74,343	500,795	-	-	-	575,138
Supplies and Materials	1,517	13,913	-	-	-	15,430
Repair and Maintenance	-	93,776	-	-	-	93,776
Equipment	894	353	24,618	234,989	-	260,854
Contracts-Services	150,263	249,100	-	-	828	400,191
Travel and Transportation	1,442	98,208	-	-	-	99,650
Utilities	-	14,509	-	-	-	14,509
Advertising	-	7,504	-	-	-	7,504
Legal Fees	7,130	-	-	-	-	7,130
Other	1,000	19,244	-	-	975	21,219
Debt Service:						
Principal Retirement	-	-	-	-	60,000	60,000
<i>Total Disbursements</i>	<u>372,648</u>	<u>1,615,169</u>	<u>24,618</u>	<u>234,989</u>	<u>61,803</u>	<u>2,309,227</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(87,443)</u>	<u>89,006</u>	<u>(24,618)</u>	<u>(200,000)</u>	<u>(61,803)</u>	<u>(284,858)</u>
Other Financing Sources (Uses)						
Proceed from Loan	60,000	-	-	-	-	60,000
Transfers In	60,000	-	-	-	60,000	120,000
Transfers Out	(60,000)	-	(60,000)	-	-	(120,000)
Advances In	98,084	-	-	-	-	98,084
Advances Out	-	(98,084)	-	-	-	(98,084)
<i>Total Other Financing Sources (Uses)</i>	<u>158,084</u>	<u>(98,084)</u>	<u>(60,000)</u>	<u>-</u>	<u>60,000</u>	<u>60,000</u>
<i>Net Change in Fund Balances</i>	70,641	(9,078)	(84,618)	(200,000)	(1,803)	(224,858)
<i>Fund Balances Beginning of Year</i>	<u>180,260</u>	<u>29,463</u>	<u>188,360</u>	<u>200,000</u>	<u>7,341</u>	<u>605,424</u>
<i>Fund Balances End of Year</i>	<u>\$ 250,901</u>	<u>\$ 20,385</u>	<u>\$ 103,742</u>	<u>\$ -</u>	<u>\$ 5,538</u>	<u>\$ 380,566</u>

See accompanying notes to the basic financial statements.

Athens-Hocking Joint Solid Waste District
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual (Non - GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Tipping Fees	\$ 275,000	\$ 275,000	\$ 152,043	\$ (122,957)
Curbside Fees	125,000	125,000	113,540	(11,460)
Miscellaneous	15,000	15,000	19,622	4,622
<i>Total Receipts</i>	<u>415,000</u>	<u>415,000</u>	<u>285,205</u>	<u>(129,795)</u>
Disbursements				
Current:				
Salaries	207,233	207,233	136,059	71,174
Fringe Benefits	149,872	144,872	74,343	70,529
Supplies and Materials	2,000	2,000	1,517	483
Equipment	3,000	3,000	894	2,106
Contracts-Services	169,000	178,243	150,263	27,980
Travel and Transportation	2,300	2,300	1,442	858
Advertising	2,000	2,000	-	2,000
Legal Fees	1,500	10,500	7,130	3,370
Other	-	-	1,000	(1,000)
<i>Total Disbursements</i>	<u>536,905</u>	<u>550,148</u>	<u>372,648</u>	<u>177,500</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(121,905)</u>	<u>(135,148)</u>	<u>(87,443)</u>	<u>47,705</u>
Other Financing Sources (Uses)				
Proceed from Loan	-	60,000	60,000	-
Transfers In	-	-	60,000	60,000
Transfers Out	-	(60,000)	(60,000)	-
Advances In	98,084	98,084	98,084	-
<i>Total Other Financing Sources (Uses)</i>	<u>98,084</u>	<u>98,084</u>	<u>158,084</u>	<u>60,000</u>
<i>Net Change in Fund Balance</i>	<u>(23,821)</u>	<u>(37,064)</u>	<u>70,641</u>	<u>107,705</u>
<i>Fund Balance Beginning of Year</i>	<u>180,260</u>	<u>180,260</u>	<u>180,260</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 156,439</u>	<u>\$ 143,196</u>	<u>\$ 250,901</u>	<u>\$ 107,705</u>

See accompanying notes to the basic financial statements.

Athens-Hocking Joint Solid Waste District
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual (Non - GAAP Budgetary Basis)
Recycling Center Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Curbside Fees	\$ 125,000	\$ 125,000	\$ 113,540	\$ (11,460)
Other Fees	80,000	95,000	92,606	(2,394)
Recycling Fees	1,400,000	1,400,000	1,294,767	(105,233)
Sales	425,000	410,000	180,719	(229,281)
Miscellaneous	35,000	35,000	22,543	(12,457)
<i>Total Receipts</i>	<u>2,065,000</u>	<u>2,065,000</u>	<u>1,704,175</u>	<u>(360,825)</u>
Disbursements				
Current:				
Salaries	700,000	700,000	617,767	82,233
Fringe Benefits	518,500	566,530	500,795	65,735
Supplies and Materials	15,000	15,000	13,913	1,087
Repair and Maintenance	120,000	120,000	93,776	26,224
Equipment	12,000	10,996	353	10,643
Contracts-Services	303,000	303,000	249,100	53,900
Travel and Transportation	200,000	151,970	98,208	53,762
Utilities	15,000	15,000	14,509	491
Advertising	6,500	7,504	7,504	-
Other	25,000	25,000	19,244	5,756
<i>Total Disbursements</i>	<u>1,915,000</u>	<u>1,915,000</u>	<u>1,615,169</u>	<u>299,831</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>150,000</u>	<u>150,000</u>	<u>89,006</u>	<u>(60,994)</u>
Other Financing Sources (Uses)				
Advances Out	(150,000)	(150,000)	(98,084)	51,916
<i>Total Other Financing Sources (Uses)</i>	<u>(150,000)</u>	<u>(150,000)</u>	<u>(98,084)</u>	<u>51,916</u>
<i>Net Change in Fund Balance</i>	-	-	(9,078)	(9,078)
<i>Fund Balance Beginning of Year</i>	<u>29,463</u>	<u>29,463</u>	<u>29,463</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 29,463</u>	<u>\$ 29,463</u>	<u>\$ 20,385</u>	<u>\$ (9,078)</u>

See accompanying notes to the basic financial statements.

Athens-Hocking Joint Solid Waste District
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual (Non - GAAP Budgetary Basis)
Market Development Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$ -	\$ 34,989	\$ 34,989	\$ -
<i>Total Receipts</i>	-	34,989	34,989	-
Disbursements				
Current:				
Equipment	200,000	234,989	234,989	-
<i>Total Disbursements</i>	200,000	234,989	234,989	-
<i>Net Change in Fund Balance</i>	(200,000)	(200,000)	(200,000)	-
<i>Fund Balance Beginning of Year</i>	200,000	200,000	200,000	-
<i>Fund Balance End of Year</i>	\$ -	\$ -	\$ -	\$ -

See accompanying notes to the basic financial statements.

Athens-Hocking Joint Solid Waste District
Statement of Net Assets - Cash Basis
For the Year Ended December 31, 2008

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 605,424
<i>Total Assets</i>	605,424
 Net Assets	
Restricted for:	
Recycling Center	29,463
Recycle Ohio	481
Emergency Relief & Cleanup	6,860
Capital Projects	188,360
Market Development	200,000
Unrestricted	180,260
<i>Total Net Assets</i>	\$ 605,424

See accompanying notes to the basic financial statements.

Athens-Hocking Joint Solid Waste District
Statement of Activities - Cash Basis
For the Year Ended December 31, 2008

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Sanitation/Recycling:				
Salaries	\$ 816,593	\$ 758,731	\$ 9,699	\$ (48,163)
Fringe Benefits	562,063	522,237	6,676	(33,150)
Supplies and Materials	15,093	14,024	179	(890)
Repair and Maintenance	135,924	126,293	1,614	(8,017)
Equipment	260,134	241,702	3,090	(15,342)
Contracts-Services	387,952	360,463	54,608	27,119
Travel and Transportation	160,829	149,433	1,910	(9,486)
Utilities	12,381	11,504	147	(730)
Advertising	5,598	5,201	66	(331)
Legal Fees	654	608	8	(38)
Other	79,863	74,202	948	(4,713)
<i>Total Governmental Activities</i>	<u>\$ 2,437,084</u>	<u>\$ 2,264,398</u>	<u>\$ 78,945</u>	<u>(93,741)</u>
General Receipts				
Other Receipts				<u>14,128</u>
<i>Total General Receipts</i>				<u>14,128</u>
Change in Net Assets				(79,613)
<i>Net Assets Beginning of Year</i>				<u>685,037</u>
<i>Net Assets End of Year</i>				<u>\$ 605,424</u>

See accompanying notes to the basic financial statements.

Athens-Hocking Joint Solid Waste District
Statement of Cash Basis Assets and Fund Balances - Cash Basis
Governmental Funds
As of December 31, 2008

	General	Recycling Center	Capital Improvement Fund	Market Development Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$ 180,260	\$ 29,463	\$ 188,360	\$ 200,000	\$ 7,341	\$ 605,424
<i>Total Assets</i>	<u>180,260</u>	<u>29,463</u>	<u>188,360</u>	<u>200,000</u>	<u>7,341</u>	<u>605,424</u>
Fund Balances						
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	180,260	-	-	-	-	180,260
Special Revenue Funds	-	29,463	-	-	7,341	36,804
Capital Projects Funds	-	-	188,360	200,000	-	388,360
<i>Total Fund Balances</i>	<u>\$ 180,260</u>	<u>\$ 29,463</u>	<u>\$ 188,360</u>	<u>\$ 200,000</u>	<u>\$ 7,341</u>	<u>\$ 605,424</u>

See accompanying notes to the basic financial statements.

Athens-Hocking Joint Solid Waste District
Statement of Receipts, Disbursements and Changes in Cash Basis Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2008

	General	Recycling Center	Capital Improvement Fund	Market Development Fund	Other Governmental Funds	Total Governmental Funds
Receipts						
Intergovernmental	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ 50,000
Tipping Fees	264,930	-	-	-	-	264,930
Curbside Fees	97,597	97,597	-	-	-	195,194
Other Fees	-	81,376	-	-	-	81,376
Recycling Fees	-	1,333,567	-	-	-	1,333,567
Sales	-	389,331	-	-	-	389,331
Miscellaneous	14,128	28,945	-	-	-	43,073
<i>Total Receipts</i>	<u>376,655</u>	<u>1,930,816</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>2,357,471</u>
Disbursements						
Current:						
Salaries	117,206	699,387	-	-	-	816,593
Fringe Benefits	87,394	474,669	-	-	-	562,063
Supplies and Materials	1,489	13,604	-	-	-	15,093
Repair and Maintenance	-	129,954	5,970	-	-	135,924
Equipment	6,271	13,654	240,209	-	-	260,134
Contracts-Services	131,176	256,223	-	-	553	387,952
Travel and Transportation	1,542	159,287	-	-	-	160,829
Utilities	-	12,381	-	-	-	12,381
Advertising	-	5,598	-	-	-	5,598
Legal Fees	654	-	-	-	-	654
Other	1,000	27,813	-	50,000	1,050	79,863
<i>Total Disbursements</i>	<u>346,732</u>	<u>1,792,570</u>	<u>246,179</u>	<u>50,000</u>	<u>1,603</u>	<u>2,437,084</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>29,923</u>	<u>138,246</u>	<u>(246,179)</u>	<u>-</u>	<u>(1,603)</u>	<u>(79,613)</u>
Other Financing Sources (Uses)						
Advances In	-	-	133,442	-	-	133,442
Advances Out	-	(133,442)	-	-	-	(133,442)
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>(133,442)</u>	<u>133,442</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	29,923	4,804	(112,737)	-	(1,603)	(79,613)
<i>Fund Balances Beginning of Year</i>	<u>150,337</u>	<u>24,659</u>	<u>301,097</u>	<u>200,000</u>	<u>8,944</u>	<u>685,037</u>
<i>Fund Balances End of Year</i>	<u>\$ 180,260</u>	<u>\$ 29,463</u>	<u>\$ 188,360</u>	<u>\$ 200,000</u>	<u>\$ 7,341</u>	<u>\$ 605,424</u>

See accompanying notes to the basic financial statements.

Athens-Hocking Joint Solid Waste District
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual (Non - GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Tipping Fees	\$ 235,000	\$ 275,000	\$ 264,930	\$ (10,070)
Curbside Fees	85,000	100,000	97,597	(2,403)
Miscellaneous	12,000	15,000	14,128	(872)
<i>Total Receipts</i>	<u>332,000</u>	<u>390,000</u>	<u>376,655</u>	<u>(13,345)</u>
Disbursements				
Current:				
Salaries	130,789	130,789	117,206	13,583
Fringe Benefits	59,156	136,489	87,394	49,095
Supplies and Materials	1,500	1,500	1,489	11
Equipment	3,000	7,368	6,271	1,097
Contracts-Services	134,000	145,000	131,176	13,824
Travel and Transportation	1,300	2,300	1,542	758
Advertising	2,000	632	-	632
Legal Fees	3,000	3,000	654	2,346
Other	-	-	1,000	(1,000)
<i>Total Disbursements</i>	<u>334,745</u>	<u>427,078</u>	<u>346,732</u>	<u>80,346</u>
<i>Net Change in Fund Balance</i>	(2,745)	(37,078)	29,923	67,001
<i>Fund Balance Beginning of Year</i>	<u>150,337</u>	<u>150,337</u>	<u>150,337</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 147,592</u>	<u>\$ 113,259</u>	<u>\$ 180,260</u>	<u>\$ 67,001</u>

See accompanying notes to the basic financial statements.

Athens-Hocking Joint Solid Waste District
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual (Non - GAAP Budgetary Basis)
Recycling Center Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Curbside Fees	\$ 85,000	\$ 100,000	\$ 97,597	\$ (2,403)
Other Fees	75,000	75,000	81,376	6,376
Recycling Fees	1,471,500	1,456,500	1,333,567	(122,933)
Sales	350,000	400,000	389,331	(10,669)
Miscellaneous	20,000	30,000	28,945	(1,055)
<i>Total Receipts</i>	<u>2,001,500</u>	<u>2,061,500</u>	<u>1,930,816</u>	<u>(130,684)</u>
Disbursements				
Current:				
Salaries	700,000	700,000	699,387	613
Fringe Benefits	448,500	505,740	474,669	31,071
Supplies and Materials	15,000	15,000	13,604	1,396
Repair and Maintenance	110,000	130,000	129,954	46
Equipment	30,000	25,000	13,654	11,346
Contracts-Services	303,000	303,000	256,223	46,777
Travel and Transportation	150,000	175,000	159,287	15,713
Utilities	15,000	15,000	12,381	2,619
Advertising	5,000	5,000	5,598	(598)
Other	25,000	25,000	27,813	(2,813)
<i>Total Disbursements</i>	<u>1,801,500</u>	<u>1,898,740</u>	<u>1,792,570</u>	<u>106,170</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>200,000</u>	<u>162,760</u>	<u>138,246</u>	<u>(24,514)</u>
Other Financing Uses				
Advances Out	(200,000)	(102,760)	(133,442)	(30,682)
<i>Total Other Financing Uses</i>	<u>(200,000)</u>	<u>(102,760)</u>	<u>(133,442)</u>	<u>(30,682)</u>
<i>Net Change in Fund Balance</i>	-	60,000	4,804	(55,196)
<i>Fund Balance Beginning of Year</i>	<u>24,659</u>	<u>24,659</u>	<u>24,659</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 24,659</u>	<u>\$ 84,659</u>	<u>\$ 29,463</u>	<u>\$ (55,196)</u>

See accompanying notes to the basic financial statements.

Athens-Hocking Joint Solid Waste District
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual (Non - GAAP Budgetary Basis)
Market Development Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 50,000	\$
<i>Total Receipts</i>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Disbursements				
Current:				
Equipment	150,000	150,000	-	150,000
Other	<u>87,000</u>	<u>87,000</u>	<u>50,000</u>	<u>37,000</u>
<i>Total Disbursements</i>	<u>237,000</u>	<u>237,000</u>	<u>50,000</u>	<u>187,000</u>
<i>Net Change in Fund Balance</i>	(187,000)	(187,000)	-	187,000
<i>Fund Balance Beginning of Year</i>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 13,000</u>	<u>\$ 13,000</u>	<u>\$ 200,000</u>	<u>\$ 187,000</u>

See accompanying notes to the basic financial statements.

Athens-Hocking Joint Solid Waste District
Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 1 – Reporting Entity

The Athens-Hocking Joint Solid Waste Management District, Athens 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 a six-member Board of Directors comprised of the three County Commissioners of Athens and Hocking Counties. The District provides solid waste disposal, recycling opportunities, and other waste management services to these counties. The financial statements present the District and its component unit, an entity for which the District is considered to be financially accountable. The blended component unit, although a legally separate entity, is, in substance, part of the District's operations and so financial data from this unit is combined with the financial data of the District (primary government). The blended component unit has a December 31 fiscal year end.

Blended Component Unit. The Athens-Hocking County Recycling Centers, Inc., (the Recycling Centers) is governed by a seven-member Board of Trustees made up of the six elected County Commissioners from Athens and Hocking Counties and the Operations Coordinator of the Athens-Hocking Joint Solid Waste Management District. Its sole purpose is to assist and promote recycling and control of solid wastes, to secure the sale of recycling materials collected, to aid the counties in the control problems of solid waste and to contract with the necessary agencies to allow the processing and selling of collected materials. The District provides funding to the Recycling Centers as needed, and issues debt on the recycling Centers' behalf. The Recycling Centers is reported as a Special Revenue Fund.

Complete financial statements for the blended component unit may be obtained at the entity's administrative office:

Athens-Hocking County Recycling Centers, Inc.
P.O. Box 2607
Athens, Ohio 45701

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

Note 2 - Summary of Significant Accounting Policies

As discussed further in Note 2C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the District's accounting policies.

Athens-Hocking Joint Solid Waste District
Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 2 - Summary of Significant Accounting Policies (Continued)

A. Basis of Presentation

The District's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through charges for services, intergovernmental revenues or other non-exchange transactions.

The statement of net assets presents the cash balance of the governmental activities of the District at year end. The statement of activities compares disbursements and program receipts for each program or function of the District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the District is responsible. Program receipts 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.

Receipts which are not classified as program receipts are presented as general receipts of the District, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program or business activity is self-financing on a cash basis or draws from the general receipts of the District.

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

B. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are presented as governmental.

Athens-Hocking Joint Solid Waste District
Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 2 - Summary of Significant Accounting Policies (Continued)

Governmental Funds

Governmental funds are those through which most governmental functions of the District are financed. The following are the District's major governmental funds:

General Fund - The General Fund accounts for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Recycling Center Fund - This fund accounts for the financial activity of the Athens-Hocking Recycling Centers, Inc.

Capital Improvements Fund - This fund accounts for major capital improvements for the District.

Market Development Fund - This fund accounts for a grant received for market development for the District.

The other governmental funds of the District account for grants, debt service and other resources whose use is restricted for a particular purpose.

C. Basis of Accounting

The District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the annual budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The annual budget demonstrates a need for existing or increased rates. The certificate of estimated resources establishes a limit on the amount the Board may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of control has been established by the Board at the fund, function and object level for all funds.

Athens-Hocking Joint Solid Waste District
Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 2 - Summary of Significant Accounting Policies (Continued)

D. Budgetary Process (Continued)

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the fiscal officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Board.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

Although the Recycling Center is not subject to the budgetary requirements of the Ohio Revised Code, annual budgets are prepared and approved and included within the budgetary information.

E. Cash and Cash Equivalents

As required by Ohio Revised Code, the Athens County Treasurer is custodian for the District's cash. The District's cash is held in the County's cash and investment pool, and is valued at the County Treasurer's carrying amount.

The Recycling Centers' cash is held and invested by the Administration Coordinator with approval of the Board of Trustees. The Recycling Centers' assets are held in its cash and investment pool and are valued at the Recycling Centers' reported carrying amount.

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposits or short-term investments with an original maturity of three months or less. The District values investments and cash equivalents at cost.

F. Long Term Debt

Long term debt is not recorded as a liability in the accompanying basic cash basis financial statements. Principal payments on debt are recorded as disbursements in the year paid.

G. Inventory and Prepaid Items

The District reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Athens-Hocking Joint Solid Waste District
Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 2 - Summary of Significant Accounting Policies (Continued)

H. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying basic financial statements.

I. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the District's cash basis of accounting.

J. Employer Contributions to Cost-Sharing Pension Plans

The District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

K. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available. None of the District's restricted net assets are restricted by enabling legislation.

Note 3 - Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual for the general fund and each major special revenue fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

Note 4 - Deposits and Investments

Ohio law restricts deposits and investments to the following:

1. United States Treasury Bills, Bonds, Notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States, or any book entry, zero coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio or its political subdivisions;

Athens-Hocking Joint Solid Waste District
Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 4 - Deposits and Investments (Continued)

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the District lends securities and the eligible institution agrees to simultaneously exchange either securities or cash, equal value for equal value; and
9. Commercial paper notes, corporate notes and bankers' acceptances; and debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government. All interest and principal shall be denominated and payable in United States funds.

Reverse repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States, are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Bankers' acceptances must mature within 180 days. Commercial paper and corporate notes must mature within 270 days. All other investments must mature within five years from the date of settlement unless matched to a specific obligation or debt of the District. Investments must be purchased with the expectation that they will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The Athens County Treasurer serves as the fiscal agent for the District and the investments of the County funds, including the District's cash. The District maintains no control over the investment of its cash.

Deposits: The District's deposits maintained by the Athens County Treasurer are either insured by the Federal Deposit Insurance Corporation or were considered collateralized by securities held by the pledging institutions' trust departments in Athens County's name and all State statutory requirements for the deposit of money had been followed. Deposits of the Recycling Center are insured by the Federal Deposit Insurance Corporation.

The carrying amount of cash and investments at December 31 was as follows:

	<u>2008</u>	<u>2009</u>
Deposits held by County Treasurer	\$575,961	\$360,181
Recycling Centers Deposits	<u>29,463</u>	<u>20,385</u>
Total deposits	<u>\$605,424</u>	<u>\$380,566</u>

Athens-Hocking Joint Solid Waste District
Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 5 – Debt

For the year ended December 31, 2008, the District had no debt activity.

For the year ended December 31, 2009, the District had the following debt activity:

	Balance 12/31/2008	Additions	Payments	Balance 12/31/2009
Loan 2009 - .75%	\$ -	\$ 60,000	\$ 60,000	\$ -
Total	<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ -</u>

On April 8, 2009, the District secured a \$60,000 loan in order to cover payroll expenses. The loan was issued in the name of the Athens County Commissioners on behalf of the Athens Hocking Solid Waste District. The loan was issued with a .75% interest rate and a maturity date of 4/8/10. The loan was repaid in October 2009 from the Debt Service fund.

Note 6 – Risk Management

The Athens County Commissioners maintain comprehensive insurance coverage with private carriers for real property, building contents and vehicles owned by the District and Recycling Centers. Vehicle policies include liability coverage for bodily injury and property damage.

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

- A. The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:
- 1) The Traditional Pension Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan.
 - 2) The Member-Directed Plan (MD) – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.
 - 3) The Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.
- B. OPERS provides retirement, disability, and survivor and death benefits and annual cost-of-living adjustments to qualifying members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.

Athens-Hocking Joint Solid Waste District
Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 7 - Defined Benefit Pension Plans (Continued)

- C. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.
- D. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.
- E. The Ohio Revised Code provides statutory authority for member and employer contributions. For 2009 and 2008, member and employer contribution rates were consistent across all three plans.

The member contribution rates were 10.0%, 10.0% and 9.5% for 2009, 2008, and 2007, respectively, for the District.

The employer contribution rates were 14.0%, 14.0%, and 13.85% of covered payroll for 2009, 2008, and 2007, respectively, for the District.

The District's contributions to OPERS for the years ended December 31, 2009, 2008, and 2007 were \$201,900, \$171,124, and \$167,659, respectively, which were equal to the required contributions for those years.

Note 8 - Postemployment Benefits

- A. Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan; the Member-Directed Plan (MD) – a defined contribution plan; and the Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement, to qualifying members of both the TP and the CO Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interest parties may obtain a copy by writing OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Athens-Hocking Joint Solid Waste District
Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 8 - Postemployment Benefits (Continued)

- B. The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer's contributions are expressed as a percentage of the covered payroll of active members. In 2009 and 2008, the District contributed at 14.0% of covered payroll. The Ohio Revised Code currently limits the employer contribution rate not to exceed 14.0% of covered payroll. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2009, the employer contributions allocated to the health care plan was 7.0% of covered payroll from January 1 through March 31, 2009 and 5.5% from April 1 through December 31, 2009. For 2008, these percentages were 7.0%. For 2007, these percentages were 5.0% from January 1 through June and 6.0% from July through December. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

- C. The employer contributions that were used to fund post-employment benefits were \$84,732 for 2009, \$85,562 for 2008, and \$66,741 for 2007 which equaled the required contributions for each year.
- D. The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008, which allowed additional funds to be allocated to the health care plan.

Athens-Hocking Joint Solid Waste District
Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 9 – Interfund Transactions

Interfund Transfers and Advances

The following transfers and advances were made during 2009:

Transfers - Out	Transfers In		
	Athens		
	Debt Service	Hocking SWD - General	Total
Athens Hocking SWD - General	\$60,000	\$0	\$60,000
Capital Improvement	0	60,000	\$60,000
Total	\$60,000	\$60,000	\$120,000

Advances Out	Advances In
	Athens Hocking SWD – General
	Recycling Center
Total	\$98,084

The following advances were made during 2008:

Advances Out	Advances In
	Capital Improvement Fund
	Recycling Center
Total	\$133,442

Transfers are used to move revenues from the fund that collects them in accordance with statute or budget to the fund that is required to expend them in accordance with statute or budget; to segregate money for anticipated capital projects; to provide resources for current operations; or to service debt. Advances are used to provide temporary financing for funds which are intended to be repaid. Transfers made from the General Fund to the Debt Service Fund during 2009 were for debt payments. Transfers made from the Capital Improvement Fund to the General Fund were by court order to subsidize short falls of revenue.



**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards***

Members of the Board
Athens-Hocking Joint Solid Waste District
13183 State Route 13
Chauncey, Ohio 45719

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Athens-Hocking Joint Solid Waste District (the District), as of and for the years ended December 31, 2009 and 2008, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 29, 2010, wherein we noted the District used a comprehensive basis of accounting other than generally accepted accounting principles. 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 District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

We noted a certain internal control deficiency not requiring inclusion in this report that we reported to the District's management in a separate letter dated June 29, 2010.

Compliance and Other Matters

As part of reasonably assuring whether the District'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 statements 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 that we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of the District's management and the Members of the Board. We intend it for no one other than these specified parties.



Balestra, Harr & Scherer, CPAs, Inc.
June 29, 2010



Mary Taylor, CPA
Auditor of State

ATHENS-HOCKING JOINT SOLID WASTE DISTRICT

ATHENS 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
SEPTEMBER 21, 2010**