



**GEAUGA-TRUMBULL SOLID WASTE MANAGEMENT DISTRICT
GEAUGA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008



Mary Taylor, CPA
Auditor of State

**GEAUGA-TRUMBULL SOLID WASTE MANAGEMENT DISTRICT
GEAUGA COUNTY**

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Mary Taylor, CPA
Auditor of State

Geauga-Trumbull Solid Waste Management District
Geauga County
5138 Enterprise Drive NW
Warren, Ohio 44481

To the Board of Directors:

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 an 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 adverse 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

October 18, 2010

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Geauga-Trumbull Solid Waste Management District
Geauga County
5138 Enterprise Drive NW
Warren, Ohio 44481

To the Board of Directors:

We have audited the accompanying financial statements of the Geauga-Trumbull Solid Waste Management District, Geauga County, Ohio, (the District) as of and for the years ended December 31, 2009 and 2008. 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 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 District 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.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the District's larger (i.e. major) funds separately. While the District does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Districts to reformat their statements. The District has elected not to follow GAAP statement formatting requirements. 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, 2009 and 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2009 and 2008, 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 combined fund cash balances and reserves for encumbrances of Geauga-Trumbull Solid Waste Management District, Geauga County, Ohio, as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The District 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 October 18, 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 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.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

October 18, 2010

**GEAUGA-TRUMBULL SOLID WASTE MANAGEMENT DISTRICT
GEAUGA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Project</u>	
Cash Receipts:					
Charges for Services	\$1,541,245	\$0	\$0	\$0	\$1,541,245
Interest Income	4,558	0	0	3	4,561
Miscellaneous	13,127	0	0	0	13,127
Total Cash Receipts	<u>1,558,930</u>	<u>0</u>	<u>0</u>	<u>3</u>	<u>1,558,933</u>
Cash Disbursements:					
Current Disbursements:					
Public Health Services:					
Salaries	182,649	0	0	0	182,649
Supplies	10,475	0	0	0	10,475
Contracts - Services	974,439	0	0	0	974,439
Travel	12,175	0	0	0	12,175
Legal Fees	30,636	0	0	0	30,636
Public Employee's Retirement	25,206	0	0	0	25,206
Worker's Compensation	3,560	0	0	0	3,560
Hospitalization	39,653	0	0	0	39,653
Other	32,311	0	0	0	32,311
Debt Service:					
Redemption of Principal	0	0	550,000	0	550,000
Interest and Other Fiscal Charges	0	0	15,125	0	15,125
Total Cash Disbursements	<u>1,311,104</u>	<u>0</u>	<u>565,125</u>	<u>0</u>	<u>1,876,229</u>
Total Receipts Over/(Under) Disbursements	<u>247,826</u>	<u>0</u>	<u>(565,125)</u>	<u>3</u>	<u>(317,296)</u>
Other Financing Receipts / (Disbursements):					
Transfers-In	0	0	565,125	0	565,125
Transfers-Out	(563,649)	0	0	(1,476)	(565,125)
Total Other Financing Receipts / (Disbursements)	<u>(563,649)</u>	<u>0</u>	<u>565,125</u>	<u>(1,476)</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(315,823)	0	0	(1,473)	(317,296)
Fund Cash Balances, January 1, 2009	1,344,078	2,948	0	1,473	1,348,499
Fund Cash Balances, December 31, 2009	<u><u>\$1,028,255</u></u>	<u><u>\$2,948</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$1,031,203</u></u>
Reserve for Encumbrances, December 31, 2009	\$52,214	\$0	\$0	\$0	\$52,214

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

**GEAUGA-TRUMBULL SOLID WASTE MANAGEMENT DISTRICT
GEAUGA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Project	
Cash Receipts:					
Charges for Services	\$2,103,272	\$0	\$0	\$0	\$2,103,272
Interest Income	23,476	0	0	41	23,517
Miscellaneous	10,872	0	0	0	10,872
Total Cash Receipts	2,137,620	0	0	41	2,137,661
Cash Disbursements:					
Current Disbursements:					
Public Health Services:					
Salaries	171,507	0	0	0	171,507
Supplies	16,505	0	0	0	16,505
Contracts - Services	926,265	0	0	0	926,265
Travel	12,238	0	0	0	12,238
Legal Fees	75,576	0	0	0	75,576
Public Employee's Retirement	23,659	0	0	0	23,659
Worker's Compensation	4,155	0	0	0	4,155
Hospitalization	38,399	0	0	0	38,399
Other	32,938	0	0	0	32,938
Debt Service:					
Redemption of Principal	0	0	750,000	0	750,000
Interest and Other Fiscal Charges	0	0	31,875	0	31,875
Total Cash Disbursements	1,301,242	0	781,875	0	2,083,117
Total Receipts Over/(Under) Disbursements	836,378	0	(781,875)	41	54,544
Other Financing Receipts / (Disbursements):					
Transfers-In	0	0	231,875	0	231,875
Transfers-Out	(231,875)	0	0	0	(231,875)
Note Proceeds	0	0	550,000	0	550,000
Total Other Financing Receipts / (Disbursements)	(231,875)	0	781,875	0	550,000
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	604,503	0	0	41	604,544
Fund Cash Balances, January 1, 2008	739,575	2,948	0	1,432	743,955
Fund Cash Balances, December 31, 2008	\$1,344,078	\$2,948	\$0	\$1,473	\$1,348,499
Reserve for Encumbrances, December 31, 2008	\$75,385	\$0	\$0	\$0	\$75,385

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

**GEAUGA-TRUMBULL SOLID WASTE MANAGEMENT DISTRICT
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Geauga-Trumbull Solid Waste Management District, Geauga County, (the District) as a body corporate and politic. The District is directed by a six-member Board of Directors comprised of the three County Commissioners of Geauga and Trumbull Counties. The District provides solid waste disposal, recycling opportunities, and other waste management services to these counties.

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The District 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.

C. Cash and Investments

As the Ohio Revised Code permits, the Geauga County Treasurer holds the District's cash as the District's custodian. The County holds the District's assets in its investment pool, valued at the Treasurer's reported carrying amount.

D. Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District classifies its funds into the following types:

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Fund

This fund accounts for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The District had the following significant Special Revenue Fund:

Recycle Ohio Grant Fund - This fund receives grant monies to be used for the implementation of solid waste reduction, recycling, and litter prevention programs.

**GEAUGA-TRUMBULL SOLID WASTE MANAGEMENT DISTRICT
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

3. Debt Service Fund

This fund accounts for resources the District accumulates to pay bond anticipation notes.

4. Capital Project Fund

This fund accounts for receipts restricted to acquiring or constructing major capital projects. The District had the following significant Capital Project fund:

Construction Fund – This fund received note proceeds and transfers from the general fund, for the purpose of paying for a new building.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

The total appropriations from each fund of a solid waste district that does not levy a tax shall not exceed the total estimated revenue available for expenditure from the fund, and appropriations shall be made from each fund only for the purposes for which the fund was established.

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 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 2009 and 2008 budgetary activity appears in Note 2.

F. Property, Plant, and Equipment

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

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**GEAUGA-TRUMBULL SOLID WASTE MANAGEMENT DISTRICT
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

2. Budgetary Activity

Budgetary activity for the years ending December 31, 2009 and December 31, 2008 follows:

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,036,673	\$1,558,930	(\$1,477,743)
Special Revenue	2,948	0	(2,948)
Debt Service	565,142	565,125	(17)
Capital Projects	1,476	3	(1,473)
Total	\$3,606,239	\$2,124,058	(\$1,482,181)

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,775,051	\$1,926,967	\$848,084
Debt Service	565,140	565,125	15
Capital Projects	1,476	1,476	0
Total	\$3,341,667	\$2,493,568	\$848,099

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,328,375	\$2,137,620	(\$190,755)
Debt Service	781,475	781,875	400
Capital Projects	1,432	41	(1,391)
Total	\$3,111,282	\$2,919,536	(\$191,746)

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,204,734	\$1,608,502	\$596,232
Debt Service	781,875	781,875	0
Total	\$2,986,609	\$2,390,377	\$596,232

**GEAUGA-TRUMBULL SOLID WASTE MANAGEMENT DISTRICT
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

3. Debt

In 2004, the District issued a \$1,000,000 bond anticipation note for the construction of a new building. The District had reissued the note each year through 2008, reducing the principal amount each year. The \$550,000 note outstanding at December 31, 2008 was retired in 2009.

4. Retirement Systems

The District's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2009.

5. Risk Management

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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



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

Geauga-Trumbull Solid Waste Management District
Geauga County
5138 Enterprise Drive NW
Warren, Ohio 44481

To the Board of Directors:

We have audited the financial statements of the Geauga-Trumbull Solid Waste Management District, Geauga County, Ohio, (the District) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated October 18, 2010, wherein we noted the District 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 District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion 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.

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 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, Board of Directors, and others within the District. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

October 18, 2010



Mary Taylor, CPA
Auditor of State

GEAUGA-TRUMBULL SOLID WASTE MANAGEMENT DISTRICT

GEAUGA 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
NOVEMBER 16, 2010**