



**ROSS, PICKAWAY, HIGHLAND, FAYETTE
JOINT SOLID WASTE MANAGEMENT DISTRICT
ROSS COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2009-2008



Mary Taylor, CPA
Auditor of State

ROSS, PICKAWAY, HIGHLAND, FAYETTE SOLID WASTE MANAGEMENT DISTRICT
ROSS COUNTY

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Mary Taylor, CPA
Auditor of State

Ross, Pickaway, Highland, Fayette Joint Solid Waste Management District
Ross County
15 North Paint Street, Suite 300
Chillicothe, Ohio 45601

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 the District 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

August 4, 2010

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Ross, Pickaway, Highland, Fayette Joint Solid Waste Management District
Ross County
15 North Paint Street, Suite 300
Chillicothe, Ohio 45601

To the Board of Directors:

We have audited the accompanying financial statement of the Ross, Pickaway, Highland, Fayette Joint Solid Waste Management District, Ross County, Ohio (the District) as of and for the years ended December 31, 2009 and 2008. This financial statement is the responsibility of the District's management. Our responsibility is to express an opinion on the financial statement 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 this financial statement 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 statement of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the fund the accompanying financial statement presents, 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 statement. 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.

Ross, Pickaway, Highland, Fayette Joint Solid Waste Management District
Ross County
Independent Accountants' Report on Internal Control Over
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In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statement referred to above for the years ended December 31, 2009 and 2008 does 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 statement referred to above presents fairly, in all material respects, the cash balance and reserves for encumbrances of the Ross, Pickaway Highland, Fayette Joint Solid Waste Management District, Ross County, Ohio as of December 31, 2009 and 2008, and its 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 August 4, 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.



Mary Taylor, CPA
Auditor of State

August 4, 2010

**ROSS, PICKAWAY, HIGHLAND, FAYETTE JOINT SOLID WASTE MANAGEMENT DISTRICT
ROSS COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

	2009	2008
Cash Receipts:		
Intergovernmental	\$ 3,300	\$ 10,000
Charges for services	339,507	365,501
Miscellaneous	4,199	5,786
	<u>347,006</u>	<u>381,287</u>
Total Cash Receipts		
Cash Disbursements:		
Current:		
Salaries	69,603	69,579
Fringe Benefits	40,838	31,921
Supplies and Materials	990	984
Equipment	275	362
Contracts - Repair	95	129
Contracts - Services	7,087	37,225
Grants	81,869	98,920
Rentals	3,600	3,600
Utilities	1,657	1,745
Advertising & Printing	-	3,742
Travel & Expenses	242	210
Other	120,656	104,239
	<u>326,912</u>	<u>352,656</u>
Total Disbursements		
Total Receipts over Disbursements	20,094	28,631
Cash Balance, January 1	363,443	334,812
Cash Balance, December 31	\$ 383,537	\$ 363,443
Reserve for Encumbrances, December 31	\$ 12,138	\$ 11,941

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

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**ROSS, PICKAWAY, HIGHLAND, FAYETTE JOINT SOLID WASTE MANAGEMENT DISTRICT
ROSS 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 Ross, Pickaway, Highland, Fayette Joint Solid Waste Management District, Ross County, Ohio (the District) as a body corporate and politic. The District is directed by a twelve-member Board of Directors comprised of three County Commissioners of Ross, Pickaway, Highland, and Fayette counties. The District provides solid waste disposal, recycling opportunities, and other waste management services to these counties.

The District's management believes this financial statement presents all activities for which the District is financially accountable.

B. Accounting Basis

The financial statement follows 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).

The statement includes adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Cash and Investments

As the Ohio Revised Code permits, the Ross County Treasurer holds the District's deposits 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. Budgetary Process

The Ohio Revised Code requires the District to budget each fund annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the 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. The Board must also approve the annual appropriation measures and any 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. The County Budget Commission must also approve estimated resources.

**ROSS, PICKAWAY, HIGHLAND, FAYETTE JOINT SOLID WASTE MANAGEMENT DISTRICT
ROSS COUNTY**

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

1. Summary of Significant Accounting Policies (Continued)

D. Budgetary Process (Continued)

3. Encumbrances

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

A summary of 2009 and 2008 budgetary activity appears in Note 2.

E. 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.

F. 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.

2. Budgetary Activity

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

2009 Budgeted vs. Actual Receipts				
Fund Type		Budgeted Receipts	Actual Receipts	Variance
General		\$368,000	\$347,006	(\$20,994)
	Total	\$368,000	\$347,006	(\$20,994)

2009 Budgeted vs. Actual Budgetary Basis Expenditures				
Fund Type		Appropriation Authority	Budgetary Expenditures	Variance
General		\$405,242	\$339,050	\$66,192
	Total	\$405,242	\$339,050	\$66,192

**ROSS, PICKAWAY, HIGHLAND, FAYETTE JOINT SOLID WASTE MANAGEMENT DISTRICT
ROSS COUNTY**

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

2. Budgetary Activity (Continued)

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$388,000	\$381,287	(\$6,713)
Total	\$388,000	\$381,287	(\$6,713)

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$461,291	\$364,597	\$96,694
Total	\$461,291	\$364,597	\$96,694

3. 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.

4. Risk Management

Commercial Insurance

The District's management is individually bonded in amounts deemed sufficient by the Board of Directors. The District is included in Ross County's commercial insurance policies for the following risks:

- Comprehensive property and general liability;

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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*

Ross, Pickaway, Highland, Fayette Joint Solid Waste Management District
Ross County
15 North Paint Street, Suite 300
Chillicothe, Ohio 45601

To the Board of Directors:

We have audited the financial statement of the Ross, Pickaway, Highland, Fayette Joint Solid Waste Management District, Ross County, Ohio (the District) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated August 4, 2010, wherein we noted the District followed accounting practices the Auditor of State prescribes or permits 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 statement, 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 statement 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 statement is 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 management, the audit committee, the 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

August 4, 2010



Mary Taylor, CPA
Auditor of State

ROSS PICKAWAY HIGHLAND FAYETTE SOLID WASTE DISTRICT
ROSS 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
AUGUST 24, 2010