



Dave Yost • Auditor of State



**ATHENS-HOCKING JOINT SOLID WASTE DISTRICT  
ATHENS COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2013 .....	3
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) – All Governmental Fund Types - For the Year Ended December 31, 2012 .....	4
Notes to the Financial Statements .....	5
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	11
Schedule of Findings.....	13
Schedule of Prior Audit Findings.....	14

**This page intentionally left blank.**



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Athens-Hocking Joint Solid Waste District  
Athens County  
P.O. Box 2607  
Athens, Ohio 45701

To the Board of Directors:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements and related notes of the Athens-Hocking Joint Solid Waste District, Athens County, Ohio (the District), as of and for the years ended December 31, 2013 and 2012.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statements, the District prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2013 and 2012, or changes in financial position thereof, for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Athens-Hocking Joint Solid Waste District, Athens County, Ohio, as of December 31, 2013 and 2012, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 1, 2014, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



**Dave Yost**  
Auditor of State

Columbus, Ohio

April 1, 2014

**ATHENS-HOCKING JOINT SOLID WASTE MANAGEMENT DISTRICT  
ATHENS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Tipping Fees	\$ 202,647	\$	\$	\$ 202,647
Curbside Fees		151,235		151,235
Recycling Fees		1,538,525		1,538,525
Intergovernmental		95,000		95,000
Generation Fees	170,784			170,784
Other Fees		130,056		130,056
Sales		265,918		265,918
Miscellaneous	41,661	59,829	1,132	102,622
<i>Total Cash Receipts</i>	<u>415,092</u>	<u>2,240,563</u>	<u>1,132</u>	<u>2,656,787</u>
<b>Cash Disbursements</b>				
Current:				
Public Health Services:				
Salaries	76,803	525,179		601,982
Fringe Benefits	32,535	343,323		375,858
Supplies and Materials	1,946	18,652	827	21,425
Repair and Maintenance		303,762	3,593	307,355
Equipment	1,317	49,493	318,300	369,110
Contracts - Services	45,584	332,399	32,217	410,200
Travel and Transportation	4,240	157,364		161,604
Utilities	3,451	15,994		19,445
Clean up		2,641		2,641
Other	70,960	114,372	9,245	194,577
<i>Total Cash Disbursements</i>	<u>236,836</u>	<u>1,863,179</u>	<u>364,182</u>	<u>2,464,197</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>178,256</u>	<u>377,384</u>	<u>(363,050)</u>	<u>192,590</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In			400,000	400,000
Transfers Out		(400,000)		(400,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>0</u>	<u>(400,000)</u>	<u>400,000</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	178,256	(22,616)	36,950	192,590
<i>Fund Cash Balances, January 1</i>	<u>345,693</u>	<u>419,842</u>	<u>985,168</u>	<u>1,750,703</u>
<b>Fund Cash Balances, December 31</b>				
Restricted		392,763		392,763
Committed			1,022,118	1,022,118
Assigned		4,463		4,463
Unassigned (Deficit)	523,949			523,949
<i>Fund Cash Balances, December 31</i>	<u>\$523,949</u>	<u>\$397,226</u>	<u>\$1,022,118</u>	<u>\$1,943,293</u>

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

**ATHENS-HOCKING JOINT SOLID WASTE MANAGEMENT DISTRICT  
ATHENS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Tipping Fees	\$ 223,613	\$	\$	\$ 223,613
Curbside Fees		159,655		159,655
Recycling Fees		1,590,923		1,590,923
Intergovernmental		93,619		93,619
Generation Fees	57,396			57,396
Other Fees	8,572	142,438		151,010
Sales		304,041		304,041
Miscellaneous		54,240	793	55,033
<i>Total Cash Receipts</i>	<u>289,581</u>	<u>2,344,916</u>	<u>793</u>	<u>2,635,290</u>
<b>Cash Disbursements</b>				
Current:				
Public Health Services:				
Salaries	72,535	534,842		607,377
Fringe Benefits	70,663	291,583		362,246
Supplies and Materials	1,372	22,843		24,215
Repair and Maintenance		301,731		301,731
Equipment	710	91,362		92,072
Contracts - Services	13,436	289,602		303,038
Travel and Transportation	2,018	169,700		171,718
Utilities	3,473	32,424		35,897
Clean up		1,672		1,672
Other	31,903	91,588		123,491
Capital Outlay			10,420	10,420
<i>Total Cash Disbursements</i>	<u>196,110</u>	<u>1,827,347</u>	<u>10,420</u>	<u>2,033,877</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>93,471</u>	<u>517,569</u>	<u>(9,627)</u>	<u>601,413</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In		6,000	404,331	410,331
Transfers Out	(6,000)	(404,331)		(410,331)
Advances In	24,677			24,677
Advances Out		(24,677)		(24,677)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>18,677</u>	<u>(423,008)</u>	<u>404,331</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	112,148	94,561	394,704	601,413
<i>Fund Cash Balances, January 1, As Restated (see Note 2)</i>	<u>233,545</u>	<u>325,281</u>	<u>590,464</u>	<u>1,149,290</u>
<b>Fund Cash Balances, December 31</b>				
Restricted		412,738		412,738
Committed			985,168	985,168
Assigned		7,104		7,104
Unassigned (Deficit)	345,693			345,693
<i>Fund Cash Balances, December 31</i>	<u>\$345,693</u>	<u>\$419,842</u>	<u>\$985,168</u>	<u>\$1,750,703</u>

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



**ATHENS-HOCKING JOINT SOLID WASTE DISTRICT  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012**

**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 Athens-Hocking Joint Solid Waste District, Athens County, Ohio (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 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 Center) 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 Center as needed, and issues debt on the recycling Center's behalf. The Recycling Center is reported as a Special Revenue Fund and as a Capital Project 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.

**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. Deposit and Investments**

As the Ohio Revised Code permits, the Athens 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.

**ATHENS-HOCKING JOINT SOLID WASTE DISTRICT  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**C. Deposit and Investments (Continued)**

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.

**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 accounts for and reports all financial resources not accounted for and reported in another fund.

**2. Special Revenue Funds**

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District had the following significant Special Revenue Fund:

Recycling Center Fund – This fund accounts for the financial activity of the Athens-Hocking Recycling Centers, Inc. The primary source of income for this fund is charges for services.

**4. Capital Project Funds**

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The District had the following significant Capital Project Funds:

Recycling Capital Improvements Fund – This fund accounts for the major capital improvements of the Athens Hocking Recycling Centers, Inc. The primary source of income for this fund was transfers from the Recycling Center Fund.

Capital Improvements Fund – This fund accounts for major capital improvements for the District. The primary source of income for this fund is from transfers.

**E. Budgetary Process**

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

**1. Appropriations**

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

**ATHENS-HOCKING JOINT SOLID WASTE DISTRICT  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**E. Budgetary Process (Continued)**

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent 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.

A summary of 2013 and 2012 budgetary activity appears in Note 3.

**F. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**1. Nonspendable**

The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**2. Restricted**

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**3. Committed**

Commissioners can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Commissioners amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**ATHENS-HOCKING JOINT SOLID WASTE DISTRICT  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**F. Fund Balance (Continued)**

**4. Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Commissioners or a District official delegated that authority by resolution, or by State Statute.

**5. Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**G. 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.

**H. 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. Restatement of Beginning Balances**

Due to a timing difference between the time a transaction cleared the District's bank and the time the fiscal agent posted the transaction, a prior period adjustment was necessary accurately report the January 1, 2012 fund balance:

Fund Type	12/31/2011 Balance	Amount	Restated 1/1/2012 Balance
General Fund	\$ 266,054	\$ (32,509)	\$ 233,545

**ATHENS-HOCKING JOINT SOLID WASTE DISTRICT  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**3. Budgetary Activity**

Budgetary activity for the years ending December 31 follows:

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$552,354	\$415,092	(\$137,262)
Special Revenue*	99,830	95,000	(4,830)
Capital Projects	50,000	401,132	351,132
Total	<u>\$702,184</u>	<u>\$911,224</u>	<u>\$209,040</u>

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$411,263	\$236,836	\$174,427
Special Revenue*	27,104	22,641	4,463
Capital Projects	364,375	364,182	193
Total	<u>\$802,742</u>	<u>\$623,659</u>	<u>\$179,083</u>

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$582,372	\$314,258	(\$268,114)
Special Revenue*	199,419	289,581	90,162
Capital Projects	104,331	405,124	300,793
Total	<u>\$886,122</u>	<u>\$1,008,963</u>	<u>\$122,841</u>

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$582,372	\$202,110	\$380,262
Special Revenue*	145,469	118,420	27,049
Capital Projects	374,795	10,420	364,375
Total	<u>\$1,102,636</u>	<u>\$330,950</u>	<u>\$771,686</u>

\*The Actual Receipts and Budgetary Expenditures presented above for the Special Revenue Funds omits the activity of the Recycling Center, a not-for-profit, blended component unit that is not subject to the budgetary requirements of the Ohio Rev. Code.

**4. Retirement System**

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.

**ATHENS-HOCKING JOINT SOLID WASTE DISTRICT  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**4. Retirement System (Continued)**

The Ohio Revised Code also prescribes contribution rates. For 2013 and 2012, 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, 2013.

**5. 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 Center. Vehicle policies include liability coverage for bodily injury and property damage.

**6. Subsequent Events**

In July 2013, the District Board and the Board of Directors of the Athens Recycling Center were separated by formal action. Prior to this, both boards were comprised of the same members. The new Recycling Center board consists of one board member from the Athens County Commissioners, one representative from Athens County and one representative from Hocking County, both appointed by the Board of Athens County Commissioners.

On March 8, 2014, the 14 union employees and 3 non-union employees previously employees of the District were transferred as employees of Athens County where they will continue to perform their duties at the Recycling Center as contract services. Currently, the Recycling Center continues to use the vehicles and equipment until a new agreement can be reached.

As a result, the Recycling Center will no longer meet the criteria making it a blended component unit of the District subsequent to December 31, 2013.



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Athens-Hocking Joint Solid Waste District  
Athens County  
P.O. Box 2607  
Athens, Ohio 45701

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Athens-Hocking Joint Solid Waste District, Athens County, Ohio (the District), as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, and have issued our report thereon dated April 1, 2014, wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying Schedule of Findings, we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

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 a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2013-001 described in the accompanying Schedule of Findings to be a material weaknesses.

***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, opining 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*.

***Entity's Response to Findings***

The District's response to the finding identified in our audit is described in the accompanying Schedule of Findings. We did not audit the District's response and, accordingly, we express no opinion on it.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Dave Yost**  
Auditor of State

Columbus, Ohio

April 1, 2014



**ATHENS-HOCKING JOINT SOLID WASTE DISTRICT  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2013 AND 2012**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**Material Weakness**

All local public offices should maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

Due to the complexity of the intermingling of both the Solid Waste District and the component unit, multiple adjustments and reclassifications were necessary.

- The District's annual financial reports omitted the activity of the Recycling Center Special Revenue Fund and the Recycling Center Capital Improvement Fund:
  - For the year ended December 31, 2013, the Recycling Center Special Revenue Fund receipts were \$2,145,593 and the disbursements were \$1,840,538. The 2013 Recycling Center Capital Improvement receipts were \$401,132 with no disbursements to report.
  - For the year ended December 31, 2012, the Recycling Center Special Revenue Fund receipts were \$2,226,497 and disbursements were \$1,791,108. The 2012 Recycling Center Capital Improvement receipts were \$300,793 with no disbursements to report.
  
- The Recycling Center's curbside fees collected by the District were included as General Fund receipts and expenditures when paid to the Recycling Center. As a result, the 2013 General Fund receipts and disbursements were overstated by \$151,235 and the 2012 General Fund receipts and disbursements were overstated by \$159,655.
  
- The Recycling Center's payroll expenses, processed through Athens County, were included as expenditures of the District's General Fund and a reimbursement from the Recycling Center was included in the District's General Fund receipts. As a result, the 2013 General Fund receipts and disbursements were overstated by \$868,502 and the 2012 General Fund receipts and disbursements were overstated by \$826,425.

As a result, significant adjustments and reclassifications, with which the District's management agrees, were made to the financial statements, and are reflected in the accompanying financial statements.

We recommend the District include all Recycling Center activity in the appropriate Recycling Center funds when preparing the annual financial reports. In addition, the District's Coordinator should ensure that Recycling Center transactions are not also reflected in the District's General Fund.

**Officials' Response:** Effective March 8, 2014, the Recycling Center Operations and funds will no longer be processed through the Athens-Hocking Solid Waste District.

At the end of the first quarter 2014, the Curbside customers have been turned over to the Athens-Hocking Recycling Center as well, so these materials weakness have been addressed.

**ATHENS-HOCKING JOINT SOLID WASTE DISTRICT  
ATHENS COUNTY**

**SCHEDULE OF PRIOR FINDINGS  
DECEMBER 31, 2013 AND 2012**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2011-001	Noncompliance citation of Ohio Rev. Code § 5705.41(B) for 2010 expenditures exceeding appropriations in the General Fund.	Yes	N/A



# Dave Yost • 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  
APRIL 17, 2014**