

***STARK-TUSCARAWAS-WAYNE JOINT SOLID WASTE  
MANAGEMENT DISTRICT***

**TUSCARAWAS COUNTY, OHIO**

**AUDIT REPORT**

**For the Year Ended December 31, 2013**







# Dave Yost • Auditor of State

Board of Trustees  
Stark-Tuscarawas-Wayne Joint Solid Waste Management District  
9918 Wilkshire Blvd, NE  
Bolivar, Ohio 44612

We have reviewed the *Independent Auditor's Report* of the Stark-Tuscarawas-Wayne Joint Solid Waste Management District, Tuscarawas County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2013 through December 31, 2013. 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 Stark-Tuscarawas-Wayne Joint Solid Waste Management District is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost  
Auditor of State

July 16, 2014

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**STARK-TUSCARAWAS-WAYNE JOINT SOLID WASTE MANAGEMENT DISTRICT**  
**TUSCARAWAS COUNTY, OHIO**  
**Audit Report**  
**For the Year Ended December 31, 2013**

**TABLE OF CONTENTS**

<b><u>TITLE</u></b>	<b><u>PAGE</u></b>
Independent Auditor's Report	1
Management's Discussion and Analysis	4
Financial Statements:	
Statement of Net Position	8
Statement of Revenues, Expenses and Changes in Net Position	9
Statement of Cash Flows	10
Notes to the Financial Statements	11
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	22
Schedule of Prior Audit Findings	24

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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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## **INDEPENDENT AUDITOR'S REPORT**

Stark-Tuscarawas-Wayne Joint Solid Waste Management District  
Tuscarawas County  
9918 Wilkshire Blvd, NE  
Bolivar, Ohio 44612

To the Board of Trustees:

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

We have audited the accompanying financial statements of the Stark-Tuscarawas-Wayne Joint Solid Waste Management District, Tuscarawas County, Ohio (the District), as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are 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 opinions.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Stark-Tuscarawas-Wayne Joint Solid Waste Management District, Tuscarawas County, Ohio, as of December 31, 2013 and 2012, and the respective changes in financial position and cash flows, thereof for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

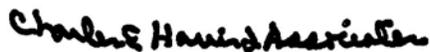
***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 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 do 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.



***Charles E. Harris & Associates, Inc.***  
May 1, 2014

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## **Stark-Tuscarawas-Wayne Joint Solid Waste Management District**

### *Management's Discussion and Analysis For the Years Ended December 31, 2013 and 2012 Unaudited*

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This discussion and analysis of the Stark-Tuscarawas-Wayne Joint Solid Waste Management District's (the District) financial performance provides an overall review of the District's financial activities for the years ended December 31, 2013 and 2012. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

#### **Overview of the Financial Statements**

The District's financial statements are prepared on the accrual basis in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standard Board (GASB). The financial information of the District is accounted for in a single enterprise fund with revenues recognized when earned, not when received. Expenses are recognized when incurred, not when they are paid. Capital assets greater than or equal to \$5,000 for all items except equipment and furniture and greater than or equal to \$2,500 for equipment and furniture, are capitalized and are depreciated over their useful lives. See the notes to the financial statements for a summary of the District's significant accounting policies.

Following this management's discussion and analysis are the basic financial statements of the District together with the notes, which are essential to a full understanding of the data contained in the financial statements. Included in the financial statements for the District are the following:

- **Statement of Net Position** – This statement presents information on all of the District's assets and liabilities, with the difference between the two reported as net position.
- **Statement of Revenues, Expenses and Changes in Net Position** - This statement includes all operating and nonoperating revenues and expenses for the District and shows the change in the District's net position during the most recent year.
- **Statement of Cash Flows** — This statement reports cash and cash equivalent activities for the year resulting from operating, capital and investing activities. A reconciliation of operating income with cash provided from operations is included.

#### **Financial Highlights**

The District recognized its third year of growth in net position since regaining control over its Plan Update on January 27, 2011. Prior to that, the District had been operating under an Ohio EPA Plan Update since December 2006 which required the District to implement all programs as described in the Plan Update to their fullest extent in accordance to the Cost of Plan Implementation schedule. As a result, the District spent down its net position from \$10,113,636 in 2007 to \$3,980,713 in 2010 under the Ohio EPA Plan Update. The District has successfully balanced its budget while still satisfying its main goals and objectives.

Maintaining all core recycling programs essential to meeting the Ohio State Plan Goals of providing sufficient access to recycling programs or achieving the waste reduction and recycling rates remain the District's focus. All other plan strategies were re-evaluated to determine priority service to the public while meeting budget shortfalls. Although the District no longer holds annual appliance and household hazardous waste collections, which cost approximately \$1,000,000 to operate, it continues to distribute annual newsletters to every household and provides updated information on its website that provide year round solutions for most of the materials previously collected. The District also works with communities and private businesses to help facilitate local collections and identify new outlets for hazardous and electronic waste.

**Stark-Tuscarawas-Wayne Joint Solid Waste Management District**

*Management's Discussion and Analysis  
For the Years Ended December 31, 2013 and 2012  
Unaudited*

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**Financial Position**

The analysis below focuses on the District's financial position and the results of operations for 2013 compared to 2012 and 2011:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Assets</b>			
Current and Other Assets	\$6,200,610	\$4,939,629	\$4,099,191
Capital Assets, Net	<u>930,779</u>	<u>654,252</u>	<u>747,527</u>
<i>Total Assets</i>	<u>7,131,389</u>	<u>5,593,881</u>	<u>4,846,718</u>
<b>Liabilities</b>	<u>311,139</u>	<u>271,199</u>	<u>300,010</u>
<b>Net Position</b>			
Investment in Capital Assets	930,779	654,252	747,527
Restricted for:			
Landfill Closure	0	0	178,079
Other Purposes	5,000,346	3,771,811	2,567,237
Unrestricted	<u>889,125</u>	<u>896,619</u>	<u>1,053,865</u>
<i>Total Net Position</i>	<u>\$6,820,250</u>	<u>\$5,322,682</u>	<u>\$4,546,708</u>
<b>Revenues</b>			
Operating Revenue	\$3,958,813	\$3,516,371	\$3,594,868
Non-operating Revenue	<u>144,021</u>	<u>12,402</u>	<u>11,199</u>
<i>Total Revenue</i>	4,102,834	3,528,773	3,606,067
<b>Expenses</b>	<u>2,605,266</u>	<u>2,752,799</u>	<u>3,040,072</u>
<i>Change in Net Position</i>	1,497,568	775,974	565,995
Net Position, Beginning of Year	<u>5,322,682</u>	<u>4,546,708</u>	<u>3,980,713</u>
Net Position, End of Year	<u>\$6,820,250</u>	<u>\$5,322,682</u>	<u>\$4,546,708</u>

The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$6,820,250 (net position) which is an increase of \$1,497,568. Of this amount, \$5,000,346 of restricted net position is available for plan implementation of the 10 allowable expenses according to H.B. 592 and pursuant to the Ohio Revised Code 3734.57, Section (G). Restricted net position increased from the prior year by \$1,228,535 or 32.57 percent due mainly to the District collecting more than expected of tipping fee revenue.

Unrestricted net position decreased slightly from the prior year, decreasing \$7,494 or less than one percent which can be attributed to the District settling its ongoing litigation involvement with the landfills over environmental concerns. These unrestricted assets represent the accumulated interest income earned over time which may be used to fund expenses outside of the scope of the Plan Update or any proper purpose of the District.

**Stark-Tuscarawas-Wayne Joint Solid Waste Management District**

*Management's Discussion and Analysis  
For the Years Ended December 31, 2013 and 2012  
Unaudited*

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A portion of the District's net position (\$930,779 or 13.65 percent and \$654,252 or 12.29 percent at December 31, 2013 and 2012, respectively, for a net increase of \$276,527 or 42.27 percent) represents the District's investment in its capital assets. The increase in the District's investment in its capital assets is due to the purchase of two new recycling frontload trucks.

The District's revenues exceeded its expenses by \$1,497,568. Since the District regained control over its Plan Update when it was approved by the Director of the Ohio EPA January 27, 2011 and is no longer under an Ohio EPA Plan Update, it has the flexibility to adjust program expenses to be in alignment with revenues. The increased growth over the last couple of years is also due to an upswing in the tipping fee revenue received by the District that is outpacing the consistent expenses for the same time period.

The District's revenues increased \$574,061, or 16.27 percent, and expenses decreased \$147,533, or 5.36 percent. The increase in revenue can be attributed to increased tipping fees from outside the District and outside the State. The decrease in expenses was mainly due to the District receiving a nonrecurring Ohio Department of Natural Resources sponsored grant in 2011 with the expenses being recognized in 2012 and then not in 2013. The District also regained control over its Plan Update approved by the Ohio EPA Director on January 27, 2011 which allowed the District to balance its budget and make the necessary changes to further align expenses with revenues. This realignment included elimination of the annual appliance and household hazardous waste collections, contracting for a zero cost yard waste collection, and several other grant programs being significantly reduced or cut altogether. The District also reduced Health and Sheriff Department grants by \$375,760 or, 41.1 percent in 2011, to achieve a more balanced budget.

The District's primary revenues are tipping fees. These receipts represented 89.69 percent of the total revenues received during the year. Tipping fee revenues for 2013 increased by \$479,170 compared to 2012. The increase in tipping fee revenue was seen in the out-of-district and out-of state fees collected which increased by \$510,064 and \$11,846, respectively. That increase was slightly offset by a decline of \$42,740 in the inside district fees. This was the third year in a row the District saw an increase in tipping fees since 2006 when tipping fee revenue totaled \$5,524,941. The District has adjusted to its tipping fee revenue reduced almost by half, as a result of the displacement of waste to facilities outside the District, and it is not anticipated they will return to that historical level in the near future, although the tipping fees have been steadily rebounding since 2010.

The District's primary expenses are grants to various municipalities and county government agencies to assist with recycling, waste reduction and safe and sanitary disposal of waste in the landfills. These expenses represent 34.15 percent of the total expenses incurred during the year. Grants to others for 2013 totaled \$889,778 which is a decrease of \$288,801 compared to 2012. The decrease is partially due to the District closing out the Village of Newcomerstown landfill cap and closure grant at the end of 2012. Grants also include funding for approved health departments, sheriff litter grants, Recycling Makes Sense programs, Recycling Startup grants, and manning groups, although the District is not able to fund grant programs to the extent it has in the past due to reduced tipping fee revenue.

**Stark-Tuscarawas-Wayne Joint Solid Waste Management District**

*Management's Discussion and Analysis  
For the Years Ended December 31, 2013 and 2012  
Unaudited*

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**Capital Assets**

As of December 31, 2013, the District had \$930,779 invested in land improvements, buildings and improvements, furniture, fixtures and equipment, and vehicles. The table below shows 2013 balances compared to 2012 and 2011:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Land Improvements	\$14,608	\$19,591	\$24,574
Building and Improvements	277,228	289,461	301,694
Furniture, Fixtures and Equipment	20,465	13,285	22,162
Vehicles	618,478	331,915	399,097
Totals	<u>\$930,779</u>	<u>\$654,252</u>	<u>\$747,527</u>

All capital assets are reported net of depreciation. In 2013, capital assets increased due to the addition of two new recycling trucks. For additional information on capital assets, see Note 9.

**Current Known Facts and Conditions**

The challenge for all governments is to provide quality services while staying within the restrictions imposed by limited funding. The District relies heavily on tipping fees.

The District is currently in the process of adopting its draft plan update to be approved by the Ohio EPA in 2015. Throughout this process the District has re-evaluated its goals and objectives along with its current financial position to determine how best to re-align revenues and expenses. Some grant programs may be reinstated along with increased education and marketing to continue to increase recycling rates and opportunities for the community.

**Contacting the District's Management**

This financial report is designed to provide our citizens and creditors with a general overview of the District's finances and to demonstrate accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Erica R. Wright, Finance Director, at Stark-Tuscarawas-Wayne Joint Solid Waste Management District, 9918 Wilkshire Blvd NE, Bolivar, Ohio 44612 or email at [erica@timetorecycle.org](mailto:erica@timetorecycle.org).

**Stark-Tuscarawas-Wayne Joint Solid Waste Management District**

*Statement of Net Position*

*December 31, 2013 and 2012*

	<u>2013</u>	<u>2012</u>
<b>Assets</b>		
<i>Current Assets:</i>		
Equity in Pooled Cash and Cash Equivalents	\$5,790,199	\$4,654,525
Accrued Interest Receivable	525	511
Settlement Receivable	112,500	0
Tipping Fee Receivable	271,673	259,698
Recyclable Income Receivable	<u>25,713</u>	<u>24,895</u>
 <i>Total Current Assets</i>	 6,200,610	 4,939,629
 <i>Noncurrent Assets:</i>		
Depreciable Capital Assets, Net	<u>930,779</u>	<u>654,252</u>
 <i>Total Assets</i>	 <u>7,131,389</u>	 <u>5,593,881</u>
 <b>Liabilities</b>		
<i>Current Liabilities:</i>		
Accounts Payable	125,957	55,521
Accrued Wages	113,400	18,297
Intergovernmental Payable	23,543	141,995
Compensated Absences Payable	<u>39,448</u>	<u>36,279</u>
 <i>Total Current Liabilities</i>	 302,348	 252,092
 <i>Long-Term Liabilities:</i>		
Compensated Absences Payable (net of current portion)	<u>8,791</u>	<u>19,107</u>
 <i>Total Liabilities</i>	 <u>311,139</u>	 <u>271,199</u>
 <b>Net Position</b>		
Investment in Capital Assets	930,779	654,252
Restricted for Other Purposes	5,000,346	3,771,811
Unrestricted	<u>889,125</u>	<u>896,619</u>
 <i>Total Net Position</i>	 <u>\$6,820,250</u>	 <u>\$5,322,682</u>

See accompanying notes to the basic financial statements

**Stark-Tuscarawas-Wayne Joint Solid Waste Management District**

*Statement of Revenues,*

*Expenses and Changes in Net Position*

*For the Years Ended December 31, 2013 and 2012*

	2013	2012
<b>Operating Revenues</b>		
Tipping Fees		
Inside District	\$705,259	\$747,999
Outside District	2,922,998	2,412,934
Outside State	51,377	39,531
Recyclable Income	279,031	315,888
Other	148	19
<i>Total Operating Revenues</i>	<u>3,958,813</u>	<u>3,516,371</u>
<b>Operating Expenses</b>		
Wages and Benefits	646,561	650,406
Grants to Others:		
Financial Assistance to City/County Boards of Health	285,000	294,280
Community Recycling Grants	351,458	380,299
Market Development Grant	0	250,000
County Sheriff's Grants	253,320	254,000
Recycling Collection	493,937	467,846
Yard Waste Collection	11,433	0
Education and Awareness	185,434	96,841
Tire Collection	44,906	44,768
Newcomerstown Landfill Closure	0	38,722
Professional Fees	57,184	86,988
Administrative Office Supplies and Vehicle Expense	29,304	31,457
Utilities	12,066	12,062
Computer and Website	5,970	11,258
Postage and Delivery	4,343	5,867
Printing and Brochures	3,291	2,053
Administrative Travel and Expenses	1,428	2,053
Cleaning and Maintenance	50,182	13,281
Insurance	19,719	17,343
Depreciation Expense	149,730	93,275
<i>Total Operating Expenses</i>	<u>2,605,266</u>	<u>2,752,799</u>
<i>Operating Income</i>	<u>1,353,547</u>	<u>763,572</u>
<b>Non-Operating Revenues</b>		
Return of Non-used Grant Funds	0	4,688
Interest	1,442	7,714
Landfill Settlement	125,000	0
Insurance Claim	17,579	0
<i>Total Non-Operating Revenues</i>	<u>144,021</u>	<u>12,402</u>
<i>Change in Net Position</i>	1,497,568	775,974
<i>Net Position Beginning of Year</i>	<u>5,322,682</u>	<u>4,546,708</u>
<i>Net Position End of Year</i>	<u>\$6,820,250</u>	<u>\$5,322,682</u>

See accompanying notes to the basic financial statements

**Stark-Tuscarawas-Wayne Joint Solid Waste Management District**

*Statement of Cash Flows*

*For the Years Ended December 31, 2013 and 2012*

	2013	2012
<b><i>Increase (Decrease) in Cash and Cash Equivalents</i></b>		
<b>Cash Flows from Operating Activities</b>		
Cash Received from Tipping Fees	\$3,667,659	\$3,250,929
Cash Received from Recycling Income	278,213	313,153
Cash Received from Transactions		
For Outside Organizations	0	125,000
Other Cash Receipts	148	19
Cash Payments to Employees for Services	(649,315)	(652,324)
Cash Payments for Goods and Services	(309,932)	(288,363)
Cash Payments for Grants to Others	(895,888)	(1,241,842)
Cash Payments for Recyclable Material Collections	<u>(560,461)</u>	<u>(505,806)</u>
<i>Net Cash Provided by Operating Activities</i>	<u>1,530,424</u>	<u>1,000,766</u>
<b>Cash Flows from Noncapital Financing Activities</b>		
Landfill Settlement	12,500	0
Return of Grant Receipts	<u>0</u>	<u>4,688</u>
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>12,500</u>	<u>4,688</u>
<b>Cash Flows from Capital Activities</b>		
Acquisition of Capital Assets	(426,257)	0
Insurance Claim	<u>17,579</u>	<u>0</u>
<i>Net Cash Used in Capital Activities</i>	<u>(408,678)</u>	<u>0</u>
<b>Cash Flows from Investing Activities</b>		
Interest on Investments	<u>1,428</u>	<u>7,548</u>
<i>Net Increase in Cash and Cash Equivalents</i>	1,135,674	1,013,002
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>4,654,525</u>	<u>3,641,523</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$5,790,199</u></u>	<u><u>\$4,654,525</u></u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>		
Operating Income	\$1,353,547	\$763,572
Adjustments:		
Depreciation	149,730	93,275
(Increase) Decrease in Assets:		
Tipping Fees Receivable	(11,975)	50,465
Recyclable Income Receivable	(818)	(2,735)
Market Development Grant Receivable	0	125,000
Increase (Decrease) in Liabilities:		
Accounts Payable	57,879	(8,326)
Accrued Wages	5,246	3,383
Intergovernmental Payable	(16,038)	(26,409)
Compensated Absences Payable	<u>(7,147)</u>	<u>2,541</u>
<i>Net Cash Provided by Operating Activities</i>	<u><u>\$1,530,424</u></u>	<u><u>\$1,000,766</u></u>

See accompanying notes to the basic financial statements

## **Stark-Tuscarawas-Wayne Joint Solid Waste Management District**

*Notes to the Basic Financial Statements  
For the Years Ended December 31, 2013 and 2012*

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### **Note 1 - Description of the Entity**

The Stark-Tuscarawas-Wayne Joint Solid Waste Management District, Tuscarawas County, Ohio, (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 was formed on November 28, 1988 pursuant to Chapters 343 and 3734 of the Ohio Revised Code. The District is directed by a 9-member Board of Directors comprised of the three County Commissioners of Stark, Tuscarawas, and Wayne Counties and is a jointly governed organization of the three Counties. The District provides solid waste disposal, recycling opportunities, and other waste management services to these counties.

In accordance with the Statements of the Governmental Accounting Standards Board, including GASB No. 14, the accompanying financial statements include all funds and activities over which the District is financially accountable.

### **Note 2 - Summary of Significant Accounting Policies**

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

#### ***Basis of Presentation***

The District's basic financial statements consist of a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows.

The District uses enterprise accounting to maintain its financial records during the year. Enterprise accounting focuses on the determination of operating income, change in net position, financial position, and cash flows. Enterprise accounting may be used to account for any activity for which a fee is charged to external users for goods or services.

The District uses a single enterprise fund 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.

#### ***Measurement Focus***

The enterprise fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the statement of net position. The statement of changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its enterprise activity.

#### ***Basis of Accounting***

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District's financial statements are prepared using the accrual basis of accounting. On the accrual basis, revenue is recorded on exchange transactions when the exchange takes place. Nonexchange transactions, in which the District receives value without directly giving equal value in return, include capital contributions. Expenses are recognized at the time they are incurred.

**Stark-Tuscarawas-Wayne Joint Solid Waste Management District**

*Notes to the Basic Financial Statements  
For the Years Ended December 31, 2013 and 2012*

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***Cash and Investments***

During 2013, investments were limited to federal home loan bank notes, federal national mortgage association notes, federal home loan mortgage corporation notes, first American funds government obligations mutual fund and STAR Ohio.

Investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit are reported at cost. The fair value of the mutual funds is determined by the fund's December 31, 2013, share price. Any increase or decrease in fair value is reported as a component of interest income.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's net asset value per share which is the price the investment could be sold for on December 31, 2013.

***Capital Assets***

Capitalized assets utilized by the District are reported on the statement of net position. The District maintains a capitalization threshold of \$5,000 for all capital assets except for furniture and fixtures which have a capitalization threshold of \$2,500. Property and equipment are capitalized at cost or estimated historical cost and updated for additions and retirements during the year. The cost of maintenance and repairs is expensed as incurred; significant betterments are generally capitalized. When assets are retired or otherwise disposed of, the costs and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in income for the period. Donated capital assets are recorded at fair market values as of the date received. Depreciation of property and equipment is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	10-40 years
Buildings and Improvements	10-40 years
Furniture and Fixtures	5-10 years
Vehicles	5-10 years

***Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. The District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the District's termination policy. The District records a liability for accumulated unused sick leave for employees with at least 25 years of current service with the District or other political subdivision of the State of Ohio, or 15 years of service and 45 years of age, or 5 years of service and 60 years of age.

**Stark-Tuscarawas-Wayne Joint Solid Waste Management District**

*Notes to the Basic Financial Statements  
For the Years Ended December 31, 2013 and 2012*

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***Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the District, these revenues are for tipping fees and recyclable income. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the District. All revenues and expenses not meeting these definitions are reported as non-operating.

***Estimates***

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

***Net Position***

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. For 2013, the District had restricted net position in the amount of \$5,000,346. Net position restricted for other purposes includes tipping fees which are available for plan implementation of the 10 allowable expenses according to H.B. 592 and pursuant to the Ohio Revised Code 3734.57, Section (G). Net investment in capital assets consists of capital assets less accumulated depreciation.

**Note 3 – Changes in Accounting Principles**

For 2013, the District has implemented Governmental Accounting Standard Board (GASB) Statement No. 61, "The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34." GASB Statement No. 61 modifies existing requirements for the assessment of potential component units in determining what should be included in the financial reporting entity, the display of component units' presentation and certain disclosure requirements. The implementation of this statement did not result in any change in the District's financial statements.

**Note 4 – Deposits and Investments**

State statutes require the classification of monies held by the District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits the Board of Directors has identified as not required for use within the current two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

**Stark-Tuscarawas-Wayne Joint Solid Waste Management District**

*Notes to the Basic Financial Statements*

*For the Years Ended December 31, 2013 and 2012*

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Interim deposits are deposits of interim monies. Interim monies are those monies, which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings accounts, including passbook accounts.

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool stabled by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies may be invested or deposited in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debenture, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and that the term of the agreement must not exceed 30 days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasury Asset Reserve of Ohio (STAROhio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed 180 days in an amount not to exceed 25 percent of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage of short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity.

**Stark-Tuscarawas-Wayne Joint Solid Waste Management District**

*Notes to the Basic Financial Statements  
For the Years Ended December 31, 2013 and 2012*

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.

According to State law, public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by FDIC, or may pledge a pool of government securities valued at least 105 percent of the total value of public monies on deposit at the institution. These securities must be obligation of or guaranteed by the United States and mature or be redeemable within 5 year of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the District's name.

**Deposits**

Custodial credit risk for deposits is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year-end, the carrying amount of the District's deposits was \$3,665,977 and the bank balance was \$3,690,878. Of the bank balance \$1,551,192 was covered by Federal depository insurance and the remaining balance of \$2,139,686 was covered by pledged collateral with securities held by the pledging financial institution's trust department or agent. Although the securities were held by the pledging financial institution's trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the Federal Deposit Insurance Corporation.

The District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

**Investments**

As of December 31, 2013, the District had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Average Maturity</u>
Federal Home Loan Bank Notes	\$150,226	437 days
Federal National Mortgage Association Notes	666,304	1,027 days
Federal Home Loan Mortgage Corporation Notes	703,061	874 days
US Treasury Notes and Bills	274,881	353 days
First American Funds Government Obligations Mutual Fund	263,022	51 days
STAROhio	66,728	53 days
Total Investments	<u>\$2,124,222</u>	

**Stark-Tuscarawas-Wayne Joint Solid Waste Management District**

*Notes to the Basic Financial Statements*

*For the Years Ended December 31, 2013 and 2012*

As of December 31, 2012, the District had the following investments:

Investment Type	Fair Value	Average Maturity
Federal Home Loan Bank Notes	\$535,743	405 days
Federal National Mortgage Association Notes	587,710	848 days
Federal Home Loan Mortgage Corporation Notes	535,466	906 days
US Treasury Notes and Bills	394,986	328 days
First American Funds Government Obligations Mutual Fund	5,346	50 days
STAROhio	566,835	55 days
Total Investments	<u>\$2,626,086</u>	

**Interest Rate Risk** State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the District, and that an investment must be purchased with the expectation that it will be held to maturity. State statute limits investments in repurchase agreements to 30 days and the market value of the securities must exceed the principal value of the agreement by 2 percent and be marked to market daily. The District had no investment policy that would further limit investment choices.

**Credit Risk** Moody has assigned Aaa ratings to the Federal Home Loan Bank Notes, Federal National Mortgage Association Notes, Federal Home Loan Mortgage Corporation Notes and First American Funds Government Obligations Mutual Fund. Standard & Poor's has assigned STAR Ohio an AAAM rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District has no investment policy that addresses credit risk.

**Custodial Credit Risk** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments of collateral securities that are in the possession of an outside party. The Federal Home Loan Bank Notes, Federal National Mortgage Association Notes, Federal Home Loan Mortgage Corporation Notes, and First American Funds Government Obligations Mutual Fund are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department. The District has no investment policy dealing with investment custodial credit risk beyond the requirements in State statute that requires securities shall be delivered into the custody of the treasurer or governing board or an agent designated by the treasurer or governing board.

**Concentration of Credit Risk** The District places no limit on the amount it may invest in any one issuer.

The following is the District's allocation as of December 31, 2013:

Investment Issuer	Percentage of Investments
Federal Home Loan Bank Notes	7.07 %
Federal National Mortgage Association Notes	31.37
Federal Home Loan Mortgage Corporation Notes	33.10
US Treasury Notes and Bills	12.94

**Stark-Tuscarawas-Wayne Joint Solid Waste Management District**

*Notes to the Basic Financial Statements  
For the Years Ended December 31, 2013 and 2012*

The following is the District's allocation as of December 31, 2012:

Investment Issuer	Percentage of Investments
Federal Home Loan Bank Notes	20.40 %
Federal National Mortgage Association Notes	22.38
Federal Home Loan Mortgage Corporation Notes	20.39
US Treasury Notes and Bills	15.04

**Note 5 – Receivables**

Receivables at December 31, 2013, consisted of accrued interest, a legal settlement receivable, tipping fees, and recyclable income. All receivables are deemed collectible in full.

The legal settlement receivable is due to a legal dispute between the District and American Landfill Incorporated (ALI) related to the solid waste disposal and landfill operations at ALI's American Landfill in Stark County. Per the settlement agreement, ALI shall submit ten annual payments to the District in the amount of \$12,500 per year, for a total of \$125,000. In exchange, the District agreed to dismiss the lawsuit against ALI. The first payment from ALI was received during 2013. Per the settlement agreement, the District will use the funds to monitor groundwater; however, any excess funds may be retained by the District to be used for any proper purpose of the District.

**Note 6 – Defined Benefit Pension Plan**

Plan Description – The District participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is 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, but less than, 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.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for State and local employer units. Member contribution rates, as set in the Ohio Revised Code, are not to exceed 10 percent. For the year ended December 31, 2013, members in State and local classifications contributed 10 percent of covered payroll. For 2013, member and employer contribution rates were consistent across all three plans.

**Stark-Tuscarawas-Wayne Joint Solid Waste Management District**

*Notes to the Basic Financial Statements  
For the Years Ended December 31, 2013 and 2012*

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The District's 2013 contribution rate was 14 percent. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. For 2013, the portion of employer contributions allocated to health care was 1 percent for members in the Traditional Plan and the Combined Plan. Effective January 1, 2014, the portion of employer contributions allocated to health care increased to 2 percent. Employer contribution rates are actuarially determined.

The District's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2013, 2012, and 2011 were \$65,143, \$51,694, and \$50,912, respectively. For 2013, 94.95 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011. There were no contributions to the Member-Directed Plan for 2013 made by the District or plan members.

**Note 7 - Postemployment Benefits**

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—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 health care plan for qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

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

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2013, State and local employers contributed at a rate of 14 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for State and local employer units.

**Stark-Tuscarawas-Wayne Joint Solid Waste Management District**

*Notes to the Basic Financial Statements*

*For the Years Ended December 31, 2013 and 2012*

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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 2013, the portion of employer contributions allocated to health care for members in the Traditional Plan and the Combined Plan was 1 percent. Effective January 1, 2014, the portion of employer contributions allocated to healthcare was raised to 2 percent for both plans, as recommended by the OPERS Actuary.

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. Active members do not make contributions to the post-employment health care plan.

The District's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2013, 2012, and 2011 were \$5,011, \$20,677, and \$20,365, respectively. For 2013, 94.95 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

**Note 8 – Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries; and natural disasters.

During 2012 and 2013, the District obtained commercial insurance through Leonard Insurance, for the following risks:

<u>Coverage</u>	<u>Limit</u>
Property	\$878,000
Automobile	1,000,000
General Liability	1,000,000
Public Officials	1,000,000
Umbrella	3,000,000

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' compensation coverage is provided by the State of Ohio. The District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

**Stark-Tuscarawas-Wayne Joint Solid Waste Management District**

*Notes to the Basic Financial Statements*

*For the Years Ended December 31, 2013 and 2012*

**Note 9 – Capital Assets**

Capital asset activity for the fiscal year ended December 31, 2013 was as follows:

	Balance 12/31/2012	Additions	Deductions	Balance 12/31/2013
Capital Assets being depreciated:				
Land Improvements	\$99,651	\$0	\$0	\$99,651
Building and Improvements	482,596	0	0	482,596
Furniture, Fixtures and Equipment	92,641	11,257	0	103,898
Vehicles	716,912	415,000	(53,486)	1,078,426
Total Capital Assets being depreciated	<u>1,391,800</u>	<u>426,257</u>	<u>(53,486)</u>	<u>1,764,571</u>
Less Accumulated Depreciation				
Land Improvements	(80,060)	(4,983)	0	(85,043)
Building and Improvements	(193,135)	(12,233)	0	(205,368)
Furniture, Fixtures and Equipment	(79,356)	(4,077)	0	(83,433)
Vehicles	(384,997)	(128,437)	53,486	(459,948)
Total Accumulated Depreciation	<u>(737,548)</u>	<u>(149,730)</u>	<u>53,486</u>	<u>(833,792)</u>
Total Capital Assets being Depreciated, net	<u><u>\$654,252</u></u>	<u><u>\$276,527</u></u>	<u><u>\$0</u></u>	<u><u>\$930,779</u></u>

Capital asset activity for the fiscal year ended December 31, 2012 was as follows:

	Balance 12/31/2011	Additions	Deductions	Balance 12/31/2012
Capital Assets being depreciated:				
Land Improvements	\$99,651	\$0	\$0	\$99,651
Building and Improvements	482,596	0	0	482,596
Furniture, Fixtures and Equipment	96,084	0	(3,443)	92,641
Vehicles	716,912	0	0	716,912
Total Capital Assets being depreciated	<u>1,395,243</u>	<u>0</u>	<u>(3,443)</u>	<u>1,391,800</u>
Less Accumulated Depreciation				
Land Improvements	(75,077)	(4,983)	0	(80,060)
Building and Improvements	(180,902)	(12,233)	0	(193,135)
Furniture, Fixtures and Equipment	(73,922)	(8,877)	3,443	(79,356)
Vehicles	(317,815)	(67,182)	0	(384,997)
Total Accumulated Depreciation	<u>(647,716)</u>	<u>(93,275)</u>	<u>3,443</u>	<u>(737,548)</u>
Total Capital Assets being Depreciated, net	<u><u>\$747,527</u></u>	<u><u>(\$93,275)</u></u>	<u><u>\$0</u></u>	<u><u>\$654,252</u></u>

**Stark-Tuscarawas-Wayne Joint Solid Waste Management District**

*Notes to the Basic Financial Statements  
For the Years Ended December 31, 2013 and 2012*

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**Note 10 – Employee Benefits**

***Insurance Benefits***

The District provides medical/surgical insurance, prescription drug, vision, life and dental insurance through the Stark County Schools Council of Governments to all eligible employees. Employees have the option of choosing a traditional comprehensive plan with 80 percent co-payment of major medical expenses after deductibles or a P.P.O. plan with a 90 percent co-pay of major medical expenses after deductibles.

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Fax - (216) 436-2411

***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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

Stark-Tuscarawas-Wayne Joint Solid Waste Management District  
Tuscarawas County  
9918 Wilkshire Blvd, NE  
Bolivar, Ohio 44612

To the Board of Trustees:

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 Stark-Tuscarawas-Wayne Joint Solid Waste Management District, Tuscarawas County, (the District) as of and for the year ended December 31, 2013, and the related notes to the financial statements, and have issued our report thereon dated May 1, 2014.

***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.

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 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.

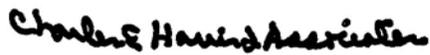
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***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*.

***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.



***Charles E. Harris & Associates, Inc.***  
May 1, 2014

**STARK-TUSCARAWAS-WAYNE JOINT SOLID WASTE MANAGEMENT DISTRICT  
TUSCARAWAS COUNTY, OHIO  
December 31, 2013**

**SCHEDULE OF PRIOR AUDIT FINDINGS**

The prior audit report, for the year ending December 31, 2012, reported no material citations or recommendations.

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# Dave Yost • Auditor of State

**STARK-TUSCARAWAS-WAYNE JOINT SOLID WASTE MANAGEMENT DISTRICT**

**TUSCARAWAS COUNTY**

**CLERK'S CERTIFICATION**

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 29, 2014**