

**CARROLL-COLUMBIANA-HARRISON JOINT SOLID WASTE DISTRICT
CARROLL COUNTY**

AUDIT REPORT

JANUARY 1, 2014 - DECEMBER 31, 2015



Dave Yost • Auditor of State

Board of Directors
Carroll-Columbiana-Harrison Joint Solid Waste District
618 Canton Road NW, Suite B
Carrollton, Ohio 44615

We have reviewed the *Independent Auditors' Report* of the Carroll-Columbiana-Harrison Joint Solid Waste District, Carroll County, prepared by Wilson, Phillips & Agin, CPA's, Inc., for the audit period January 1, 2014 through December 31, 2015. 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 Carroll-Columbiana-Harrison Joint Solid Waste District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

October 14, 2016

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**CARROLL-COLUMBIANA-HARRISON JOINT SOLID WASTE DISTRICT
CARROLL COUNTY
JANUARY 1, 2014 - DECEMBER 31, 2015**

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**WILSON, PHILLIPS & AGIN, CPA'S, INC.
1100 BRANDYWINE BLVD. BUILDING G
ZANESVILLE, OHIO 43701**

INDEPENDENT AUDITORS' REPORT

Carroll-Columbiana-Harrison Joint Solid Waste District
Carroll County
618 Canton Road NW Suite B
Carrollton, Ohio 44615

To the District Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts, disbursements by fund type and related notes of the Carroll-Columbiana-Harrison Joint Solid Waste District, Carroll County, as of and for the years ended December 31, 2015 and 2014.

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, to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the District does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis permitted is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

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 Carroll-Columbiana-Harrison Joint Solid Waste District, Carroll County as of December 31, 2015 and 2014, 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 Carroll-Columbiana-Harrison Joint Solid Waste District, Carroll County as of December 31, 2015 and 2014, 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 a report dated June 15, 2016, on our consideration of Carroll-Columbiana-Harrison Joint Solid Waste 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.

Wilson, Phillips & Agin, CPA's, Inc.
Zanesville, Ohio
June 15, 2016

**CARROLL-COLUMBIANA-HARRISON JOINT SOLID WASTE DISTRICT
CARROLL COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Licenses, Permits and Fees	\$ 1,229,493	\$ -	\$ 1,229,493
Intergovernmental	138,859	23,750	162,609
Miscellaneous	17,783	-	17,783
Total Cash Receipts	1,386,135	23,750	1,409,885
Cash Disbursements:			
Current:			
Public Health Services:			
Salaries and Benefits	135,959	-	135,959
Materials and Supplies	9,226	4,602	13,828
Contracts - Repair	2,464	16,977	19,441
Contracts - Services	434,827	6,648	441,475
Capital Outlay	4,367	-	4,367
Grants to Subdivisions	76,529	-	76,529
Other	27,432	2,954	30,386
Total Cash Disbursements	690,804	31,181	721,985
Excess of Receipts Over/(Under) Disbursements	695,331	(7,431)	687,900
Other Financing Receipts (Disbursements)			
Transfers-In	-	2,500	2,500
Transfers-Out	(2,500)	-	(2,500)
Total Other Financing Receipts (Disbursements)	(2,500)	2,500	-
Net Change in Fund cash Balance	692,831	(4,931)	687,900
Fund Cash Balances, January 1	2,981,072	4,931	2,986,003
Fund Cash Balances, December 31			
Assigned	33,090		33,090
Unassigned (Deficit)	3,640,813	-	3,640,813
Fund Cash Balances, December 31	\$ 3,673,903	\$ -	\$ 3,673,903

See notes to financial statements.

**CARROLL-COLUMBIANA-HARRISON JOINT SOLID WASTE DISTRICT
CARROLL COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Licenses, Permits and Fees	\$ 1,761,896	\$ -	\$ 1,761,896
Intergovernmental	-	39,142	39,142
Miscellaneous	114,043	2,800	116,843
Total Cash Receipts	<u>1,875,939</u>	<u>41,942</u>	<u>1,917,881</u>
Cash Disbursements:			
Current:			
Public Health Services:			
Salaries and Benefits	160,322	-	160,322
Materials and Supplies	1,554	4,107	5,661
Contracts - Repair	1,137	1,783	2,920
Contracts - Services	449,960	2,458	452,418
Capital Outlay	-	-	-
Grants to Subdivisions	437,819	-	437,819
Other	69,614	13,918	83,532
Total Cash Disbursements	<u>1,120,406</u>	<u>22,266</u>	<u>1,142,672</u>
Excess of Receipts Over/(Under) Disbursements	755,533	19,676	775,209
Other Financing Receipts (Disbursements)			
Transfers-In	70,507	2,500	73,007
Transfers-Out	<u>(2,500)</u>	<u>(70,507)</u>	<u>(73,007)</u>
Total Other Financing Receipts (Disbursements)	68,007	(68,007)	-
Net Change in Fund cash Balance	823,540	(48,331)	775,209
Fund Cash Balances, January 1	<u>2,157,532</u>	<u>53,262</u>	<u>2,210,794</u>
Fund Cash Balances, December 31			
Restricted	-	4,931	4,931
Assigned	31,003		31,003
Unassigned (Deficit)	<u>2,950,069</u>	-	<u>2,950,069</u>
Fund Cash Balances, December 31	<u>\$ 2,981,072</u>	<u>\$ 4,931</u>	<u>\$ 2,986,003</u>

See notes to financial statements.

Carroll-Columbiana-Harrison Joint Solid Waste District

Notes to the Financial Statements

For the Years Ended December 31, 2015 and 2014

Note 1 – Reporting Entity

The Carroll-Columbiana-Harrison Joint Solid Waste Management District, Carroll County (the District), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by a nine member Board of Directors comprised of the three County Commissioners of Carroll, Columbiana and Harrison Counties. The District provides solid waste education, recycling opportunities, and other waste services as permitted in the OEPA approved Solid Waste Plan for to these three counties.

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

Note 2 - Summary of Significant Accounting Policies

A. 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.

B. Deposits and Investments

As the Ohio Revised Code permits, the Carroll 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.

C. 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:

General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

Carroll-Columbiana-Harrison Joint Solid Waste District

Notes to the Financial Statements

For the Years Ended December 31, 2015 and 2014

Note 2 - Summary of Significant Accounting Policies (Continued)

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 Funds:

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

USDA Grant Fund – This fund receives grant monies to be used for groundwater and explosive gas monitoring and negotiations with the Ohio EPA for the Carroll County Landfill.

ODNR Grant Fund – This fund receives grant monies to be passed through to the City of East Liverpool. The District applies for the monies and then makes disbursements to the City.

D. Budgetary Process

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

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.

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.

Encumbrances

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

A summary of 2015 and 2014 budgetary activity appears in Note 3.

E. Fund Balance

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

Nonspendable

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

Carroll-Columbiana-Harrison Joint Solid Waste District

Notes to the Financial Statements

For the Years Ended December 31, 2015 and 2014

Note 2 - Summary of Significant Accounting Policies (Continued)

E. Fund Balance (Continued)

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.

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.

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.

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.

F. Property, Plant, and Equipment

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

G. Accumulated Leave

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

Carroll-Columbiana-Harrison Joint Solid Waste District

Notes to the Financial Statements

For the Years Ended December 31, 2015 and 2014

Note 3 – Budgetary Activity

Budgetary activity for the years ending December 31, 2014 and 2015 follows:

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,386,135	\$1,386,135	\$0
Special Revenue	26,250	26,250	0
Total	\$1,412,385	\$1,412,385	\$0

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$857,217	\$726,394	\$130,823
Special Revenue	46,210	31,181	15,029
Total	\$903,427	\$757,575	\$145,852

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,946,446	\$1,946,446	\$0
Special Revenue	44,442	44,442	0
Total	\$1,990,888	\$1,990,888	\$0

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,240,575	\$1,153,908	\$86,667
Special Revenue	113,957	92,773	21,184
Total	\$1,354,532	\$1,246,681	\$107,851

Note 4 – Retirement System

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

The Ohio Revised Code also prescribes contribution rates. For 2015 and 2014, OPERS members contributed 10.0% of their gross wages and the Township contributed an amount equal to 14.00% of participant's gross salaries. The District has paid all contributions required through December 31, 2015.

Carroll-Columbiana-Harrison Joint Solid Waste District

Notes to the Financial Statements

For the Years Ended December 31, 2015 and 2014

Note 5 – Risk Management

The District is exposed to various risks of loss related to torts, theft, damage to destruction of assets, errors and omissions, employee injuries, and natural disasters. To mitigate these risks, the District is a covered party under Carroll County's insurance coverage policy.

The County is a member of County Risk Sharing Authority, Inc. (CORSA) which is a shared risk pool of sixty-one counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverages provided by CORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance.

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the CORSA are managed by an elected Board of not more than nine trustees. Only County Commissioners of member counties are eligible to serve on the Board. No county may have more than one representative on the Board at any one time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the Board of Trustees.

The County pays the State Workers' Compensation System a premium based on a rate per \$100 of employee compensation. The rate is calculated based on accident history and administrative costs.

There were no significant reductions in insurance coverage from the prior year in any category of risk. Settled claims have not exceeded this insurance coverage in any of the past three years.

**WILSON, PHILLIPS & AGIN, CPA'S, INC.
1100 BRANDYWINE BLVD. BUILDING G
ZANESVILLE, OHIO 43701**

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

Carroll-Columbiana-Harrison Joint Solid Waste District
Carroll County
618 Canton Road NW, Suite B
Carrollton, Ohio 44615

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 Carroll-Columbiana-Harrison Joint Solid Waste District, Carroll County as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements and have issued our report thereon dated June 15, 2016, 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 Carroll-Columbiana-Harrison Joint Solid Waste 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 opinions 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 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control 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 obtaining reasonable assurance about whether Carroll-Columbiana-Harrison Joint Solid Waste 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 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.

Wilson, Phillips & Agin, CPA's, Inc.
Zanesville, Ohio
June 15, 2016

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Dave Yost • Auditor of State

CARROLL COLUMBIANA HARRISON JOINT SOLID WASTE MANAGEMENT DISTRICT

CARROLL COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 10, 2016**