



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



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

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STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

743 East State Street  
Athens Mall Suite B  
Athens, Ohio 45701  
Telephone 740-594-3300  
800-441-1389  
Facsimile 740-594-2110  
www.auditor.state.oh.us

## REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Directors:

We have audited the accompanying financial statements of Athens-Hocking Joint Solid Waste Management District, Athens County, Ohio (the District), as of and for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the District prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Athens-Hocking Joint Solid Waste Management District, Athens County, as of December 31, 2001 and 2000, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2002, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the audit committee, management, the Board of Directors and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

**Jim Petro**  
Auditor of State

July 22, 2002

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Intergovernmental	\$49,635	\$90,487	\$	\$140,122
Tipping Fees	187,548			187,548
Curbside Fees	62,598	63,160		125,758
Other Fees		62,810		62,810
Recycling Fees		808,245		808,245
Sales		229,576		229,576
Reimbursements	673,485			673,485
Miscellaneous	24,298	41,262	88,296	153,856
	<u>997,564</u>	<u>1,295,540</u>	<u>88,296</u>	<u>2,381,400</u>
<b>Total cash receipts</b>				
<b>Cash Disbursements:</b>				
Current:				
Salaries	594,662	542,028		1,136,690
Fringe Benefits	256,268	200,686		456,954
Supplies and Materials	28,944	22,917		51,861
Repair and Maintenance		107,124		107,124
Equipment	12,997	31,127		44,124
Contracts-Services	9,501	180,530		190,031
Travel and Transportation	2,316	62,736		65,052
Utilities		11,169		11,169
Reimbursements	63,160	8,000		71,160
Cleanup	26,672			26,672
Other	13,000	30,996		43,996
Debt Service:				
Redemption of Principal			78,501	78,501
Interest			9,663	9,663
Other Debt Service		88,424	132	88,556
Capital Outlay		11,480		11,480
	<u>1,007,520</u>	<u>1,297,217</u>	<u>88,296</u>	<u>2,393,033</u>
<b>Total Cash Disbursements</b>				
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(9,956)</u>	<u>(1,677)</u>	<u>0</u>	<u>(11,633)</u>
Fund Cash Balances, January 1	<u>81,820</u>	<u>19,936</u>	<u>0</u>	<u>101,756</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$71,864</b></u>	<u><b>\$18,259</b></u>	<u><b>\$0</b></u>	<u><b>\$90,123</b></u>
Reserve for Encumbrances, December 31	<u>\$708</u>	<u>\$3,778</u>	<u>\$0</u>	<u>\$4,486</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 CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Debt Service	
<b>Cash Receipts:</b>				
Intergovernmental	\$30,000	\$111,027	\$	\$141,027
Tipping Fees	195,276			195,276
Curbside Fees	56,247	18,845		75,092
Other Fees		49,484		49,484
Recycling Fees		725,537		725,537
Sales		343,475		343,475
Reimbursements	589,274			589,274
Miscellaneous	7,805	18,359	45,513	71,677
	878,602	1,266,727	45,513	2,190,842
<b>Total cash receipts</b>				
<b>Cash Disbursements:</b>				
Current:				
Salaries	525,676	507,586		1,033,262
Fringe Benefits	221,777	191,248		413,025
Supplies and Materials	27,259	18,726		45,985
Repair and Maintenance	3,000	107,735		110,735
Equipment	14,522	80,794		95,316
Contracts-Services	24,308	173,938		198,246
Travel and Transportation	2,285	57,858		60,143
Utilities		10,998		10,998
Reimbursements	18,869	6,249		25,118
Cleanup	4,226			4,226
Other		62,566		62,566
Debt Service:				
Redemption of Principal			37,749	37,749
Interest			7,764	7,764
Other Debt Service		46,044		46,044
Capital Outlay	70,000	6,098		76,098
	911,922	1,269,840	45,513	2,227,275
<b>Total Cash Disbursements</b>				
<b>Total Cash Receipts Over/(Under) Cas Disbursements</b>	(33,320)	(3,113)	0	(36,433)
<b>Other Financing Receipts/(Disbursements):</b>				
Proceeds from Sale of Public Debt:				
Sale of Bonds	70,000			70,000
Other Sources		1,295		1,295
	70,000	1,295	0	71,295
<b>Total Other Financing Receipts/(Disbursements)</b>				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	36,680	(1,818)	0	34,862
Fund Cash Balances, January 1	45,140	21,754	0	66,894
<b>Fund Cash Balances, December 31</b>	<b>\$81,820</b>	<b>\$19,936</b>	<b>\$0</b>	<b>\$101,756</b>
Reserve for Encumbrances, December 31	\$3,856	\$4,645	\$0	\$8,501

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Athens-Hocking Joint Solid Waste Management District, Athens 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 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 Centers) is governed by a seven-member Board of Trustees made up of the six elected County Commissioners from Athens and Hocking Counties and the appointed 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 Centers as needed, and issues debt on the Recycling Centers' behalf. The Recycling Centers is reported as a Special Revenue 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. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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 prescribed or permitted by the Auditor of State.

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Cash and Investments**

In accordance with Ohio Revised Code, the Athens County Treasurer is custodian for the District's monies. The District's cash and investments are held in the County's cash and investment pool, and are valued at the Treasurer's reported carrying amount.

The Recycling Centers' cash is held and invested by the Manager 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 is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The District had the following Special Revenue Funds:

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

*Recycling Center Fund* - This fund accounts for the financial activity of the Athens-Hocking Recycling Centers, Inc.

**3. Debt Service Funds**

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness. The District had the following Debt Service Fund:

*Solid Waste Debt Service Fund* - This fund receives money from the Recycling Centers for the payment of bond indebtedness issued by the District on the Recycling Centers' behalf.

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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. Appropriation authority includes current year appropriations plus encumbrances carried over from the prior year (if any). The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end. Although the Recycling Centers is not subject to the budgetary requirements of the Ohio Revised Code, annual budgets are prepared and approved and included within the budgetary information for the Special Revenue Fund.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. Although the Recycling Centers is not subject to the budgetary requirements of the Ohio Revised Code, estimates of revenue are prepared and included within the budgetary information for the Special Revenue Fund.

**3. Encumbrances**

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The Recycling Centers is not subject to the budgetary requirements of the Ohio Revised Code and, accordingly, does not prepare or approve encumbrances.

A summary of 2001 and 2000 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the District's basis of accounting.

**2. EQUITY IN POOLED CASH**

The Athens County Treasurer maintains a cash pool used by all funds of Athens County government. The deposits of the District's General Fund and Recycle Ohio Grant Fund are held in this pool with other County funds. The Ohio Revised Code prescribes allowable deposits and investments. Additionally, the Recycling Centers maintains a cash pool.

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**2. EQUITY IN POOLED CASH (Continued)**

The carrying amount of cash and investments at December 31 was as follows:

	2001	2000
Deposits held by County Treasurer	\$79,663	\$89,624
Recycling Centers Deposits	10,460	12,132
Total deposits	90,123	101,756

**Deposits:** Deposits held by the Athens County Treasurer are either insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the District.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 21, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$997,036	\$997,564	\$528
Special Revenue	1,334,415	1,295,540	(38,875)
Debt Service	88,522	88,296	(226)
Total	\$2,419,973	\$2,381,400	(\$38,573)

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,070,926	\$1,008,228	\$62,698
Special Revenue	1,314,935	1,300,995	13,940
Debt Service	88,522	88,296	226
Total	\$2,474,383	\$2,397,519	\$76,864

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$950,448	\$948,602	(\$1,846)
Special Revenue	1,263,577	1,268,022	4,445
Debt Service	45,513	45,513	0
Total	\$2,259,538	\$2,262,137	\$2,599

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$959,349	\$915,778	\$43,571
Special Revenue	1,273,898	1,274,485	(587)
Debt Service	45,513	45,513	0
Total	\$2,278,760	\$2,235,776	\$42,984

Budgetary expenditures exceeded appropriation authority in the Recycling Center for 2000.

**4. DEBT**

Debt outstanding at December 31, 2001 was as follows:

	Principal	Interest Rate
Equipment Refunding Bonds	\$101,749	4.30%
Truck Acquisition Bonds	43,849	5.40%
Total	\$145,598	

The District issued the Equipment Refunding Bonds to refinance short-term obligations previously issued to acquire equipment on behalf of the Recycling Centers. The short-term obligations were retired with the proceeds of the bonds. The bonds were issued on January 11, 1999, for \$213,000 and have maturities through December 31, 2007. The bonds will be repaid from the revenues of the Recycling Centers. The District has the taxing authority to levy the necessary taxes for repayment of the debt if other revenue sources are insufficient to retire the debt.

The District issued bonds for the purchase of a packer truck for use by the Recycling Centers. The bonds were issued in December 27, 2000, for \$70,000 and have maturities through December 27, 2005. The bonds will be repaid from the revenues of the Recycling Centers. The District has the taxing authority to levy the necessary taxes for repayment of the debt if other revenue sources are insufficient to retire the debt.

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	Equipment Refunding Bonds	Packer Truck Bonds
2002	\$31,514	\$16,006
2003	31,514	16,006
2004	31,514	16,006
2005	31,514	16,006
2006	31,514	0
2007	2,626	0
Total	\$160,196	\$64,024

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**5. RETIREMENT SYSTEMS**

The District and Recycling Centers' full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced employer contribution rates to 8.13% effective July 1, 2000 through December 31, 2000. The District has paid all contributions required through December 31, 2001.

**6. 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 Centers. Vehicle policies include liability coverage for bodily injury and property damage.



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

743 East State Street  
Athens Mall Suite B  
Athens, Ohio 45701  
Telephone 740-594-3300  
800-441-1389  
Facsimile 740-594-2110  
www.auditor.state.oh.us

**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

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

To the Board of Directors:

We have audited the accompanying financial statements of the Athens-Hocking Joint Solid Waste Management District, Athens County, Ohio (the District), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated July 22, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated July 22, 2002.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated July 22, 2002.

Athens-Hocking Joint Solid Waste Management District  
Athens County  
Report of Independent Accountants on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

This report is intended solely for the information and use of the audit committee, management and the Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

**Jim Petro**  
Auditor of State

July 22, 2002



STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**ATHENS-HOCKING JOINT SOLID WASTE MANAGEMENT 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  
AUGUST 27, 2002**