



**ROSS, PICKAWAY, HIGHLAND, FAYETTE JOINT SOLID WASTE MANAGEMENT
DISTRICT
ROSS COUNTY
REGULAR AUDIT
FOR YEARS ENDED DECEMBER 31, 2001 AND 2000**



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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

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REPORT OF INDEPENDENT ACCOUNTANTS

Ross, Pickaway, Highland, Fayette Joint Solid Waste Mangement District
Ross County
15 North Paint Street
3rd Floor
Chillicothe, OH 45601

To the Board of Directors:

We have audited the accompanying financial statements of the Ross, Pickaway, Highland, Fayette Joint Solid Waste Management District, Ross County, Ohio (the District) as of and for the years ended December 31, 2001 and December 31, 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 fund cash balances and reserve for encumbrances of the District as of December 31, 2001 and December 31, 2000 and its 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 March 15, 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.

Ross, Pickaway, Highland, Fayette Joint Solid Waste Management District
Ross County
Report of Independent Accountants
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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.

JIM PETRO
Auditor of State

March 15, 2002

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2001**

	General
Cash Receipts:	
Intergovernmental	\$2,000
Charges for services	175,127
Miscellaneous	4,003
 Total Cash Receipts	 181,130
Cash Disbursements:	
Current:	
Salaries	85,591
Supplies and Materials	2,083
Equipment	3,388
Contracts - Repair	45
Contracts - Services	18,063
Public Employee's Retirement	10,269
Workers Compensation	293
Group Insurance	6,947
Advertising and Printing	237
Travel and Expenses	608
Utilities	2,524
Other	6,132
 Total Disbursements	 136,180
 Total Receipts Over/(Under) Disbursements	 44,950
 Fund Cash Balances, January 1, 2001	 190,806
 Fund Cash Balances, December 31, 2001	 \$235,756
 Reserve for Encumbrances, December 31, 2001	 \$5,444

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

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	General
Cash Receipts:	
Charges For Services	\$209,379
Miscellaneous	2,635
	212,014
Cash Disbursements:	
Current:	
Salaries	82,597
Supplies and Materials	4,482
Equipment	3,853
Contracts - Repair	45
Contracts - Services	21,305
Public Employee's Retirement	9,895
Worker's Compensation	213
Group Insurance	7,105
Advertising and Printing	2,144
Travel and Expenses	837
Utilities	2,769
Other	6,278
	141,523
Total Disbursements	141,523
Total Receipts Over/(Under) Disbursements	70,491
Fund Cash Balances, January 1, 2000	120,315
Fund Cash Balances, December 31, 2000	\$190,806
Reserve for Encumbrances, December 31, 2000	\$1,525

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Joint Solid Waste Management District, Ross 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 is directed by a twelve-member Board of Directors comprised of the three County Commissioners of Ross, Pickaway, Highland and Fayette Counties. The District provides solid waste management planning for these counties.

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.

C. Equity in Pooled Cash

In accordance with Ohio Revised Code, the Ross 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.

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 type:

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.

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 level 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.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

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 re-appropriated.

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. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2001 and December 31, 2000 follows:

2001 Budgeted vs. Actual Receipts			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	<u>\$180,800</u>	<u>\$181,130</u>	<u>\$330</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	<u>\$230,458</u>	<u>\$141,624</u>	<u>\$88,834</u>

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

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

2. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Receipts			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	<u>\$189,800</u>	<u>\$212,014</u>	<u>\$22,214</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	<u>\$194,858</u>	<u>\$143,048</u>	<u>\$51,810</u>

3. RETIREMENT SYSTEM

The District's 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 through June 30, 2000. PERS temporarily reduced employer contribution rates to 8.13% from July 1, 2000 through December 31, 2000. The District has paid all contributions required through December 31, 2001.

4. CHARGES FOR SERVICES

The majority of the District's funding is provided through a \$1/ton fee on all solid waste generated/collected within the District and disposed at any transfer facility or landfill within the State of Ohio.

5. RISK MANAGEMENT

The District's management is individually bonded in amounts deemed sufficient by the Board of Directors through Ohio Farmers Insurance. The District assets are insured with those of the County. Liability insurance is also maintained by the County.

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

Ross, Pickaway, Highland, Fayette Joint Solid Waste Management District
Ross County
15 North Paint Street
3rd Floor
Chillicothe, OH 45601

To the Board of Directors:

We have audited the accompanying financial statements of Ross, Pickaway, Highland, Fayette Joint Solid Waste Management District, Ross County, Ohio (the District) as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated March 15, 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 instance of noncompliance that is required to be reported under *Government Auditing Standards*.

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.

Ross, Pickaway, Highland, Fayette Joint Solid Waste Management District
Ross County
Report 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.

JIM PETRO
Auditor of State

March 15, 2002



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

ROSS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 18, 2002**