

Athens-Hocking Joint Solid Waste District

Regular Audit

January 1, 2006 through December 31, 2007

Fiscal Year Audited Under GAGAS: 2007 and 2006



**Balestra, Harr & Scherer, CPAs, Inc.**

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Mary Taylor, CPA  
Auditor of State

Board of Directors  
Athens-Hocking Joint Solid Waste District  
13183 State Route 13  
Chauncey, Ohio 45719

We have reviewed the *Independent Auditor's Report* of the Athens-Hocking Joint Solid Waste District, Athens County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2006 through December 31, 2007. 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 Athens-Hocking Joint Solid Waste District is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

October 10, 2008

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**Athens-Hocking Joint Solid Waste District**  
Athens County, Ohio

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**Athens-Hocking Joint Solid Waste District**  
Athens County, Ohio

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Ohio Society of Certified Public Accountants

**Independent Auditor's Report**

Members of the Board  
Athens-Hocking Joint Solid Waste District  
13183 State Route 13  
Chauncey, Ohio 45719

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Athens-Hocking Joint Solid Waste District (the District), as of and for the years ended December 31, 2007 and 2006, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

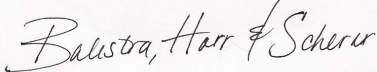
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standard*. Those standards require that we plan and perform the audit to reasonably assure 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 opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund and the aggregate remaining fund information of the District, as of December 31, 2007 and 2006, and the respective changes in cash financial position and the budgetary comparison of the General and major special revenue funds thereof for the years then ended in conformity with the basis of accounting as described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2008 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis on pages 3 through 9 is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

  
Balestra, Harr & Scherer, CPAs, Inc.  
July 31, 2008



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

The discussion and analysis of the Athens-Hocking 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, 2007 and 2006, within the limitations of the District's cash basis of accounting. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for the year 2007 are as follows:

- Net assets increased \$468,696 from 2006 to 2007.
- General receipts accounted for \$11,172 in receipts or less than 1 percent of all receipts. Program specific receipts in the form of charges for services and operating grants and contributions accounted for \$2,420,360 or more than 99 percent of total receipts of \$2,431,532.
- The District had \$1,962,836 in disbursements related to governmental activities; all of these disbursements were offset by program specific charges for services and operating grants and contributions.
- The District had four major funds; the General Fund, the Recycling Center Fund, the Capital Improvements Fund, and the Market Development Grant Fund. The General Fund had \$318,868 in receipts and \$269,630 in disbursements. The General Fund's cash balance increased \$49,238. The Recycling Center Fund had \$1,912,656 in receipts and \$1,603,504 in disbursements. The Recycling Center's cash balance increased \$152. The Capital Improvements Fund had \$309,000 in receipts and other financing sources and \$87,903 in disbursements. The Capital Improvement Fund's cash balance increased \$221,097. The Market Development Grant Fund had \$200,000 in receipts and no disbursements so the cash balance increased \$200,000.

Key financial highlights for the year 2006 are as follows:

- Net assets increased \$45,199.
- General receipts accounted for \$13,599 in receipts or approximately 1 percent of all receipts. Program specific receipts in the form of charges for services and operating grants and contributions accounted for \$1,881,960 or 99 percent of total receipts of \$1,895,559.
- The District had \$1,850,360 in disbursements related to governmental activities; all of these disbursements were offset by program specific charges for services and operating grants and contributions.
- The District had three major funds; the General Fund, the Recycling Center Fund, and the Capital Improvement Fund. The General Fund had \$290,253 in receipts and \$317,523 in disbursements. The General Fund's cash balance decreased \$27,270. The Recycling Center Fund had \$1,605,188 in receipts and \$1,516,442 in disbursements. The Recycling Center's cash balance decreased \$3,262. The Capital Improvement Fund had \$80,000 in receipts and other financing sources and \$0 in disbursements. The Capital Improvement Fund's cash balance increased \$80,000.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Continued)**

**Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the District's cash basis of accounting.

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions on a cash basis of accounting.

The Statement of Net Assets – Cash Basis and Statement of Activities – Cash Basis provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the basic financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information in the statements.

**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America. Under the District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**Reporting the District as a Whole**

The statement of net assets and the statement of activities reflect how the District did financially during 2007 and 2006, within the limitations of the cash basis of accounting. The Statement of Net Assets – Cash Basis presents the cash balances of the governmental activities of the District at year end. The Statement of Activities – Cash Basis compares cash disbursements with program receipts for each governmental activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the District's general receipts.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Continued)**

**Reporting the District as a Whole (Continued)**

These statements report the District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the District's financial health. Over time, increases or decreases in the District's cash position is one indicator of whether the District's financial health is improving or deteriorating. When evaluating the District's financial condition, you should also consider other non-financial factors as well as the District's reliance on other local governments' property tax bases, the condition of the District's capital assets and infrastructure, the extent of the District's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth.

In the Statement of Net Assets – Cash Basis and the Statement of Activities – Cash Basis, the District's basic sanitation and recycling service is reported. Charges for services and state and federal grants finance most of these activities. Benefits provided through the governmental activities are not necessarily paid for by the people receiving them.

**Reporting the District's Most Significant Funds**

***Fund Financial Statements***

Fund financial statements provide detailed information about the District's major funds – not the District as a whole. The District establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the District are governmental.

***Governmental Funds*** - The District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed short-term view of the District's governmental operations and the services it provides. Governmental fund information helps determine whether there are more or less financial resources on a cash basis that can be spent to finance the District's programs. The District's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. For 2007, the District's major governmental funds are the General Fund, Recycling Center Fund, Capital Improvement Fund and Market Development Grant Fund. For 2006, the District's major governmental funds are the General Fund, Recycling Center Fund and Capital Improvement Fund. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Continued)**

**The District as a Whole**

Table 1 provides a summary of the District's net assets for 2007 compared to 2006 and 2006 compared to 2005 on a cash basis:

**Table 1  
Net Assets – Cash Basis**

	<b>Governmental Activities</b>		
	<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$685,037	\$216,341	\$171,142
<b>Net Assets</b>			
Restricted for:			
Recycling Center	24,659	24,507	27,769
Recycle Ohio Grant	481	626	1,271
Emergency Relief and Cleanup	8,463	10,109	13,733
Market Development Grant	200,000	0	0
Capital Projects	301,097	80,000	0
Unrestricted	150,337	101,099	128,369
<b>Total Net Assets</b>	<b>\$685,037</b>	<b>\$216,341</b>	<b>\$171,142</b>

As mentioned previously, net assets increased \$468,696 from 2006 to 2007. The increase is due primarily to increases in charges for services from 2006 to 2007 which exceeded increases in disbursements from 2006 to 2007 and an intergovernmental grant for the Market Development Grant Fund in 2007. Net assets increased \$45,199 from 2005 to 2006 due to receipts exceeding disbursements.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Continued)**

**The District as a Whole (Continued)**

Table 2 reflects the changes in net assets in 2007 and 2006.

**Table 2  
Changes in Net Assets**

	<b>Governmental Activities 2007</b>	<b>Governmental Activities 2006</b>	<b>Governmental Activities 2005*</b>
<b>Receipts</b>			
Program Cash Receipts			
Charges for Services	\$2,201,639	\$1,870,970	\$1,946,786
Operating Grants and Contributions	218,721	10,990	284,093
Total Program Cash Receipts	<u>2,420,360</u>	<u>1,881,960</u>	<u>2,230,879</u>
General Receipts			
Grants and Entitlements – Unrestricted	-	10,621	18,500
Other Receipts	11,172	2,978	3,440
Total General Receipts	<u>11,172</u>	<u>13,599</u>	<u>21,940</u>
<b>Total Receipts</b>	<u>\$2,431,532</u>	<u>\$1,895,559</u>	<u>\$2,252,819</u>
<b>Disbursements:</b>			
Sanitation/Recycling:	-		
Salaries	738,711	750,821	690,560
Fringe Benefits	450,079	430,270	451,670
Supplies and Materials	12,389	14,487	12,386
Repair and Maintenance	106,021	62,505	107,436
Equipment	103,507	8,305	271,331
Contracts-Services	311,700	313,379	298,976
Travel and Transportation	112,089	92,663	91,138
Utilities	13,099	11,467	12,632
Reimbursements	81,067	77,766	116,431
Advertising	-	1,149	-
Legal Fees	-	1,500	-
Other	34,174	22,873	116,938
Debt Service:			
Principal Retirement	-	62,017	62,413
Interest and Fiscal Charges	-	1,158	2,006
<b>Total Disbursements</b>	<u>1,962,836</u>	<u>1,850,360</u>	<u>2,233,917</u>
<b>Change in Net Assets</b>	468,696	45,199	18,902
<b>Net Assets Beginning of Year</b>	<u>216,341</u>	<u>171,142</u>	<u>152,240</u>
<b>Net Assets End of Year</b>	<u>\$685,037</u>	<u>\$216,341</u>	<u>\$171,142</u>

\* - Certain reclassifications were made to 2005 amounts to be consistent with reporting for 2007 and 2006.

In 2007, less than 1 percent of the District's total receipts were from general receipts, consisting mainly of other receipts. Program cash receipts accounted for more than 99 percent of the District's total receipts in year 2007. These receipts consist primarily of charges for services for sanitation and recycling fees.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Continued)**

**The District as a Whole (Continued)**

In 2006, 1 percent of the District's total receipts were from general receipts, consisting mainly of Grants and Entitlements. Program cash receipts accounted for 99 percent of the District's total receipts in year 2006. These receipts consisted primarily of charges for services for sanitation and recycling fees.

Net assets increased \$45,199 from 2005 to 2006 due primarily to equipment, reimbursements and other disbursements decreasing which was partially offset by decreases in charges for services and operating grants and contributions. Net assets increased \$468,696 from 2006 to 2007 which is primarily due to an increase in charges for services as well as a \$200,000 grant for the Market Development Grant Fund.

**Governmental Activities**

If you look at the Statement of Activities – Cash Basis on pages 11 and 13, you will see that the first column lists the major services provided by the District. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for salaries and fringe benefits, which combined account for 61% and 64% of all governmental disbursements, for 2007 and 2006, respectively. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the District that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This “net cost” amount represents the cost of the service which ends up being paid from money provided by local townships and municipalities taxpayers and state subsidies. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

**Table 3  
Governmental Activities**

	<b>Total Cost of Services 2007</b>	<b>Net Cost of Services 2007</b>	<b>Total Cost of Services 2006</b>	<b>Net Cost of Services 2006</b>
<b>Disbursements:</b>				
Sanitation/Recycling:				
Salaries	\$738,711	\$96,919	\$750,821	\$12,822
Fringe Benefits	450,079	59,051	430,270	7,349
Supplies and Materials	12,389	1,625	14,487	247
Repair and Maintenance	106,021	13,910	62,505	1,067
Equipment	103,507	13,580	8,305	142
Contracts-Services	311,700	240,895	313,379	5,352
Travel and Transportation	112,089	14,706	92,663	1,582
Utilities	13,099	1,719	11,467	196
Reimbursements	81,067	10,636	77,766	1,328
Advertising	-	-	1,149	20
Legal Fees	-	-	1,500	26
Other	34,174	4,483	22,873	390
Debt Service:				
Principal Retirement	-	-	62,017	1,059
Interest and Fiscal Charges	-	-	1,158	20
<b>Total Disbursements</b>	<b>\$1,962,836</b>	<b>\$457,524</b>	<b>\$1,850,360</b>	<b>\$31,600</b>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Continued)**

**The District's Funds**

During 2007, the District's major funds are accounted for using the cash basis of accounting. All governmental funds had total cash receipts and other financing sources of \$2,740,532 and cash disbursements and other financing uses of \$2,271,836. The net change in fund balance for the year was most significant in the Market Development Grant Fund, the General Fund and the Capital Improvement Fund, where the Market Development Grant Fund cash balance increased \$200,000, the General Fund cash balance went from \$101,099 in 2006 to \$150,337 for 2007, and the Capital Improvement Fund cash balance went from \$80,000 in 2006 to \$301,097 for 2007. For the General Fund, cash receipts exceeded cash disbursements in the amount of \$49,238 and, in the Capital Improvement Fund, cash receipts exceeded cash disbursements in the amount of \$221,097. The Market Development Grant Fund cash receipts were \$200,000 with no cash disbursements. The cash receipts for the Recycling Center Fund exceeded cash disbursements in the amount of \$152.

During 2006, the District's major funds are accounted for using the cash basis of accounting. All governmental funds had total cash receipts and other financing sources of \$1,987,567 and cash disbursements and other financing uses of \$1,942,368. The net change in fund balance for the year was most significant in the General Fund and the Capital Improvement Fund, where the General Fund cash balance went from \$128,369 in 2005 to \$101,099 for 2006, and the Capital Improvement Fund cash balance went from \$0 in 2005 to \$80,000 for 2007. For the General Fund, cash disbursements exceeded cash receipts in the amount of \$27,270 and, in the Capital Improvement, cash receipts exceeded cash disbursements in the amount of \$80,000.

The cash disbursements for the Recycling Center Fund exceeded cash receipts in the amount of \$3,262.

**General Fund Budgeting Highlights**

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of 2007 and 2006, the District amended its appropriations and estimated revenues, and the budgetary statement reflects both the original and final amounts. There were no significant changes between the original and the final budget in 2007 and in 2006.

**Debt**

At December 31, 2005, the District's outstanding debt included \$62,017 in a line of credit and a loan issued for the purchase of a roll-off truck, a packer truck, and various other purposes. These debts were paid off during fiscal year 2006. Additional information regarding debt can be found in Note 5 to the Basic Financial Statements.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and providers with a general overview of the District's finances and to reflect the District's accountability for the money it receives. Questions concerning any of the information in this report or requests for additional information, should be directed to Cindy S. Sharpe, Administration Coordinator, Athens-Hocking Joint Solid Waste Management District, P.O. Box 2607, Athens, Ohio 45701.

**Athens-Hocking Joint Solid Waste Management District**  
*Statement of Net Assets - Cash Basis*  
*December 31, 2007*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 685,037
<i>Total Assets</i>	685,037
 <b>Net Assets</b>	
Restricted for:	
Recycling Center	24,659
Recycle Ohio Grant	481
Emergency Relief and Cleanup	8,463
Market Development Grant	200,000
Capital Projects	301,097
Unrestricted	150,337
<i>Total Net Assets</i>	\$ 685,037

See accompanying notes to the basic financial statements.



**Athens-Hocking Joint Solid Waste Management District**

*Statement of Activities - Cash Basis  
For the Fiscal Year Ended December 31, 2007*

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
Sanitation/Recycling:				
Salaries	\$ 738,711	\$ 828,584	\$ 7,046	\$ 96,919
Fringe Benefits	450,079	504,837	4,293	59,051
Supplies and Materials	12,389	13,896	118	1,625
Repair and Maintenance	106,021	118,920	1,011	13,910
Equipment	103,507	116,100	987	13,580
Contracts-Services	311,700	349,622	202,973	240,895
Travel and Transportation	112,089	125,726	1,069	14,706
Utilities	13,099	14,693	125	1,719
Reimbursements	81,067	90,930	773	10,636
Other	34,174	38,331	326	4,483
<i>Total Governmental Activities</i>	<u>\$ 1,962,836</u>	<u>\$ 2,201,639</u>	<u>\$ 218,721</u>	<u>457,524</u>
<b>General Receipts</b>				
Other Receipts				11,172
<i>Total General Receipts</i>				<u>11,172</u>
Change in Net Assets				468,696
<i>Net Assets Beginning of Year</i>				216,341
<i>Net Assets End of Year</i>				<u>\$ 685,037</u>

See accompanying notes to the basic financial statements.

**Athens-Hocking Joint Solid Waste Management District**  
*Statement of Net Assets - Cash Basis*  
*December 31, 2006*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 216,341
<i>Total Assets</i>	216,341
 <b>Net Assets</b>	
Restricted for:	
Recycling Center	24,507
Recycle Ohio	626
Emergency Relief & Cleanup	10,109
Capital Projects	80,000
Unrestricted	101,099
<i>Total Net Assets</i>	\$ 216,341

See accompanying notes to the basic financial statements.

**Athens-Hocking Joint Solid Waste Management District**

*Statement of Activities - Cash Basis*

*For the Fiscal Year Ended December 31, 2006*

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
Sanitation/Recycling:				
Salaries	\$ 750,821	\$ 759,184	\$ 4,459	\$ 12,822
Fringe Benefits	430,270	435,063	2,556	7,349
Supplies and Materials	14,487	14,648	86	247
Repair and Maintenance	62,505	63,201	371	1,067
Equipment	8,305	8,398	49	142
Contracts-Services	313,379	316,870	1,861	5,352
Travel and Transportation	92,663	93,695	550	1,582
Utilities	11,467	11,595	68	196
Reimbursements	77,766	78,632	462	1,328
Advertising	1,149	1,162	7	20
Legal Fees	1,500	1,517	9	26
Other	22,873	23,126	137	390
Debt Service:				
Interest and Fiscal Charges	1,158	1,171	7	20
Principal Retirement	62,017	62,708	368	1,059
<i>Total Governmental Activities</i>	\$ 1,850,360	\$ 1,870,970	\$ 10,990	31,600
<b>General Receipts</b>				
Grants and Entitlements not Restricted to Specific Programs				10,621
Other Receipts				2,978
<i>Total General Receipts</i>				13,599
Change in Net Assets				45,199
<i>Net Assets Beginning of Year</i>				171,142
<i>Net Assets End of Year</i>				\$ 216,341

See accompanying notes to the basic financial statements.

**Athens-Hocking Joint Solid Waste Management District**  
*Statement of Cash Basis Assets and Fund Balances - Cash Basis*  
*Governmental Funds*  
*December 31, 2007*

	<u>General</u>	<u>Recycling Center</u>	<u>Capital Improvement</u>	<u>Market Development Grant</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$ 150,337	\$ 24,659	\$ 301,097	\$ 200,000	\$ 8,944	\$ 685,037
<i>Total Assets</i>	<u>150,337</u>	<u>24,659</u>	<u>301,097</u>	<u>200,000</u>	<u>8,944</u>	<u>685,037</u>
<b>Fund Balances</b>						
Unreserved:						
Undesignated, Reported in:						
General Fund	150,337	-	-	-	-	150,337
Special Revenue Funds	-	24,659	-	200,000	8,944	233,603
Capital Projects Funds	-	-	301,097	-	-	301,097
<i>Total Fund Balances</i>	<u>\$ 150,337</u>	<u>\$ 24,659</u>	<u>\$ 301,097</u>	<u>\$ 200,000</u>	<u>\$ 8,944</u>	<u>\$ 685,037</u>

See accompanying notes to the basic financial statements.

**Athens-Hocking Joint Solid Waste Management District**  
*Statement of Receipts, Disbursements and Changes in Cash Basis Fund Balances - Cash Basis*  
*Governmental Funds*  
*For the Year Ended December 31, 2007*

	General	Recycling Center	Capital Improvement	Market Development Grant	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ 200,000
Tipping Fees	226,629	-	-	-	-	226,629
Curbside Fees	81,067	78,857	-	-	-	159,924
Other Fees	-	77,191	-	-	-	77,191
Recycling Fees	-	1,372,853	-	-	-	1,372,853
Sales	-	365,042	-	-	-	365,042
Miscellaneous	11,172	18,713	-	-	8	29,893
<i>Total Receipts</i>	<u>318,868</u>	<u>1,912,656</u>	<u>-</u>	<u>200,000</u>	<u>8</u>	<u>2,431,532</u>
<b>Disbursements</b>						
Current:						
Salaries	86,622	652,089	-	-	-	738,711
Fringe Benefits	43,621	406,305	-	-	153	450,079
Supplies and Materials	1,482	10,907	-	-	-	12,389
Repair and Maintenance	-	90,756	15,265	-	-	106,021
Equipment	1,445	29,424	72,638	-	-	103,507
Contracts-Services	52,624	258,557	-	-	519	311,700
Travel and Transportation	1,183	110,906	-	-	-	112,089
Utilities	-	13,099	-	-	-	13,099
Reimbursements	81,067	-	-	-	-	81,067
Other	1,586	31,461	-	-	1,127	34,174
<i>Total Disbursements</i>	<u>269,630</u>	<u>1,603,504</u>	<u>87,903</u>	<u>-</u>	<u>1,799</u>	<u>1,962,836</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>49,238</u>	<u>309,152</u>	<u>(87,903)</u>	<u>200,000</u>	<u>(1,791)</u>	<u>468,696</u>
<b>Other Financing Sources (Uses)</b>						
Advances In	-	-	309,000	-	-	309,000
Advances Out	-	(309,000)	-	-	-	(309,000)
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>(309,000)</u>	<u>309,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	49,238	152	221,097	200,000	(1,791)	468,696
<i>Fund Balances Beginning of Year</i>	<u>101,099</u>	<u>24,507</u>	<u>80,000</u>	<u>-</u>	<u>10,735</u>	<u>216,341</u>
<i>Fund Balances End of Year</i>	<u>\$ 150,337</u>	<u>\$ 24,659</u>	<u>\$ 301,097</u>	<u>\$ 200,000</u>	<u>\$ 8,944</u>	<u>\$ 685,037</u>

See accompanying notes to the basic financial statements.

**Athens-Hocking Joint Solid Waste Management District**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual (Non - GAAP Budgetary Basis)*  
*General Fund*  
*For the Year Ended December 31, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Tipping Fees	\$ 235,000	\$ 225,000	\$ 226,629	\$ 1,629
Curbside Fees	85,000	81,111	81,067	(44)
Miscellaneous	5,000	12,000	11,172	(828)
<i>Total receipts</i>	325,000	318,111	318,868	757
<b>Disbursements</b>				
Current:				
Salaries	136,089	119,904	86,622	33,282
Fringe Benefits	73,491	46,276	43,621	2,655
Supplies and Materials	1,500	1,500	1,482	18
Equipment	3,000	1,445	1,445	-
Contracts-Services	56,300	58,400	52,624	5,776
Travel and Transportation	2,000	1,300	1,183	117
Reimbursements	85,000	81,111	81,067	44
Advertising	200	-	-	-
Other	3,500	1,586	1,586	-
<i>Total Disbursements</i>	361,080	311,522	269,630	41,892
<i>Excess of Receipts Over (Under) Disbursements</i>	(36,080)	6,589	49,238	42,649
<i>Net Change in Fund Balance</i>	(36,080)	6,589	49,238	42,649
<i>Fund Balance Beginning of Year</i>	101,099	101,099	101,099	-
<i>Fund Balance End of Year</i>	\$ 65,019	\$ 107,688	\$ 150,337	\$ 42,649

See accompanying notes to the basic financial statements.

**Athens-Hocking Joint Solid Waste Management District**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual (Non - GAAP Budgetary Basis)*  
*Recycling Center Fund*  
*For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Curbside Fees	\$ 85,000	\$ 85,000	\$ 78,857	\$ (6,143)
Other Fees	70,000	80,000	77,191	(2,809)
Recycling Fees	1,332,000	1,373,000	1,372,853	(147)
Sales	300,000	434,000	365,042	(68,958)
Miscellaneous	20,000	20,000	18,713	(1,287)
<i>Total receipts</i>	<u>1,807,000</u>	<u>1,992,000</u>	<u>1,912,656</u>	<u>(79,344)</u>
<b>Disbursements</b>				
Current:				
Salaries	814,040	652,089	652,089	0
Fringe Benefits	433,960	412,174	406,305	5,869
Supplies and Materials	13,000	11,000	10,907	93
Repair and Maintenance	75,000	99,100	90,756	8,344
Equipment	10,000	30,000	29,424	576
Contracts-Services	303,000	302,505	258,557	43,948
Travel and Transportation	100,000	111,000	110,906	94
Utilities	12,000	13,100	13,099	1
Other	21,000	31,538	31,461	77
<i>Total Disbursements</i>	<u>1,782,000</u>	<u>1,662,506</u>	<u>1,603,504</u>	<u>59,002</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>25,000</u>	<u>329,494</u>	<u>309,152</u>	<u>(20,342)</u>
<b>Other Financing Sources (Uses)</b>				
Advances Out	<u>(25,000)</u>	<u>(309,000)</u>	<u>(309,000)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(25,000)</u>	<u>(309,000)</u>	<u>(309,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	-	20,494	152	(20,342)
<i>Fund Balance Beginning of Year</i>	<u>24,507</u>	<u>24,507</u>	<u>24,507</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 24,507</u>	<u>\$ 45,001</u>	<u>\$ 24,659</u>	<u>\$ (20,342)</u>

See accompanying notes to the basic financial statements.

**Athens-Hocking Joint Solid Waste Management District**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual (Non - GAAP Budgetary Basis)*  
*Market Development Grant Fund*  
*For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Intergovernmental	\$ -	\$ 200,000	200,000	\$ -
<i>Total receipts</i>	<u>-</u>	<u>200,000</u>	<u>200,000</u>	<u>0</u>
<b>Disbursements</b>				
Current:				
Contracts-Services	-	200,000	-	200,000
<i>Total Disbursements</i>	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>
<i>Net Change in Fund Balance</i>	-	-	200,000	200,000
<i>Fund Balance Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>

See accompanying notes to the basic financial statements.



**Athens-Hocking Joint Solid Waste Management District**  
*Statement of Cash Basis Assets and Fund Balances - Cash Basis*  
*Governmental Funds*  
*December 31, 2006*

	General	Recycling Center	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 101,099	\$ 24,507	\$ 80,000	\$ 10,735	\$ 216,341
<i>Total Assets</i>	<u>101,099</u>	<u>24,507</u>	<u>80,000</u>	<u>10,735</u>	<u>216,341</u>
<b>Fund Balances</b>					
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	101,099	-	-	-	101,099
Special Revenue Funds	-	24,507	-	10,735	35,242
Capital Projects Funds	-	-	80,000	-	80,000
<i>Total Fund Balances</i>	<u>\$ 101,099</u>	<u>\$ 24,507</u>	<u>\$ 80,000</u>	<u>\$ 10,735</u>	<u>\$ 216,341</u>

See accompanying notes to the basic financial statements.

**Athens-Hocking Joint Solid Waste Management District**  
*Statement of Receipts, Disbursements and Changes in Cash Basis Fund Balances - Cash Basis*  
 Governmental Funds  
 For the Year Ended December 31, 2006

	General	Recycling Center	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>					
Intergovernmental	\$ 10,621	\$ -	\$ -	\$ -	\$ 10,621
Tipping Fees	198,888	-	-	-	198,888
Curbside Fees	77,766	77,870	-	-	155,636
Other Fees	-	67,115	-	-	67,115
Recycling Fees	-	1,180,602	-	-	1,180,602
Sales	-	268,729	-	-	268,729
Miscellaneous	2,978	10,872	-	118	13,968
<i>Total Receipts</i>	<u>290,253</u>	<u>1,605,188</u>	<u>-</u>	<u>118</u>	<u>1,895,559</u>
<b>Disbursements</b>					
Current:					
Salaries	122,379	628,442	-	-	750,821
Fringe Benefits	67,043	362,464	-	763	430,270
Supplies and Materials	1,487	13,000	-	-	14,487
Repair and Maintenance	-	62,505	-	-	62,505
Equipment	-	8,305	-	-	8,305
Contracts-Services	45,532	266,351	-	1,496	313,379
Travel and Transportation	667	91,996	-	-	92,663
Utilities	-	11,467	-	-	11,467
Reimbursements	77,766	-	-	-	77,766
Advertising	149	1,000	-	-	1,149
Legal Fees	1,500	-	-	-	1,500
Other	1,000	19,745	-	2,128	22,873
Debt Service:					
Principal Retirement	-	50,078	-	11,939	62,017
Interest and Fiscal Charges	-	1,089	-	69	1,158
<i>Total Disbursements</i>	<u>317,523</u>	<u>1,516,442</u>	<u>-</u>	<u>16,395</u>	<u>1,850,360</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(27,270)</u>	<u>88,746</u>	<u>-</u>	<u>(16,277)</u>	<u>45,199</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	-	-	-	12,008	12,008
Transfers Out	-	(12,008)	-	-	(12,008)
Advances In	-	-	80,000	-	80,000
Advances Out	-	(80,000)	-	-	(80,000)
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>(92,008)</u>	<u>80,000</u>	<u>12,008</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>(27,270)</u>	<u>(3,262)</u>	<u>80,000</u>	<u>(4,269)</u>	<u>45,199</u>
<i>Fund Balances Beginning of Year</i>	<u>128,369</u>	<u>27,769</u>	<u>-</u>	<u>15,004</u>	<u>171,142</u>
<i>Fund Balances End of Year</i>	<u>\$ 101,099</u>	<u>\$ 24,507</u>	<u>\$ 80,000</u>	<u>\$ 10,735</u>	<u>\$ 216,341</u>

See accompanying notes to the basic financial statements.

**Athens-Hocking Joint Solid Waste Management District**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual (Non - GAAP Budgetary Basis)*  
*General Fund*  
*For the Year Ended December 31, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Intergovernmental	\$ -	\$ -	\$ 10,621	\$ 10,621
Tipping Fees	235,000	235,000	198,888	(36,112)
Curbside Fees	80,000	80,000	77,766	(2,234)
Miscellaneous	5,000	5,050	2,978	(2,072)
	-	-	-	-
<i>Total Receipts</i>	<u>320,000</u>	<u>320,050</u>	<u>290,253</u>	<u>(29,797)</u>
<b>Disbursements</b>				
Current:				
Salaries	120,892	133,125	122,379	10,746
Fringe Benefits	61,375	67,585	67,043	542
Supplies and Materials	3,000	3,000	1,487	1,513
Equipment	2,000	-	-	-
Contracts-Services	56,500	-	45,532	(45,532)
Travel and Transportation	2,000	2,000	667	1,333
Reimbursements	80,000	80,000	77,766	2,234
Advertising	1,000	149	149	-
Advancements	10,000	52,400	-	52,400
Legal Fees	1,500	1,500	1,500	-
Other	7,000	1,000	1,000	-
	-	-	-	-
<i>Total Disbursements</i>	<u>345,267</u>	<u>340,759</u>	<u>317,523</u>	<u>23,236</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(25,267)</u>	<u>(20,709)</u>	<u>(27,270)</u>	<u>(6,561)</u>
<i>Net Change in Fund Balance</i>	<u>(25,267)</u>	<u>(20,709)</u>	<u>(27,270)</u>	<u>(6,561)</u>
<i>Fund Balance Beginning of Year</i>	<u>128,369</u>	<u>128,369</u>	<u>128,369</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 103,102</u>	<u>\$ 107,660</u>	<u>\$ 101,099</u>	<u>\$ (6,561)</u>

See accompanying notes to the basic financial statements.

**Athens-Hocking Joint Solid Waste Management District**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual (Non - GAAP Budgetary Basis)*  
*Recycling Center Fund*  
*For the Year Ended December 31, 2006*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Curbside Fees	\$ 80,000	\$ 80,000	\$ 77,870	\$ (2,130)
Other Fees	70,000	70,000	67,115	(2,885)
Recycling Fees	1,272,000	1,272,000	1,180,602	(91,398)
Sales	300,000	300,000	268,729	(31,271)
Miscellaneous	28,000	28,000	10,872	(17,128)
<i>Total receipts</i>	<u>1,750,000</u>	<u>1,750,000</u>	<u>1,605,188</u>	<u>(144,812)</u>
<b>Disbursements</b>				
Current:				
Salaries	510,000	661,219	628,442	32,777
Fringe Benefits	379,300	377,800	362,464	15,336
Supplies and Materials	13,000	13,000	13,000	-
Repair and Maintenance	104,000	82,800	62,505	20,295
Equipment	100,000	8,305	8,305	-
Contracts-Services	255,000	270,000	266,351	3,649
Travel and Transportation	95,000	95,000	91,996	3,004
Utilities	14,000	14,000	11,467	2,533
Advertising	1,000	1,000	1,000	-
Other	50,000	35,000	19,745	15,255
Debt Service:				
Principal Retirement	78,000	61,675	50,078	11,597
Interest and Fiscal Charges	2,000	1,500	1,089	411
<i>Total Disbursements</i>	<u>1,601,300</u>	<u>1,621,299</u>	<u>1,516,442</u>	<u>104,857</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>148,700</u>	<u>128,701</u>	<u>88,746</u>	<u>(39,955)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(20,000)	(12,008)	(12,008)	-
Advances Out	(80,000)	(67,992)	(80,000)	(12,008)
<i>Total Other Financing Sources (Uses)</i>	<u>(100,000)</u>	<u>(80,000)</u>	<u>(92,008)</u>	<u>(12,008)</u>
<i>Net Change in Fund Balance</i>	48,700	48,701	(3,262)	(51,963)
<i>Fund Balance Beginning of Year</i>	<u>27,769</u>	<u>27,769</u>	<u>27,769</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 76,469</u>	<u>\$ 76,470</u>	<u>\$ 24,507</u>	<u>\$ (51,963)</u>

See accompanying notes to the basic financial statements.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

**Note 1 – Reporting 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 Operations Coordinator of the Athens-Hocking Joint Solid Waste Management District. Its sole purpose is to assist and promote recycling and control of solid wastes, to secure the sale of recycling materials collected, to aid the counties in the control problems of solid waste and to contract with the necessary agencies to allow the processing and selling of collected materials. The District provides funding to the Recycling 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.

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

As discussed further in Note 2C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the District's accounting policies.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Continued)**

**Note 2 - Summary of Significant Accounting Policies** (Continued)

*A. Basis of Presentation*

The District's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through charges for services, intergovernmental revenues or other non-exchange transactions.

The statement of net assets presents the cash balance of the governmental activities of the District at year end. The statement of activities compares disbursements and program receipts for each program or function of the District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the District is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Receipts which are not classified as program receipts are presented as general receipts of the District, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program or business activity is self-financing on a cash basis or draws from the general receipts of the District.

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

*B. Fund Accounting*

The District uses funds 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. The funds of the District are presented as governmental.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Continued)**

**Note 2 - Summary of Significant Accounting Policies** (Continued)

Governmental Funds

Governmental funds are those through which most governmental functions of the District are financed. The following are the District's major governmental funds:

*General Fund* - The General Fund accounts for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

*Capital Improvements Fund* - This fund accounts for major capital improvements for the District.

*Market Development Grant Fund* - This fund accounts for a grant received for market development for the District.

The other governmental funds of the District account for grants, debt service and other resources whose use is restricted for a particular purpose.

C. Basis of Accounting

The District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the annual budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The annual budget demonstrates a need for existing or increased rates. The certificate of estimated resources establishes a limit on the amount the Board may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of control has been established by the Board at the fund, function and object level for all funds.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Continued)**

**Note 2 - Summary of Significant Accounting Policies** (Continued)

*D. Budgetary Process* (Continued)

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the fiscal officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Board.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

Although the Recycling Center is not subject to the budgetary requirements of the Ohio Revised Code, annual budgets are prepared and approved and included within the budgetary information.

*E. Cash and Cash Equivalents*

As required by Ohio Revised Code, the Athens County Treasurer is custodian for the District's cash. The District's cash is held in the County's cash and investment pool, and is valued at the County Treasurer's carrying amount.

The Recycling Centers' cash is held and invested by the Administration Coordinator with approval of the Board of Trustees. The Recycling Centers' assets are held in its cash and investment pool and are valued at the Recycling Centers' reported carrying amount.

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposits or short-term investments with an original maturity of three months or less. The District values investments and cash equivalents at cost.

*F. Long Term Debt*

Long term debt is not recorded as a liability in the accompanying basic cash basis financial statements. Principal payments on debt are recorded as disbursements in the year paid.

*G. Inventory and Prepaid Items*

The District reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.



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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Continued)**

**Note 2 - Summary of Significant Accounting Policies** (Continued)

*H. Capital Assets*

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

*I. Accumulated Leave*

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

*J. Employer Contributions to Cost-Sharing Pension Plans*

The District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

*K. Net Assets*

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available. None of the District's restricted net assets are restricted by enabling legislation.

**Note 3 - Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual for the general fund and each major special revenue fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Continued)**

**Note 4 - Deposits and Investments**

Ohio law restricts deposits and investments to the following:

1. United States Treasury Bills, Bonds, Notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States, or any book entry, zero coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio or its political subdivisions;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the District lends securities and the eligible institution agrees to simultaneously exchange either securities or cash, equal value for equal value; and
9. Commercial paper notes, corporate notes and bankers' acceptances; and debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government. All interest and principal shall be denominated and payable in United States funds.

Reverse repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States, are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Bankers' acceptances must mature within 180 days. Commercial paper and corporate notes must mature within 270 days. All other investments must mature within five years from the date of settlement unless matched to a specific obligation or debt of the District. Investments must be purchased with the expectation that they will be held to maturity. 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Continued)**

**Note 4 - Deposits and Investments** (Continued)

The Athens County Treasurer serves as the fiscal agent for the District and the investments of the County funds, including the District's cash. The District maintains no control over the investment of its cash.

**Deposits:** The District's deposits maintained by the Athens County Treasurer are either insured by the Federal Deposit Insurance Corporation or were considered collateralized by securities held by the pledging institutions' trust departments in Athens County's name and all State statutory requirements for the deposit of money had been followed. Deposits of the Recycling Center are insured by the Federal Deposit Insurance Corporation.

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

	<u>2006</u>	<u>2007</u>
Deposits held by County Treasurer	\$191,834	\$660,378
Recycling Centers Deposits	<u>24,507</u>	<u>24,659</u>
Total deposits	<u>\$216,341</u>	<u>\$685,037</u>

**Note 5 – Debt**

There is no outstanding debt as of December 31, 2006 and December 31, 2007.

The debt activity during fiscal year 2006 is as follows:

	<u>Balance 01/01/2006 *</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 12/31/2006</u>
Chase Business				
Line of Credit	\$ 50,078	\$ -	\$ 50,078	\$ -
Equipment Loan	<u>11,939</u>	<u>-</u>	<u>11,939</u>	<u>-</u>
Total	<u>\$ 62,017</u>	<u>\$ -</u>	<u>\$ 62,017</u>	<u>\$ -</u>

\* Restated as the Chase Business Line of Credit was not disclosed in the prior year financial statements. Since the basic financial statements are presented on a cash basis, there was no effect on beginning net assets.

The District borrowed against a \$50,000 line of credit at a variable interest rate ranging from 8% to 8.75% during fiscal year 2005. This line of credit was used for various purposes and was paid off during fiscal year 2006.

On December 16, 2002, the District borrowed \$200,000 at 3.85% for the purchase of a roll-off truck and a packer truck for use by the Recycling Centers. The loan was paid off during fiscal year 2006.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Continued)**

**Note 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.

**Note 7 - Defined Benefit Pension Plans**

**Ohio Public Employees Retirement System**

The District participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional 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 that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by OPERS to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provide retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional 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 issue a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

For the years ended December 31, 2007 and 2006, members of all three plans were required to contribute 9.5 percent and 9.0 percent, respectively, of their annual covered salary to fund pension obligations. The District's contribution rates for pension benefits for 2007 and 2006 were 13.85 percent and 13.70 percent, respectively. The Ohio Revised Code provides statutory authority for member and employer contributions.

The District's contributions for pension obligations to PERS Ohio for the fiscal years ended December 31, 2007, 2006 and 2005 were \$167,659, \$160,233 and \$145,833, respectively, which represents the required annual contribution for each year.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Continued)**

**Note 8 - Postemployment Benefits**

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers". A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2007 and 2006 employer contribution rates were 13.85 percent and 13.70 percent, respectively, of covered payroll; 5.00 percent from January 1 through June 30, 2007, 6.00 percent from July 1 through December 21, 2007 and 4.5 percent in 2006 were the portions used to fund health care.

The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS.

Benefits are advance-funded using the individual entry age actuarial cost method. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2006, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees), and an additional increase in total payroll of between .5 percent and 6.3 percent based on additional annual pay increases.

Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 0.50 percent to 5.00 percent for the next 8 years. In subsequent years, (9 and beyond) health care costs were assumed to increase at 4.00 percent (the projected wage inflation rate).

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

The number of active contributing participants in the traditional and combined plans was 374,979 as of December 31, 2007. The number of active contributing participants for both plans used in the December 31, 2006, actuarial valuation was 362,130. Actual employer contributions for 2007 and 2006 which were used to fund postemployment benefits were \$66,741 and \$52,636, respectively. OPERS's net assets available for the payment of benefits at December 31, 2006 (the latest information available), was \$12 billion. The actuarial accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Continued)**

**Note 8 - Postemployment Benefits** (continued)

OPERS Board of Trustees Implements its Health Care Preservation Plan:

The Health Care Preservation Plan (HCPP) adopted on September 9, 2004, was effective on January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008 which allowed additional funds to be allocated to the health care plan.

**Note 9 – Interfund Transactions**

**Interfund Transfers**

The following advances in and out were made during 2007:

	Advances In	
	Capital	Total
	Improvement	Governmental
Advances Out	Funds	Funds
Recycling Center Fund	\$309,000	\$309,000
Total	\$309,000	\$309,000

The following transfers in and out were made during 2006:

	Transfers In	
	Other	Total
	Governmental	Governmental
Transfers Out	Funds	Funds
Recycling Center Fund	\$12,008	\$12,008
Total	\$12,008	\$12,008

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Continued)**

**Note 9 – Interfund Transactions** (continued)

The following advances in and out were made during 2006:

	Advances In	
	Capital Improvement Funds	Total Governmental Funds
Advances Out		
Recycling Center Fund	\$80,000	\$80,000
Total	\$80,000	\$80,000

Transfers are used to move revenues from the fund that collects them in accordance with statute or budget to the fund that is required to expend them in accordance with statute or budget; to segregate money for anticipated capital projects; to provide resources for current operations; or to service debt. Advances are used to provide temporary financing for funds which are intended to be repaid.

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Members of the Board  
Athens-Hocking Joint Solid Waste District  
13183 State Route 13  
Chauncey, Ohio 45719

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, of the Athens-Hocking Joint Solid Waste District (the District), as of and for the years ended December 31, 2007 and 2006, which collectively comprise the District's basic financial statements as listed in the table of contents, and have issued our report thereon dated July 31, 2008, wherein we noted the District follows the cash basis of accounting rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies, resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

We noted a certain matter that we reported to the District's management in a separate letter dated July 31, 2008.



Members of the Board

Athens-Hocking Joint Solid Waste District

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Page 2

### **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, 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 or other matters that we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of management and members of the Board. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in black ink on a light-colored background.

Balestra, Harr & Scherer, CPAs, Inc.  
July 31, 2008





**Mary Taylor, CPA**  
Auditor of State

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

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED**  
**NOVEMBER 6, 2008**