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

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2007

Mary Taylor, CPA
Auditor of State

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

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INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Directors:

We have audited the accompanying financial statements of the Stark-Tuscarawas-Wayne Joint Solid Waste Management District, Tuscarawas County, Ohio (the District), as of and for the years ended December 31, 2007 and 2006, 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 Standards*. 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 our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Stark-Tuscarawas-Wayne Joint Solid Waste Management District, Tuscarawas County, Ohio, as of December 31, 2007 and 2006, and the changes in financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 13, 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. We previously issued a report dated August 3, 2007 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 for the year ended December 31, 2006. While we did not opine on the internal control over financial reporting or on compliance, those reports describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read them in conjunction with this report in assessing the results of our audit.

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Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 13, 2008

This discussion and analysis of the Stark-Tuscarawas-Wayne Joint Solid Waste Management District's (the District) financial performance provides an overall review of the District's financial activities for the years ended December 31, 2007 and 2006. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Overview of the Financial Statements

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

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

- Statement of Net Assets – This statement presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets.

- Statement of Revenues, Expenses and Changes in Net Assets - This statement includes all operating and nonoperating revenues and expenses for the District and shows the change in the District's net assets during the most recent year.

- Statement of Cash Flows — This statement reports cash and cash equivalent activities for the year resulting from operating, capital and investing activities. A reconciliation of operating income with cash provided from operations is included.

Financial Highlights

- The District underwent significant operational changes in 2007 during its county recycling office restructuring in accordance with the Ohio EPA Plan Update implemented in December 2006. Prior to consolidation, there were three separate County Recycling Offices that were historically funded by a combination of grants from ODNR and the Stark-Tuscarawas-Wayne Joint Solid Waste Management District. However, with the District's Plan Update, a restructuring occurred in which these county-level offices consolidated into the District effective January 1, 2007.

  In addition to transitioning County Recycling Office personnel to employees of the District, other assets also had to be transitioned back to the District. These other assets included vehicles, office equipment, furniture, etc., purchased by the counties with District grant funds. Some of the main advantages of this consolidation have been to reduce the duplication of effort and to allow for more efficient use of resources while still allowing staff to remain close to the local communities in order to foster close communication and knowledge of local needs and conditions.

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by $10,133,636 (net assets) which is an increase of $320,492. Of this amount, $5,500,154 of restricted net assets, including $1,500,000 set aside for the Newcomerstown Landfill Closure, is available for plan implementation of the 10 allowable expenses according to H.B. 592 and pursuant to the Ohio Revised Code 3734.57, Section (G). Restricted net assets remained relatively consistent with the prior year, only increasing $59,278, or 1.1 percent.

  Unrestricted net assets also remained relatively consistent with the prior year, only increasing $253,966, or 6.4 percent. These unrestricted assets represent the accumulated interest income earned over time which may be used to fund expenses outside of the scope of the Plan Update or any proper purpose of the District.

  A portion of the District's net assets ($441,907 or 4.4 percent and $434,659 or 4.4 percent at December 31, 2007 and 2006, respectively, for a net increase of $7,248 or 1.7 percent) represents the District's investment in its capital assets. The increase in the District's investment in its capital assets is due to the assets transferred back to the District during the consolidation of the county recycling offices.

- The District's revenues exceeded its expenses by $274,465 before capital contributions of $46,027 for assets transferred back to the District during consolidation. This is a $320,492 increase in net assets from the prior year.

- The District's revenues decreased $173,877, or 2.9 percent, while expenses decreased $387,662, or 6.6 percent. The decrease in revenue was due to the decrease in out-of-district tipping fees collected. The decrease in expenses was due partially to the discontinued costs of a USGS Water Study and Newcomerstown Landfill Closure costs from 2006 to 2007 as well as some realized savings from the consolidation noted earlier.

- The District's primary revenues are tipping fees. These receipts represent 86.2 percent of the total revenues received during the year. Tipping fee revenues for 2007 decreased by $528,448 compared to 2006. A new operating revenue source, recyclables income, resulted from the consolidation of the county recycling offices mentioned earlier. Recycling income totaled $283,176.

- Some of the District's expense line items have changed to reflect the change in operations from a decentralized system where the District would fund the county recycling offices through annual grants to a consolidated approach where the District is directly paying for services provided to local communities. The recycling collection and yard waste collection expenses, $210,817 and $313,518, respectively, represent two new direct expenses of the District to provide services to residents in communities that do not receive grant funding from the District to run their own collection programs. The Household Hazardous Waste/Electronics Collection remained the largest District expense at $1,087,630, increasing by $379,653 from the prior year.

Financial Position

The analysis below focuses on the District's financial position and the results of operations for 2007 compared to 2006 and 2005:

	2007	2006	2005
Assets			
Current and Other Assets	$10,467,103	$9,940,217	$10,272,690
Capital Assets, Net	441,907	434,659	461,157
Total Assets	10,909,010	10,374,876	10,733,847
Liabilities	775,374	561,732	981,383
Net Assets			
Invested in Capital Assets	441,907	434,659	461,157
Restricted for:			
Landfill Closure	1,500,000	1,500,000	1,500,000
Other Purposes	4,000,154	3,940,876	3,824,610
Unrestricted	4,191,575	3,937,609	3,966,697
Total Net Assets	$10,133,636	$9,813,144	$9,752,464
Revenues			
Operating Revenue	$5,295,940	$5,535,674	$5,457,686
Non-operating Revenue	508,342	442,485	298,916
Total Revenue	5,804,282	5,978,159	5,756,602
Expenses	5,529,817	5,917,479	6,360,025
Income Before Capital Contributions	274,465	60,680	(603,423)
Capital Contributions	46,027	0	0
Change in Net Assets	320,492	60,680	(603,423)
Net Assets, Beginning of Year	9,813,144	9,752,464	10,355,887
Net Assets, End of Year	$10,133,636	$9,813,144	$9,752,464

Capital Assets

As of December 31, 2007, the District had $441,907 invested in land improvements, buildings and improvements, furniture and fixtures, and vehicles. The table below shows 2007 balances compared to 2006 and 2005:

	2007	2006	2005
Land Improvements	$44,506	$49,801	$55,017
Buildings and Improvements	330,090	352,577	364,136
Furniture, Fixtures and Equipment	39,085	3,014	4,375
Vehicles	28,226	29,267	37,629
Totals	$441,907	$434,659	$461,157

All capital assets are reported net of depreciation. For additional information on capital assets, see Note 7.

Current Known Fact and Conditions

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

In February 2004, the District agreed to provide grant funds to the Village of Newcomerstown for costs associated with the closure of the Newcomerstown landfill. The landfill is owned by the Village and stopped accepting waste in 1984. The Village has been working with the Ohio Environmental Protection Agency to resolve the closure and post-closure issues at the landfill but has not had the funding to cap the landfill properly. In February 2004, the Board of Directors estimated a potential future cost of $3,000,000 for the closure costs of the landfill.

On June 6, 2008, the District entered into a grant agreement with the Village of Newcomerstown for the landfill closure costs for an amount not to exceed $1,500,000. No determination has been made concerning the post-closure costs.

Contacting the District's Management

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

Stark-Tuscarawas-Wayne Joint Solid Waste Management District

Comparative Statement of Fund Net Assets

December 31, 2007 and 2006

	2007	2006
Assets		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	$9,965,522	$9,483,839
Tipping Fee Receivable	431,029	456,378
Recyclable Income Receivable	40,364	0
Intergovernmental Receivable	30,188	0
Total Current Assets	10,467,103	9,940,217
Noncurrent Assets:		
Depreciable Capital Assets, Net	441,907	434,659
Total Assets	10,909,010	10,374,876
Liabilities		
Current Liabilities:		
Accounts Payable	294,188	0
Accrued Expenses	0	6,290
Accrued Wages	34,575	9,891
Intergovernmental Payable	372,984	512,609
Compensated Absences Payable	28,995	15,152
Total Current Liabilities	730,742	543,942
Long-Term Liabilities:		
Compensated Absences Payable (net of current portion)	44,632	17,790
Total Liabilities	775,374	561,732
Net Assets		
Invested in Capital Assets	441,907	434,659
Restricted for Landfill Closure	1,500,000	1,500,000
Restricted for Other Purposes	4,000,154	3,940,876
Unrestricted	4,191,575	3,937,609
Total Net Assets	$10,133,636	$9,813,144

See accompanying notes to the basic financial statements

Stark-Tuscarawas-Wayne Joint Solid Waste Management District

Comparative Statement of Revenues,

Expenses and Changes in Fund Net Assets

For the Years Ended December 31, 2007 and 2006

	2007	2006
Operating Revenues		
Tipping Fees		
Inside District	$914,274	$915,402
Outside District	3,853,693	4,264,464
Outside State	237,763	354,312
Recyclable Income	283,176	0
Miscellaneous	7,034	1,496
Total Operating Revenues	5,295,940	5,535,674
Operating Expenses		
Wages and Benefits	685,760	240,823
Grants to Others:		
Financial Assistance to City/County Boards of Health	557,943	560,578
Community Recycling Grants	727,617	841,055
Yard Waste Grants	270,783	814,299
County Sheriff's Grants	498,000	600,220
Education and Awareness	0	382,778
Recycling Collection	210,817	0
Yard Waste Collection	313,518	0
Household Hazardous Waste/Electronics Collection	1,087,630	707,977
Appliance Collections	67,177	71,196
Education and Awareness	60,337	385,616
USGS Water Study	0	347,677
Road Repairs Around District Landfills	60,936	274,528
Tire Collection	87,300	61,531
Newcomerstown Landfill Closure	0	121,831
Professional Fees	342,244	278,328
Administrative Office Supplies and Vehicle Expense	29,168	11,595
Telephone	7,063	6,433
Utilities	5,592	6,058
Computer and Website	4,308	1,988
Postage and Delivery	4,180	878
Printing and Brochures	118,820	121,891
Administrative Travel and Expenses	13,552	7,896
Advertising	20,953	619
Cleaning and Maintenance	14,489	20,967
Insurance	24,323	10,215
Field Office Supplies and Vehicle Expenses	142,008	13,265
Field Office Stipend	91,200	0
Depreciation Expense	83,373	26,499
Miscellaneous	726	738
Total Operating Expenses	5,529,817	5,917,479
Operating Loss	(233,877)	(381,805)
Non-Operating Revenues		
Return of Non-used Grant Funds	30,188	0
Interest Revenue	478,154	442,485
Total Non-Operating Revenues	508,342	442,485
Income Before Capital Contributions	274,465	60,680
Capital Contributions	46,027	0
Change in Net Assets	320,492	60,680
Net Assets Beginning of Year	9,813,144	9,752,464
Net Assets End of Year	$10,133,636	$9,813,144

See accompanying notes to the basic financial statements

Stark-Tuscarawas-Wayne Joint Solid Waste Management District

Comparative Statement of Cash Flows

For the Years Ended December 31, 2007 and 2006

	2007	2006
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash Received from Tipping Fees	$5,031,079	$5,554,352
Cash Received from Recycling Income	242,812	0
Other Cash Receipts	7,034	1,496
Cash Payments to Employees for Services	(620,594)	(240,823)
Cash Payments for Goods and Services	(956,298)	(1,830,278)
Cash Payments for Grants to Others	(1,825,810)	(3,397,331)
Cash Payments for Recyclable Material Collections	(1,829,374)	(840,704)
Other Cash Payments	(726)	0
Net Cash Provided by (Used in) Operating Activities	48,123	(753,288)
Cash Flows from Capital Activities		
Acquisition of Capital Assets	(44,594)	0
Cash Flows from Investing Activities		
Interest on Investments	478,154	442,485
Net Increase (Decrease) in Cash and Cash Equivalents	481,683	(310,803)
Cash and Cash Equivalents Beginning of Year	9,483,839	9,794,642
Cash and Cash Equivalents End of Year	$9,965,522	$9,483,839
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities		
Operating Loss	($233,877)	($381,805)
Adjustments:		
Depreciation	83,373	26,499
(Increase) Decrease in Assets:		
Tipping Fees Receivable	25,349	(48,330)
Recyclable Income Receivable	(40,364)	0
Intergovernmental Receivable	0	70,000
Increase (Decrease) in Liabilities:		
Accounts Payable	294,188	0
Accrued Expenses	(6,290)	2,512
Accrued Wages	24,684	0
Intergovernmental Payable	(139,625)	(72,164)
Compensated Absences Payable	40,685	0
Due to Subgrantee	0	(350,000)
Net Cash Provided by (Used in) Operating Activities	$48,123	($753,288)

Noncash Transaction:
During 2007, the District received capital assets with a fair value of $46,027 due to the consolidation of county recycling offices.

See accompanying notes to the basic financial statements

Note 1 - Description of the Entity

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

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

Note 2 - Summary of Significant Accounting Policies

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also apples Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, provided they do not conflict with or contradict GASB pronouncements. The District has elected not to apply FASB Pronouncements and Interpretations issued after November 30, 1989. The more significant of the District's accounting policies are described below.

A. Basis of Presentation

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

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

The District uses a single enterprise fund to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

B. Measurement Focus

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

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District's financial statements are prepared using the accrual basis of accounting.

On the accrual basis, revenue is recorded on exchange transactions when the exchange takes place. Nonexchange transactions, in which the District receives value without directly giving equal value in return, include capital contributions. Expenses are recognized at the time they are incurred.

D. Cash and Investments

During 2007, investments were limited to a Repurchase Agreement and STAROhio.

Repurchase agreements are reported at cost.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on December 31, 2006.

E. Capital Assets

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

Description	Estimated Lives
Land Improvements	10-40 years
Buildings and Improvements	10-40 years
Furniture and Fixtures	5-10 years
Vehicles	5 years

F. Operating Revenues and Expenses

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

G. Estimates

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

H. Net Assets

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. For 2007, the District had restricted net assets in the amount of $5,500,154, $1,500,000 of which was restricted by enabling legislation. Net assets restricted for other purposes includes tipping fees which are available for plan implementation of the 10 allowable expenses according to H.B. 592 and pursuant to the Ohio Revised Code 3734.57, Section (G). Net assets invested in capital assets consists of capital assets less accumulated depreciation.

I. Contributions of Capital

Contributions of capital on the financial statements arise from outside contributions of capital assets.

Note 3– Change in Accounting Principles

For 2007, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", GASB Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues", and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 45 improves the relevance and usefulness of financial reporting by requiring systematic, accrual-basis measurement and recognition of OPEB costs over a period that approximates employees' years of service and providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. An OPEB liability at transition was determined in accordance with this Statement for the OPERS post-employment healthcare plan in the amount of $839, which is the same as the previously reported liability.

GASB Statement No. 48 addresses how to account for the exchange of an interest in expected cash flows from collecting specific receivables or specific future revenues for immediate cash payments. The statement established criteria used to determine whether the transaction should be recorded as revenue or as a liability (a sale or a collateralized borrowing). The implementation of this statement did not result in any change to the financial statements.

GASB Statement No. 50 requires employers contributing to defined benefit pension plans to include the legal or contractual maximum contribution rates in the notes to the financial statements. The implementation of this statement did not result in any change to the financial statements.

Note 4 – Deposits and Investments

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

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any obligation guaranteed as to principal or interest by the United States;

2. Bonds, notes, debenture, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and that the term of the agreement must not exceed 30 days;

4. Bonds and other obligations of the State of Ohio or Ohio local governments;

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

6. The State Treasury Asset Reserve of Ohio (STAROhio);

7. Certain bankers' acceptances and commercial paper notes for a period not to exceed 180 days in an amount not to exceed 25 percent of the interim monies available for investment at any one time; and

8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

As of December 31, 2007, the District had the following investments:

Investment Type	Fair Value	Average Maturity
Repurchase Agreements:		
Federal National Mortgage Association Securities	$240,255	1 day
STAROhio	9,295,243	41 days
Total Investments	$9,535,498	

As of December 31, 2006, the District had the following investments:

Investment Type	Fair Value	Average Maturity
STAROhio	$8,950,783	35 days

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

Credit Risk Moody has assigned the Federal National Mortgage Association Security an Aaa rating. Standard & Poor's has assigned STAROhio an AAA rating. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The District has no investment policy that would further limit its investment choices.

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

Concentration of Credit Risk The District places no limit on the amount it may invest in any one issuer. The following is the District's allocation as of December 31, 2007:

Investment Issuer	Percentage of Investments
Repurchase Agreements:	
Federal National Mortgage Association Securities	2.52 %
STAROhio	97.48
Total	100.00 %

At December 31, 2006, the District invested only in STAROhio.

Note 5 – Defined Benefit Pension Plan

Plan Description - The District participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional 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 the retirement system 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. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only within the traditional pension plan.

OPERS provides 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 issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2007, member in State and local classification contributed 9.5 percent of covered payroll, public safety members contributed 9.75 percent, and law enforcement members contributed 10.1 percent.

The District's contribution rate for pension benefits for 2007 was 13.85 percent, except for those plan members in law enforcement or public safety, for whom the District's contribution was 17.17 percent of covered payroll. For the period January 1 through June 30, a portion of the District's contribution equal to 5 percent of covered payroll was allocated to fund the post-employment health care plan; for the period July 1 through December 31, 2007, this amount was increased to 6 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the District of 14 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

The District's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 were $40,211, $26,488, and $25,559 respectively; 91.2 percent has been contributed for 2007 and 100 percent for 2006 and 2005.

Note 6 - Postemployment Benefits

Plan Description – OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health care. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for post-employment health care coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). State statute requires that public employers fund post-employment health care through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2007, local government employers contributed 13.85 percent of covered payroll (17.17 percent for public safety and law enforcement). Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. The amount of the employer contributions which was allocated to fund post-employment health care was 5.00 percent of covered payroll from January 1 through June 30, 2007, and 6.00 percent from July 1 to December 31, 2007.

The retirement board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and coverage selected. Active members do not make contributions to the post-employment health care plan.

The District's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2007, 2006, and 2005 were $26,487, $8,700, and $7,545 respectively; 91.2 percent has been contributed for 2007 and 100 percent for 2006 and 2005.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of 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 7 – Capital Assets

Capital asset activity for the fiscal year ended December 31, 2006 was as follows:

	Balance 12/31/2005	Additions	Deductions	Balance 12/31/2006
Capital Assets being depreciated:				
Land Improvements	$99,651	$0	$0	$99,651
Building and Improvements	462,396	0	0	462,396
Furniture, Fixtures and Equipment	62,026	0	0	62,026
Vehicles	41,810	0	0	41,810
Total Capital Assets being depreciated	665,883	0	0	665,883
Less: Accumulated Depreciation	(204,726)	(26,498)	0	(231,224)
Total Capital Assets being Depreciated, net	$461,157	($26,498)	$0	$434,659

Capital asset activity for the fiscal year ended December 31, 2007 was as follows:

	Balance 12/31/2006	Additions	Deductions	Balance 12/31/2007
Capital Assets being depreciated:				
Land Improvements	$99,651	$0	$0	$99,651
Building and Improvements	462,396	0	0	462,396
Furniture, Fixtures and Equipment	62,026	49,620	(18,035)	93,611
Vehicles	41,810	43,989	0	85,799
Total Capital Assets being depreciated	665,883	93,609	(18,035)	741,457
Less: Accumulated Depreciation	(231,224)	(83,373)	15,047	(299,550)
Total Capital Assets being Depreciated, net	$434,659	$10,236	($2,988)	$441,907

On January 1, 2007, the Recycling Offices of Stark, Tuscarawas, and Wayne Counties were absorbed by the District, according to the Solid Waste Management Plan. As a part of this transition, ownership of the capital assets purchased by the Counties with District grant funds was transferred to the District as well. The fair value of the transferred capital assets is shown as additions in the table above.

Note 8 – Risk Management

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

During 2006 and 2007, the District obtained commercial insurance through Wichert Insurance Services, Inc. for the following risks:

Coverage	Limit
Property	$750,000
Boiler and Machinery	750,000
Automobile	1,000,000
General Liability	1,000,000
Public Officials	1,000,000
Umbrella	1,000,000

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

Note 9 – Employee Benefits

The District also provided health insurance and dental and vision coverage to full-time employees through the Wayne County Employees Health Plan.

Note 10 – Commitment Contingencies

During 2004, the District set aside $3,000,000 to cover the future costs associated with the closure of the Newcomerstown landfill. The landfill is owned by the Village of Newcomerstown and stopped accepting waste in 1984. The Village has been working with the Ohio Environmental Protection Agency to resolve the closure and post-closure of the landfill but did not have the funds to pay for closure or post-closure.

On June 6, 2008 the District entered into a grant agreement with the Village of Newcomerstown for the landfill closure costs for an amount not to exceed $1,500,000. This amount was determined from closure cost estimates provided by the Village. No determination has been made concerning the post-closure costs. $1,500,000 is shown as restricted net assets on the statement of net assets. Although the District has agreed to provide grant funds, the liability for the closure and post-closure of the landfill is the responsibility of the Village.

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Mary Taylor, CPA
Auditor of State

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

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

To the Board of Directors:

We have audited the financial statements the Stark-Tuscarawas-Wayne Joint Solid Waste Management District, Tuscarawas County, Ohio, (the District) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated August 13, 2008. 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 material weaknesses, as defined above.

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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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain noncompliance or other matters that we reported to the District's management in a separate letter dated August 13, 2008.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 13, 2008

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2007

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; ***Explain***
2006-001	Ohio Rev. Code Section 5705.41(D) – 85% of expenditures tested were not properly certified prior to incurring a commitment.	No.	Partially Corrected. The District implemented procedures which significantly reduced the number of expenditures that were not properly certified.

Mary Taylor, CPA
Auditor of State

STARK-TUSCARAWAS-WAYNE JOINT SOLID WASTE MANAGEMENT DISTRICT

TUSCARAWAS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
SEPTEMBER 25, 2008

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