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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Jefferson Belmont Regional Solid Waste Authority
Jefferson County
P.O. Box 4699
Steubenville, Ohio 43952

We have performed the procedures enumerated below, with which the Board of Directors and the management of Jefferson Belmont Regional Solid Waste Authority (the Authority) agreed, solely to assist the Board in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2012 and 2011, and certain compliance requirements related to these transactions and balances. Management is responsible for recording transactions; and management and the Board are responsible for complying with the compliance requirements. This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

This report only describes exceptions exceeding \$10.

Cash

1. We tested the mathematical accuracy of the December 31, 2012 and December 31, 2011 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2011 beginning fund balances recorded in the Statement of Cash Flows - Direct to the December 31, 2010 balances in the prior year audited statements. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2012 and 2011 fund cash balance reported in the Balance Sheet. The amounts agreed.
4. We confirmed the December 31, 2012 bank account balance with the Authority's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2012 reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2012 bank reconciliation.
 - a. We traced each debit to the subsequent January bank statement. We found no exceptions.
 - b. We traced the amounts and dates to the check register, to determine the debits were dated prior to December 31. We found no exceptions.

Tipping Fees and Other Confirmable Cash Receipts

1. We confirmed the amounts paid from Apex Environmental, LLC to the Authority during 2012 and 2011. They confirmed payment of the following amounts to the Authority:

Company	2012 Payments	2011 Payments
Apex Environmental, LLC	\$1,976,338	\$2,191,752

- a. We compared the amount confirmed with the amount the Authority recorded in its receipt records. The only differences were Apex Environmental, LLC confirmed \$18,378 more than the District recorded during 2011 and \$176,102 less than the District recorded in 2012. Apex Environmental, LLC typically remits November fees to the Authority in December and the receipts are recorded by the Authority in January
 - b. We determined whether these receipts were allocated to the proper fund. We found no exceptions.
 - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.
2. We obtained the March 2011 and June 2012 total tonnage reports from the landfill in step 1.
 - a. We recalculated the dollar amount sent to the District based on the rates in force during the period and agreed to the amounts posted to the Districts ledgers. We found no exceptions.

Debt

1. The prior audit disclosed no debt outstanding as of December 31, 2010.
2. We inquired of management, and scanned the Revenue Ledger and Expenditure Ledger for evidence of debt issued during 2012 or 2011 or debt payment activity during 2012 or 2011. We noted one new debt issue.
3. We obtained a summary of lease debt activity for 2012 and 2011 and agreed principal and interest payments from the related debt amortization schedule to general fund payments reported in the Expenditure Ledger. We also compared the date the debt service payments were due to the date the District made the payments. We found no exceptions.
4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the General fund per the Revenue Ledger. We found the lease proceeds were not recorded in the Revenue Ledger.
5. For new debt issued during 2011, we inspected the debt legislation, noting the Authority must use the proceeds to purchase three trucks. We scanned the Expenditure Ledger and noted the Authority did not record the purchase of the trucks, however, the proceeds were used to purchase the trucks.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2012 and one payroll check for five employees from 2011 from the Quick Check/Transaction Register and:
 - a. We compared the hours and pay rate, or salary amount recorded in the Quick Check/Transaction Register to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
 - b. We determined whether the fund and account code to which the check was posted were reasonable based on the employees' duties as documented in the minute record. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2012 to determine whether remittances were timely paid, and if the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period of 2012. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	January 31, 2013	December 28, 2012	\$2,525	\$2,525
State income taxes	January 15, 2013	January 3, 2013	\$954	\$954
Local income tax	January 31, 2012	January 10, 2013	\$433	\$433
OPERS retirement	January 30, 2013	January 25, 2013	\$9,829	\$9,829

3. We haphazardly selected and recomputed one termination payment (unused vacation, etc.) using the following information, and agreed the computation to the amount paid as recorded in the Quick Check/Transaction Register:
 - a. The employee's pay rate in effect as of the termination date
 - b. The District's payout policy.

The amount paid was consistent with the information recorded in a. through b. above.

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Check/Voucher Register - Detail for the year ended December 31, 2012 and ten from the year ended 2011 and determined whether:
 - a. The disbursements were for a proper public purpose. We found no exceptions.
 - b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the Check/Voucher Register - Detail and to the names and amounts on the supporting invoices. We found no exceptions.
 - c. The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used. We found no exceptions.

Non-Payroll Cash Disbursements – (Continued)

- d. The fiscal officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code Section 5705.28(B)(2). We found two instances where the certification date was after the vendor invoice date, and there was also no evidence that a *Then and Now Certificate* was issued. Ohio Rev. Code Section 5705.28(B)(2) requires certifying at the time of a commitment, which should be on or before the invoice date, unless a *Then and Now Certificate* is used. Because we did not test all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.
- e. The disbursement was allowable under Ohio Rev. Code Section 3734.57(G), and the Authority's policies and procedures. We found no exceptions.

Compliance – Budgetary

1. We compared the total estimated receipts from the *Amended Official Certificate of Estimated Resources*, required by Ohio Rev. Code Sections 5705.28(B)(2) and 5705.36(A)(1), to the amounts recorded in the Detail Budget/Actual Transactions report for the General Fund for the years ended December 31, 2012 and 2011. The Detail Budget/Actual Transactions report recorded budgeted (i.e. certified) resources for the General fund of \$2,047,335 for 2011. However, the final *Amended Official Certificate of Estimated Resources* reflected \$2,264,000. In 2012, the Detail Budget/Actual Transactions report recorded budgeted (i.e. certified) resources for the General fund of \$2,034,200 and the final *Amended Official Certificate of Estimated Resources* reflected \$2,044,000. The fiscal officer should periodically compare amounts recorded in the Detail Budget/Actual Transactions report to amounts recorded on the *Amended Official Certificate of Estimated Resources* to assure they agree. If the amounts do not agree, the Directors may be using inaccurate information for budgeting and monitoring purposes.
2. We scanned the appropriation measures adopted for 2012 and 2011 to determine whether, for the General Fund, the Directors appropriated separately for "each office, department, and division, and within each, the amount appropriated for personal services," as is required by Ohio Rev. Code Sections 5705.28(B)(2) and 5705.38(C). We found no exceptions.
3. We compared total appropriations required by Ohio Rev. Code Sections 5705.28(B)(2), 5705.38 and 5705.40, to the amounts recorded in the Detail Budget/Actual Transactions report for 2012 and 2011 for the General Fund. The amounts on the appropriation resolutions agreed to the amounts recorded in the Detail Budget/Actual Transactions report.
4. Ohio Rev. Code Section 5705.28(B)(2)(c) prohibits appropriations from exceeding the estimated revenue available for expenditure (receipts plus beginning unencumbered cash). We compared total appropriations to total estimated revenue for the General fund for the years ended December 31, 2012 and 2011. We noted no funds for which appropriations exceeded estimated revenue.
5. Ohio Rev. Code Sections 5705.28(B)(2) and 5705.41(B) prohibit expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total appropriations for the years ended December 31, 2012 and 2011 for the General Fund, as recorded in the Detail Budget/Actual Transactions report. We noted that expenditures did not exceed appropriations.

Compliance – Contracts & Expenditures

We inquired of management and scanned the Expenditure Journal for the years ended December 31, 2012 and 2011 for projects requiring the contractor to pay prevailing wages to their employees as required by Ohio Rev. Code Sections 4115.04 and 4115.05. We identified no projects subject to the aforementioned prevailing wage requirements.

We did not receive a response from Officials to the exceptions reported above.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the Authority's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management, those charged with governance, and others within the Authority, and is not intended to be, and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

February 6, 2013

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JEFFERSON BELMONT REGIONAL SOLID WASTE AUTHORITY

JEFFERSON 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
MAY 9, 2013**