



Mary Taylor, CPA
Auditor of State

**SOUTHEASTERN OHIO JOINT SOLID WASTE MANAGEMENT DISTRICT
NOBLE COUNTY**

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Mary Taylor, CPA
Auditor of State

Southeastern Ohio Joint Solid Waste Management District
Noble County
515 Main Street
Caldwell, Ohio 43724

To the Board of Directors:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

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March 8, 2010

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Southeastern Ohio Joint Solid Waste Management District
Noble County
515 Main Street
Caldwell, Ohio 43724

To the Board of Directors:

We have audited the accompanying financial statements of the Southeastern Ohio Joint Solid Waste Management District, Noble County, Ohio (the District), as of and for the years ended December 31, 2009 and 2008. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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.

As described more fully in Note 1, the District has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

While the District does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require solid waste districts to reformat their statements. The District has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2009 and 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2009 and 2008, or its changes in financial position for the years then ended.

Southeastern Ohio Joint Solid Waste Management District
Noble County
Independent Accountants' Report on Internal Control Over
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Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances and reserves for encumbrances of the Southeastern Ohio Joint Solid Waste Management District, Noble County, Ohio, as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The District has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2010, 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.

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Mary Taylor, CPA
Auditor of State

March 8, 2010

**SOUTHEASTERN OHIO JOINT SOLID WASTE MANAGEMENT DISTRICT
NOBLE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSMENTS,
AND CHANGES IN CASH BALANCE
FOR THE YEAR ENDED DECEMBER 21, 2009**

Cash Receipts:	
Intergovernmental	\$ 75,000
Charges for services	347,914
Interest	57,843
Reimbursements	26,045
Miscellaneous	<u>16,000</u>
 Total Cash Receipts	 522,802
Cash Disbursements:	
Current:	
Salaries	97,240
Public Employee's Retirement	13,103
Insurance	26,801
Medicare	1,331
Worker's Compensation	1,593
Travel	90
Supplies and Materials	1,538
Equipment	31,528
Vehicle Expense	13,425
Contracts - Services	283,914
Professional Services	64,472
Rent	5,400
Advertising and Printing	26,563
Utilities	7,059
Indirect Services	13,131
Contract Repairs	316
Grant Refunds	321,136
Other	<u>4,471</u>
 Total Cash Disbursements	 <u>913,111</u>
 Total Cash Receipts Over/(Under) Cash Disbursements	 (390,309)
 Cash Balance, January 1	 <u>1,611,765</u>
 Cash Balance, December 31	 <u><u>\$ 1,221,456</u></u>
 Reserve for Encumbrances, December 31	 <u><u>\$ 2,558</u></u>

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

**SOUTHEASTERN OHIO JOINT SOLID WASTE MANAGEMENT DISTRICT
NOBLE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSMENTS,
AND CHANGES IN CASH BALANCE
FOR THE YEAR ENDED DECEMBER 21, 2008**

Cash Receipts:	
Intergovernmental	\$ 67,500
Charges for services	421,850
Interest	75,444
Reimbursements	35,260
Miscellaneous	<u>30,026</u>
 Total Cash Receipts	 630,080
Cash Disbursements:	
Current:	
Salaries	92,409
Public Employee's Retirement	12,908
Insurance	23,185
Medicare	1,277
Worker's Compensation	1,797
Travel	173
Supplies and Materials	1,290
Equipment	49,461
Vehicle Expense	11,495
Contracts - Services	298,462
Professional Services	73,649
Rent	5,400
Advertising and Printing	26,520
Utilities	5,459
Audit	4,189
Indirect Services	10,921
Contract Repairs	568
Grant Refunds	107,500
Other	<u>1,848</u>
 Total Cash Disbursements	 <u>728,511</u>
 Total Cash Receipts Over/(Under) Cash Disbursements	 (98,431)
 Cash Balance, January 1	 <u>1,710,196</u>
 Cash Balance, December 31	 <u>\$ 1,611,765</u>
 Reserve for Encumbrances, December 31	 <u>\$ 15,884</u>

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

**SOUTHEASTERN OHIO JOINT SOLID WASTE MANAGEMENT DISTRICT
DISTRICT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Southeastern Ohio Joint Solid Waste Management District, Noble County (the District), as a body corporate and politic. The District is directed by an eighteen member Board of Directors comprised of three County Commissioners of Guernsey, Monroe, Morgan, Muskingum, Noble and Washington Counties. The District provides for management strategies and local government funding on behalf of the participating counties regarding contractual arrangements with private solid waste disposal facilities, which would assure continued access to adequate disposal capacity for the District.

The District's management believes these financial statements present all activities for which the District is financially accountable.

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposit and Investments

As the Ohio Revised Code permits, the Noble County Treasurer holds the District's cash as the District's custodian. The County holds the District's assets in its investment pool, valued at the Treasurer's reported carrying amount. The District maintains no control over the investment of its funds. Interest earned by the County is allocated to the District according to its fund balance at time interest is paid.

D. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The District Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

**SOUTHEASTERN OHIO JOINT SOLID WASTE MANAGEMENT DISTRICT
DISTRICT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

1. Summary of Significant Accounting Policies

D. Budgetary Process (Continued)

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2009 and 2008 budgetary activity appears in Note 2.

F. Property, Plant, and Equipment

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. Budgetary Activity

Budgetary activity for the years ending December 31, 2009 and 2008 follows:

2009 Budgeted vs. Actual Receipts		
Budgeted	Actual	
Receipts	Receipts	Variance
\$630,080	\$522,802	(\$107,278)

2009 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation	Budgetary	
Authority	Expenditures	Variance
\$1,059,000	\$915,669	\$143,331

2008 Budgeted vs. Actual Receipts		
Budgeted	Actual	
Receipts	Receipts	Variance
\$500,070	\$630,080	\$130,010

**SOUTHEASTERN OHIO JOINT SOLID WASTE MANAGEMENT DISTRICT
DISTRICT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

2. Budgetary Activity (Continued)

2008 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$1,142,500	\$744,395	\$398,105

3. Retirement System

The District's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2009.

4. Risk Management

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

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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*

Southeastern Ohio Joint Solid Waste Management District
Noble County
515 Main Street
Caldwell, Ohio 43724

To the Board of Directors:

We have audited the financial statements of the Southeastern Ohio Joint Solid Waste Management District, Noble County, Ohio (the District), as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated March 8, 2010, wherein we noted the District prepared its financial statements using accounting practices the Auditor of State prescribes or permits 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 the purpose of expressing our opinions on the financial statements, but not for the purpose of opining 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect and timely correct misstatements. A material weakness is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not be designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

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 matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated March 8, 2010.

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

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

March 8, 2010



Mary Taylor, CPA
Auditor of State

SOUTHEASTERN OHIO JOINT SOLID WASTE MANAGEMENT DISTRICT
NOBLE 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
MARCH 25, 2010