



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



Jefferson Belmont Regional Solid Waste Authority  
Jefferson County  
P.O. Box 2129  
Wintersville, Ohio 43953

We have performed the procedures enumerated below, which were agreed to by the Board of Directors and the management of Jefferson Belmont Regional Solid Waste Authority (the "Authority") on the receipts, disbursements and balances recorded in the Authority's cash basis accounting records for the years ended December 31, 2018 and 2017 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Authority. The Authority is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2018 and 2017 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Authority. 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 and Investments**

1. We tested the mathematical accuracy of the December 31, 2018 and December 31, 2017 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2017 beginning fund balances recorded in the Normal Trial Balance Report to the December 31, 2016 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2018 beginning fund balances recorded in the Normal Trial Balance Report to the December 31, 2017 balances in the Normal Trial Balance Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2018 and 2017 fund cash balance reported in the Annual Financial Report. We found no exceptions.
4. We confirmed the December 31, 2018 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, 2018 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2018 bank reconciliation.
  - a. We traced each debit to the subsequent January and February 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

6. We inspected investments held at December 31, 2018 and December 31, 2017 to determine that they were of a type authorized by Ohio Rev. Code Section 6119.16. We found no exceptions.

#### **Tipping Fees and Other Confirmable Cash Receipts**

1. We confirmed the amounts paid from Apex Environment to the Authority during 2018 and 2017. They confirmed payment of the following amounts to the Authority:

<b>Company</b>	<b>2018 Payments</b>	<b>2017 Payments</b>
Apex Environment	\$1,791,570	1,735,016

- a. We compared the amount confirmed with the amount the Authority recorded in its receipt records. The only difference was Apex Environmental, LLC confirmed \$11,014 less than the Authority recorded during 2018 and \$7,776 more than the Authority recorded in 2017. This was due to the timing of the payment and recording of November fees. November 2016 fees were paid by Apex in December 2016 and recorded by the Authority in January 2017 and November 2017 fees were paid by Apex in December 2017 and recorded by the Authority in January 2018. Therefore we did not consider this an exception.
  - b. We inspected the Revenue Ledger to determine whether these receipts were allocated to the proper fund. We found no exceptions.
  - c. We inspected the Revenue Ledger to determine whether the receipts were recorded in the proper year. We found no exceptions.
2. We obtained the March 2017 and September 2018 total tonnage reports from the landfill in procedure 1.
    - a. We recalculated the dollar amount sent to the Authority based on the rates in force during the period and agreed to the amounts posted to the Authority's ledgers. We observed no exceptions.

#### **Other Over-The-Counter Cash Receipts**

We haphazardly selected 10 over-the-counter cash receipts from the year ended December 31, 2018 and 10 over-the-counter cash receipts from the year ended 2017 recorded in the duplicate cash receipts book and:

- a. Agreed the receipt amount to the amount recorded in the Revenue Ledger Report. The amounts agreed.
- b. Confirmed the amounts charged complied with rates in force during the audit period. We found no exceptions.
- c. Inspected the Revenue Ledger Report to determine the receipt was posted to the proper fund(s), and was recorded in the proper year. We found no exceptions.

#### **Debt**

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2016.
2. We inquired of management, and inspected the Revenue Ledger and Check/Voucher Register Report for evidence of debt issued during 2018 or 2017 or debt payment activity during 2018 or 2017. There were no new debt issuances, nor any debt payment activity during 2018 or 2017.

**Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2018 and one payroll check for five employees from 2017 from the Quick Check/Transaction Register Report and:
  - a. We compared the hours and pay rate, or salary amount recorded in the Payroll Register Report supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
  - b. We inspected the fund and account code to which the check was posted to determine if they were reasonable based on the employees' duties as documented in the employees' personnel files. We also confirmed the payment was posted to the proper year. We found no exceptions.
  
2. For any new employees selected in procedure 1 we compared whether the following information in the employees' personnel files and/or minute record was consistent with the information used to compute gross and net pay related to this check:
  - a. Name
  - b. Authorized salary or pay rate
  - c. Department(s) and fund(s) to which the check should be charged
  - d. Retirement system participation and payroll withholding
  - e. Federal, State & Local income tax withholding authorization and withholding
  - f. Any other deduction authorizations (deferred compensation, etc.)

We found no exceptions related to procedures a. – f. above.

3. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2018 to confirm remittances were timely charged by the fiscal agent, and if the amounts charged agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding, period of 2018. We observed the following:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes & Medicare	January 31, 2019	December 14, 2018	\$2,886	\$2,886
State income taxes	January 15, 2019	January 6, 2019	\$1,317	\$1,317
RITA	January 31, 2019	January 4, 2019	\$404	\$404
OPERS retirement	January 30, 2019	January 7, 2019	\$11,327	\$11,327

4. 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 Employee Leave History Report.
  - a. Accumulated leave records
  - b. The employee's pay rate in effect as of the termination date
  - c. The Authority's payout policy.

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

### Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Check/Voucher Register – Detail Report for the year ended December 31, 2018 and ten from the year ended 2017 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 Report 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.
  - d. The fiscal officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code Sections. We found four 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 inspect 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 Statement of Revenues Report for the General and Capital Projects funds for the years ended December 31, 2018 and 2017. The amounts on the *Certificate* did not agree to the amount recorded in the accounting system. The Statement of Revenues Report recorded budgeted (i.e. certified) resources for the General and Capital Projects funds of \$3,624,992 and \$271,274, respectively for 2017. However the final *Amended Official Certificate of Estimated Resources* reflected \$3,303,693 and \$200,000, respectively. The Statement of Revenues Report recorded budgeted (i.e. certified) resources for the General and Capital Projects funds of \$3,793,901 and \$200,000, respectively for 2018. However the final *Amended Official Certificate of Estimated Resources* reflected \$3,167,532 and \$312,959, respectively. The Fiscal Officer should periodically compare amounts recorded in the Revenue Status 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
2. We inspected the appropriation measures adopted for 2018 and 2017 to determine whether, for the General and Capital Reserve funds, 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) and 5705.38 and 5705.40, to the amounts recorded in the Detail Budget/Actual Transaction Report for 2018 and 2017 for the General fund. The amounts on the appropriation resolutions and supplement amendments agreed to the amounts recorded in the Detail Budget/Actual Transaction 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 and Projects Funds for the years ended December 31, 2018 and 2017. The Capital Projects Fund appropriations for 2017 exceeded estimated revenue by \$171,274, contrary to Ohio Rev. Code Section 5705.28(B)(2)(c). The Directors should not pass appropriations exceeding estimated revenue. Allowing this to occur could cause the Authority to incur fund balance deficits.
5. Ohio Rev. Code Sections 5705.28(B)(2) and 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total appropriations for the years ended December 31, 2018 and 2017 for the General and Capital Reserve fund, as recorded in the Statements of Revenues and Expenditures Report. We observed that expenditures did not exceed appropriations.
6. For funds existing in prior years, we inspected the fund activity to determine whether the fund is still being used for the statutorily approved purpose and that all the required funds were established. All the required funds were established and no funds for which the statutorily approved purpose was no longer valid were included on the accounting records.
7. We inspected Balance Sheet for the years ended December 31, 2018 and 2017 for negative cash fund balance. Ohio Rev. Code Section 5705.10 (l) provides that money paid into a fund must be used for the purposes for which such fund is established. As a result, a negative fund cash balance indicates that money from one fund was used to cover the expenses of another. We observed no funds having negative cash fund balances.

#### **Other Compliance**

1. Ohio Rev. Code Section 117.38 requires these Authority's to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System. We confirmed the Authority filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy within the allotted timeframe for the years ended December 31, 2018 and 2017 in the Hinkle system. There were no exceptions.

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

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Independent Accountants' Report on  
Applying Agreed-Upon Procedures  
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This report is to provide assistance in the evaluation of the Authority's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2018 and 2017, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber  
Auditor of State

Columbus, Ohio

May 9, 2019



# OHIO AUDITOR OF STATE KEITH FABER



**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  
JUNE 4, 2019**