



**Auditor of State
Betty Montgomery**

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

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**Auditor of State
Betty Montgomery**

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 Southeastern Ohio Joint Solid Waste Management District, Noble County, Ohio (the District), as of and for the years ended December 31, 2003 and 2002. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the District prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balance and reserves for encumbrances of the Southeastern Ohio Joint Solid Waste Management District, Noble County, as of December 31, 2003 and 2002, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2004, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Southeastern Ohio Joint Solid Waste Management District
Noble County
Independent Accountants' Report
Page 2

This report is intended solely for the information and use of the audit committee, management, the Board of Directors and other officials authorized to receive this report under § 117.26, Ohio Revised Code, 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 "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

March 5, 2004

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN CASH BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2003**

Cash Receipts:	
Intergovernmental	\$184,720
Charges for services	419,809
Interest	43,612
Reimbursements	33,460
Miscellaneous	<u>6,400</u>
 Total Cash Receipts	 <u>688,001</u>
 Cash Disbursements:	
Salaries	104,832
Public Employee's Retirement	14,183
Insurance	23,429
Medicare	1,468
Worker's Compensation	898
Travel	677
Supplies and Materials	3,158
Equipment	25,300
Vehicle Expense	3,736
Contracts - Services	246,336
Professional Services	5,437
Rent	5,400
Advertising and Printing	41,679
Utilities	5,100
Indirect Services	8,575
Contract Repairs	467
Grant Refunds	184,720
Other	<u>4,179</u>
 Total Cash Disbursements	 <u>679,574</u>
 Total Cash Receipts Over/(Under) Cash Disbursements	 <u>8,427</u>
 Cash Balance, January 1	 <u>1,374,689</u>
 Cash Balance, December 31	 <u><u>\$1,383,116</u></u>
 Reserve for Encumbrances, December 31	 <u><u>\$750</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 DISBURSEMENTS,
AND CHANGES IN CASH BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2002**

Cash Receipts:

Charges for services	472,924
Interest	48,161
Reimbursements	<u>6,961</u>
 Total Cash Receipts	 <u>528,046</u>

Cash Disbursements:

Current:	
Salaries	100,805
Public Employee's Retirement	16,168
Insurance	14,561
Medicare	1,416
Worker's Compensation	345
Travel	979
Supplies and Materials	2,812
Equipment	20,039
Vehicle Expense	2,942
Contracts - Services	208,063
Professional Services	10,119
Rent	5,400
Advertising and Printing	47,297
Utilities	5,323
Audit	3,089
Indirect Services	8,671
Contract Repairs	442
Grant Refunds	100,000
Other	<u>2,566</u>
 Total Cash Disbursements	 <u>551,037</u>

Total Cash Receipts Over/(Under) Cash Disbursements (22,991)

Cash Balance, January 1 1,397,680

Cash Balance, December 31 **\$1,374,689**

Reserve for Encumbrances, December 31 \$1,400

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

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Southeastern Ohio Joint Solid Waste Management District, Noble County (the District), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by an eighteen member Board of Directors comprised of the 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. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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 prescribed or permitted by the Auditor of State.

C. Cash and Investments

In accordance with Ohio Revised Code, the District's cash is held and invested by the Noble County Treasurer, who acts as custodian for District monies. The District's assets are held in the County's cash and investment pool, and are valued at the Treasurer's reported carrying amount. The District maintains no control over the investment of its funds.

D. Budgetary Process

The Ohio Revised Code requires an annual operating budget.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the function level of control, and appropriations may not exceed estimated resources. Appropriation Authority includes current year appropriations plus encumbrances carried over from the prior year, if any. The Board of Directors must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2003 and 2002 budgetary activity appears in Note 2.

E. Property, Plant and Equipment

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

F. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the District.

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2003 and December 31, 2002, follows:

2003 Budgeted vs. Actual Receipts		
Budgeted Receipts	Actual Receipts	Variance
\$660,341	\$688,001	\$27,660

2003 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$752,720	\$680,324	\$72,396

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

2. BUDGETARY ACTIVITY (Continued)

2002 Budgeted vs. Actual Receipts

Budgeted Receipts	Actual Receipts	Variance
\$429,634	\$528,046	\$98,412

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Appropriation Authority	Budgetary Expenditures	Variance
\$668,100	\$552,437	\$115,663

3. RETIREMENT SYSTEM

The District's elected officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2003 and 2002 PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries through December 31, 2003. The District has paid all contributions required through December 31, 2003.

4. RISK MANAGEMENT

Risk Pool Membership

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and Omissions

The District also provides health insurance, dental, and vision coverage to its officials.

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**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
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 accompanying financial statements of Southeastern Ohio Joint Solid Waste Management District, Noble County, Ohio (the District), as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated March 5, 2004. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated March 5, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Southeastern Ohio Joint Solid Waste Management District
Noble County
Independent Accountants' Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended solely for the information and use of the audit committee, management, and the Board of Directors, 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 "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

March 5, 2004



**Auditor of State
Betty Montgomery**

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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
APRIL 15, 2004**