

**ATHENS-HOCKING JOINT SOLID WASTE MANAGEMENT DISTRICT  
ATHENS COUNTY  
Regular Audit  
December 31, 2005 and 2004**





**Auditor of State  
Betty Montgomery**

Board of Directors  
Athens-Hocking Solid Waste Management District  
P.O. Box 2607  
Athens, Ohio 45701

We have reviewed the *Independent Accountants' Report* of the Athens-Hocking Solid Waste Management District, Athens County, prepared by Perry and Associates, for the audit period January 1, 2004 through December 31, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Athens-Hocking Solid Waste Management District is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

June 21, 2006

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**ATHENS-HOCKING JOINT SOLID WASTE MANAGEMENT DISTRICT  
ATHENS COUNTY**

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***Perry & Associates***  
**Certified Public Accountants, A.C.**

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**INDEPENDENT ACCOUNTANTS' REPORT**

March 10, 2006

Athens-Hocking Joint Solid Waste Management District  
Athens County  
P.O. Box 2607  
Athens, Ohio 45701

To the Board of Directors:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Athen-Hocking Joint Solid Waste Management District, Athens County, Ohio, (the District) as of and for the years ended December 31, 2005 and 2004, which collectively comprise the District's basic financial statements as listed in the table of contents. 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 opinions.

As described more fully in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund and the aggregate remaining fund information of the District as of December 31, 2005 and 2004, and the respective changes in cash financial position and the respective budgetary comparison for the General, Recycling Center and Recycle Ohio Grant Funds thereof for the years then ended in conformity with the basis of accounting Note 1 describes.

For the years ended December 31, 2005 and 2004, the District revised its financial statement presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

Athens-Hocking Joint Solid Waste Management District  
Athens County  
Independent Accountants' Report  
Page 2

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2006, 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.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Government Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

Respectfully Submitted,

**Perry and Associates**  
Certified Public Accountants, A.C.



**ATHENS-HOCKING JOINT SOLID WASTE MANAGEMENT DISTRICT  
ATHENS COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

The discussion and analysis of the Athens-Hocking 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, 2005 and 2004, within the limitations of the District's cash basis of accounting. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for the year 2005 are as follows:

- Net assets increased \$ 18,903.
- General receipts accounted for \$934,586 in receipts or approximately 29 percent of all receipts. Program specific receipts in the form of charges for services and operating grants and contributions accounted for \$2,230,880 or 71 percent of total receipts of \$3,165,464.
- The District had \$3,146,563 in disbursements related to governmental activities; only \$2,230,880 of these disbursements were offset by program specific charges for services and operating grants and contributions. General receipts of \$934,586 were adequate to provide for these programs.
- The District had four major funds; the General Fund, the Recycling Center Fund, and the Recycle Ohio Grant Fund and the Debt Service Fund. The General Fund had \$1,247,376 in receipts and \$1,231,863 in disbursements. The General Fund's cash balance increased \$15,514. The Recycling Center Fund had \$1,711,984 in receipts and \$1,721,059 in disbursements. The Recycling Center's cash balance decreased \$9,075. The Recycle Ohio Grant Fund had \$124,631 in receipts and \$125,901 in disbursements. The Recycle Ohio Grant Fund's cash balance decreased \$1,270. The Debt Service Fund had receipts and disbursements of \$64,419.

Key financial highlights for the year 2004 are as follows:

- Net assets decreased \$53,293.
- General receipts accounted for \$860,974 in receipts or approximately 28 percent of all receipts. Program specific receipts in the form of charges for services and operating grants and contributions accounted for \$2,181,611 or 72 percent of total receipts of \$3,042,585.
- The District had \$3,095,878 in disbursements related to governmental activities; only \$2,181,611 of these disbursements were offset by program specific charges for services and operating grants and contributions. General receipts of \$860,974 were adequate to provide for these programs.
- The District had four major funds; the General Fund, the Recycling Center Fund, and the Recycle Ohio Grant Fund and the Debt Service Fund. The General Fund had \$1,134,069 in receipts and \$1,159,946 in disbursements. The General Fund's cash balance decreased \$25,877. The Recycling Center Fund had \$1,818,009 in receipts and \$1,758,009 in disbursements. The Recycling Center's cash balance decreased \$22,891. The Recycle Ohio Grant Fund had \$101,699 in receipts and \$106,224 in disbursements. The Recycle Ohio Grant Fund's cash balance decreased \$4,525. The Debt Service Fund had receipts and disbursements of \$61,999.

**ATHENS-HOCKING JOINT SOLID WASTE MANAGEMENT DISTRICT  
ATHENS COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
(Continued)**

**Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the District's cash basis of accounting.

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions on a cash basis of accounting.

The Statement of Net Assets – Cash Basis and Statement of Activities – Cash Basis provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information in the statements.

**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**Reporting the District as a Whole**

The statement of net assets and the statement of activities reflect how the District did financially during 2005 and 2004, within the limitations of the cash basis of accounting. The Statement of Net Assets – Cash Basis presents the cash balances of the governmental activities of the District at year end. The Statement of Activities – Cash Basis compares cash disbursements with program receipts for each governmental activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the District's general receipts.

**ATHENS-HOCKING JOINT SOLID WASTE MANAGEMENT DISTRICT  
ATHENS COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
(Continued)**

**Reporting the District as a Whole (Continued)**

These statements report the District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the District's financial health. Over time, increases or decreases in the District's cash position is one indicator of whether the District's financial health is improving or deteriorating. When evaluating the District's financial condition, you should also consider other nonfinancial factors as well as the District's reliance on other local governments' property tax bases, the condition of the District's capital assets and infrastructure, the extent of the District's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth.

In the Statement of Net Assets – Cash Basis and the Statement of Activities – Cash Basis, the District's basic sanitation and recycling service is reported. Charges for services and state and federal grants finance most of these activities. Benefits provided through the governmental activities are not necessarily paid for by the people receiving them.

**Reporting the District's Most Significant Funds**

***Fund Financial Statements***

Fund financial statements provide detailed information about the District's major funds – not the District as a whole. The District establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the District are governmental.

***Governmental Funds*** - The District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed short-term view of the District's governmental operations and the services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the District's programs. The District's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The District's major governmental funds are the General Fund, Recycling Center Fund and Recycle Ohio Grant Fund. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**ATHENS-HOCKING JOINT SOLID WASTE MANAGEMENT DISTRICT  
ATHENS COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
(Continued)**

**The District as a Whole**

Table 1 provides a summary of the District's net assets for 2005 compared to 2004 and 2004 compared to 2003 on a cash basis:

**Table 1  
Net Assets – Cash Basis**

	Governmental Activities		
	2005	2004	2003
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$171,142	\$152,240	\$205,533
<b>Net Assets</b>			
Restricted for:			
Other Purposes:			
Recycling Center	27,769	36,844	59,735
Recycle Ohio Grant	1,271	2,541	7,066
Emergency Relief and Cleanup	13,733	0	0
Unrestricted	128,369	112,855	138,732
<b>Total Net Assets</b>	\$171,142	\$152,240	\$205,533

As mentioned previously, net assets increased \$18,902 from 2004 to 2005. The increase is due primarily to the establishment of the Emergency Relief and Cleanup Fund in 2005 which represents FEMA funds received during 2005. Net assets decreased \$53,293 from 2003 to 2004 due primarily to additional debt payments made during 2004 from the Recycling Center Fund.

**ATHENS-HOCKING JOINT SOLID WASTE MANAGEMENT DISTRICT  
ATHENS COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
(Continued)**

**The District as a Whole (Continued)**

Table 2 reflects the changes in net assets in 2005 and 2004.

**Table 2  
Changes in Net Assets**

	<b>Governmental Activities 2005</b>	<b>Governmental Activities 2004</b>
<b>Receipts</b>		
Program Cash Receipts		
Charges for Services	\$1,946,786	\$1,926,383
Operating Grants and Contributions	284,093	255,228
Total Program Cash Receipts	<u>2,230,879</u>	<u>2,181,611</u>
General Receipts		
Grants and Entitlements – Unrestricted	18,500	10,000
Reimbursements	912,646	848,249
Other Receipts	3,440	2,725
Total General Receipts	<u>934,586</u>	<u>860,974</u>
<b>Total Receipts</b>	<u>\$3,165,465</u>	<u>\$3,042,585</u>
<b>Disbursements:</b>		
Sanitation/Recycling:		
Salaries	1,242,321	1,250,320
Fringe Benefits	812,554	672,500
Supplies and Materials	12,386	13,768
Repair and Maintenance	107,436	109,662
Equipment	271,331	265,157
Contracts-Services	298,976	306,363
Travel and Transportation	91,138	71,113
Utilities	12,632	11,065
Reimbursements	116,431	90,445
Other	52,518	81,194
Debt Service:		
Principal Retirement	62,413	56,533
Interest and Fiscal Charges	2,006	5,466
Other Expenses	64,419	162,292
<b>Total Disbursements</b>	<u>3,146,563</u>	<u>3,095,878</u>
<b>Change in Net Assets</b>	18,902	(53,293)
<b>Net Assets Beginning of Year</b>	<u>152,240</u>	<u>205,533</u>
<b>Net Assets End of Year</b>	<u>\$171,142</u>	<u>\$152,240</u>

In 2005, 28 percent of the District's total receipts were from general receipts, consisting mainly reimbursements and unrestricted grants and entitlements. Program cash receipts accounted for 72 percent of the District's total receipts in year 2005. These receipts consist primarily of charges for services sanitation and recycling fees and federal operating grants.

**ATHENS-HOCKING JOINT SOLID WASTE MANAGEMENT DISTRICT  
ATHENS COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
(Continued)**

**Governmental Activities**

If you look at the Statement of Activities – Cash Basis on page 11, you will see that the first column lists the major services provided by the District. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for salaries and fringe benefits, which combined account for 65% of all governmental disbursements, respectively. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the District that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This “net cost” amount represents the cost of the service which ends up being paid from money provided by local townships and municipalities taxpayers and state subsidies. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

**Table 3  
Governmental Activities**

	<b>Total Cost of Services 2005</b>	<b>Net Cost of Services 2005</b>
<b>Disbursements:</b>		
Sanitation/Recycling:		
Salaries	\$1,242,321	\$(323,923)
Fringe Benefits	812,554	(211,867)
Supplies and Materials	12,386	(3,230)
Repair and Maintenance	107,436	(28,013)
Equipment	271,331	(70,747)
Contracts-Services	298,976	(77,956)
Travel and Transportation	91,138	(23,763)
Utilities	12,632	(3,294)
Reimbursements	116,431	(30,359)
Other	52,518	(13,694)
Debt Service:		
Principal Retirement	62,413	(62,413)
Interest and Fiscal Charges	2,006	(2,006)
Other Expenses	64,419	(64,419)
<b>Total Disbursements</b>	<b>\$3,146,563</b>	<b>\$(915,684)</b>

**ATHENS-HOCKING JOINT SOLID WASTE MANAGEMENT DISTRICT  
ATHENS COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
(Continued)**

**The District's Funds**

During 2005, The governmental funds had total receipts of \$3,165,465 and disbursements of \$3,146,562. The governmental funds had an increase in the cash balance of \$18,902.

During 2004, The governmental funds had total receipts of \$3,042,585 and disbursements of \$3,095,878. The governmental funds had a decrease in the cash balance of \$53,293.

**General Fund Budgeting Highlights**

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of 2005, the District amended its appropriations and estimated revenues, and the budgetary statement reflects both the original and final amounts. There were no significant changes between the original and the final budget.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and providers with a general overview of the District's finances and to reflect the District's accountability for the money it receives. Questions concerning any of the information in this report or requests for additional information, should be directed to Joe Kasler, Coordinator, Athens-Hocking Joint Solid Waste Management District, P.O. Box 2607, Athens, Ohio 45701.

**Athens-Hocking Joint Solid Waste Management District**  
*Statement of Net Assets - Cash Basis*  
*December 31, 2005*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 171,142
<i>Total Assets</i>	171,142
<b>Net Assets</b>	
Restricted for:	
Other Purposes	
Recycling Center	27,769
Recycle Ohio Grant	1,271
Emergency Relief and Cleanup	13,733
Unrestricted	128,369
<i>Total Net Assets</i>	\$ 171,142

See accompanying notes to the basic financial statements



**Athens-Hocking Joint Solid Waste Management District**

*Statement of Activities - Cash Basis*

*For the Fiscal Year Ended December 31, 2005*

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
Sanitation/Recycling:				
Salaries	1,242,321	801,444	116,954	(323,923)
Fringe Benefits	812,555	524,192	76,496	(211,867)
Supplies and Materials	12,386	7,990	1,166	(3,230)
Repair and Maintenance	107,436	69,309	10,114	(28,013)
Equipment	271,331	175,040	25,544	(70,747)
Contracts-Services	298,977	192,875	28,146	(77,956)
Travel and Transportation	91,137	58,794	8,580	(23,763)
Utilities	12,632	8,149	1,189	(3,294)
Reimbursements	116,431	75,112	10,960	(30,359)
Other	52,519	33,881	4,944	(13,694)
Debt Service:				
Principal Retirement	62,413			(62,413)
Interest and Fiscal Charges	2,006			(2,006)
Other Debt Service	64,419			(64,419)
<i>Total Governmental Activities</i>	<u>\$3,146,563</u>	<u>\$1,946,786</u>	<u>\$284,093</u>	<u>(915,684)</u>
<b>General Receipts</b>				
Grants and Entitlements not Restricted to Specific Programs				18,500
Reimbursements				912,646
Other Receipts				3,440
<i>Total General Receipts</i>				<u>934,586</u>
Change in Net Assets				18,902
<i>Net Assets Beginning of Year</i>				<u>152,240</u>
<i>Net Assets End of Year</i>				<u>\$171,142</u>

See accompanying notes to the basic financial statements

**Athens-Hocking Joint Solid Waste Management District**  
*Statement of Net Assets - Cash Basis*  
*December 31, 2004*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 152,240
<i>Total Assets</i>	152,240
 <b>Net Assets</b>	
Restricted for:	
Other Purposes	
Recycling Center	36,844
Recycle Ohio Grant	2,541
Unrestricted	112,855
<i>Total Net Assets</i>	\$ 152,240

See accompanying notes to the basic financial statements

**Athens-Hocking Joint Solid Waste Management District**

*Statement of Activities - Cash Basis*

*For the Fiscal Year Ended December 31, 2004*

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
Sanitation/Recycling:				
Salaries	1,250,320	841,219	111,455	(297,646)
Fringe Benefits	672,500	452,460	59,947	(160,093)
Supplies and Materials	13,768	9,263	1,227	(3,278)
Repair and Maintenance	109,662	73,781	9,775	(26,106)
Equipment	265,157	172,768	22,890	(69,499)
Contracts-Services	306,363	206,122	27,309	(72,932)
Travel and Transportation	71,113	47,845	6,339	(16,929)
Utilities	11,065	7,445	986	(2,634)
Reimbursements	90,445	60,852	8,062	(21,531)
Other	81,194	54,628	7,238	(19,328)
Debt Service:				0
Principal Retirement	56,533			(56,533)
Interest and Fiscal Charges	5,466			(5,466)
Other Debt Service	162,292			(162,292)
<i>Total Governmental Activities</i>	<u>\$3,095,878</u>	<u>\$1,926,383</u>	<u>\$255,228</u>	<u>(914,267)</u>
<b>General Receipts</b>				
Grants and Entitlements not Restricted to Specific Programs				10,000
Reimbursements				848,249
Other Receipts				<u>2,725</u>
<i>Total General Receipts</i>				<u>860,974</u>
Change in Net Assets				(53,293)
<i>Net Assets Beginning of Year</i>				<u>205,533</u>
<i>Net Assets End of Year</i>				<u><u>\$152,240</u></u>

See accompanying notes to the basic financial statements

**Athens-Hocking Joint Solid Waste Management District**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*December 31, 2005*

	General	Recycling Center	Recycle Ohio Grant	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 128,369	\$ 27,769	\$ 1,271	\$ 13,733	\$ 171,142
Investments					0
<i>Total Assets</i>	<u>128,369</u>	<u>27,769</u>	<u>1,271</u>	<u>13,733</u>	<u>171,142</u>
<b>Fund Balances</b>					
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	128,369				128,369
Special Revenue Funds		27,769	1,271	13,733	42,773
<i>Total Fund Balances</i>	<u>\$ 128,369</u>	<u>\$ 27,769</u>	<u>\$ 1,271</u>	<u>\$ 13,733</u>	<u>\$ 171,142</u>

See accompanying notes to the basic financial statements

**Athens-Hocking Joint Solid Waste Management District**  
*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2005*

	General	Recycling Center	Recycle Ohio Grant	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>						
Intergovernmental	\$18,500		\$96,225		\$9,054	\$ 123,779
Tipping Fees	240,183					240,183
Curbside Fees	72,607	72,607				145,215
Other Fees		66,608				66,608
Recycling Fees		1,208,868				1,208,868
Sales		285,911				285,911
Reimbursements	912,646					912,646
Miscellaneous	3,441	77,989	28,406	64,419	8,000	182,255
<i>Total Receipts</i>	<u>1,247,377</u>	<u>1,711,984</u>	<u>124,631</u>	<u>64,419</u>	<u>17,054</u>	<u>3,165,465</u>
<b>Disbursements</b>						
Current:						
Salaries	664,831	542,123	35,368			1,242,322
Fringe Benefits	429,950	370,524	12,081			812,555
Supplies and Materials	2,040	10,346				12,386
Repair and Maintenance		107,436				107,436
Equipment	1,247	244,362	25,722			271,331
Contracts-Services	41,376	241,945	14,000		1,656	298,976
Travel and Transportation	1,961	84,716	4,460			91,138
Utilities		12,632				12,632
Reimbursements	82,431		34,000			116,431
Other	8,027	42,556	270		1,666	52,518
Debt Service:						
Principal Retirement				62,413		62,413
Interest and Fiscal Charges				2,006		2,006
Other Debt Service		64,419				64,419
<i>Total Disbursements</i>	<u>1,231,863</u>	<u>1,721,059</u>	<u>125,901</u>	<u>64,419</u>	<u>3,321</u>	<u>3,146,563</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>15,514</u>	<u>(9,075)</u>	<u>(1,270)</u>	<u>0</u>	<u>13,733</u>	<u>18,902</u>
<i>Net Change in Fund Balances</i>	15,514	(9,075)	(1,270)	0	13,733	18,902
<i>Fund Balances Beginning of Year</i>	<u>112,855</u>	<u>36,844</u>	<u>2,541</u>	<u>0</u>	<u>0</u>	<u>152,240</u>
<i>Fund Balances End of Year</i>	<u>\$ 128,369</u>	<u>\$ 27,769</u>	<u>\$ 1,271</u>	<u>\$ 0</u>	<u>\$ 13,733</u>	<u>\$ 171,142</u>

See accompanying notes to the financial statements

**Athens-Hocking Joint Solid Waste Management District**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts			(Optional) Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Intergovernmental	\$ 10,000	\$ 18,500	\$ 18,500	\$ -
Tipping Fees	225,000	225,000	240,183	15,183
Curbside Fees	75,000	75,000	72,607	(2,393)
Reimbursements	978,700	978,700	912,646	(66,054)
Miscellaneous	5,000	5,000	3,441	(1,559)
<i>Total receipts</i>	<u>1,293,700</u>	<u>1,302,200</u>	<u>1,247,377</u>	<u>(54,823)</u>
<b>Disbursements</b>				
Current:				
Salaries	690,000	690,000	664,831	25,169
Fringe Benefits	438,881	438,881	429,950	8,931
Supplies and Materials	3,000	3,000	2,040	960
Equipment	1,247	1,247	1,247	(0)
Contracts-Services	57,000	57,000	41,376	15,624
Travel and Transportation	2,000	2,000	1,961	39
Reimbursements	85,000	85,000	82,431	2,569
Other	16,572	16,572	8,027	8,545
<i>Total Disbursements</i>	<u>1,293,700</u>	<u>1,293,700</u>	<u>1,231,863</u>	<u>61,836</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>0</u>	<u>8,500</u>	<u>15,514</u>	<u>7,013</u>
<i>Net Change in Fund Balance</i>	0	8,500	15,514	7,013
<i>Fund Balance Beginning of Year</i>	<u>112,855</u>	<u>112,855</u>	<u>112,855</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 112,855</u>	<u>\$ 121,355</u>	<u>\$ 128,369</u>	<u>\$ 7,013</u>

See accompanying notes to the basic financial statements

**Athens-Hocking Joint Solid Waste Management District**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*Recycling Center Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts			(Optional) Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Curbside Fees	\$ 75,000	\$ 75,000	\$ 72,607	\$ (2,393)
Other Fees	70,000	70,000	66,608	(3,392)
Recycling Fees	1,200,000	1,200,000	1,208,868	8,868
Sales	300,000	300,000	285,911	(14,089)
Miscellaneous	25,000	25,000	77,989	52,989
<i>Total receipts</i>	1,670,000	1,670,000	1,711,984	41,984
<b>Disbursements</b>				
Current:				
Salaries	600,000	600,000	542,123	57,877
Fringe Benefits	288,700	398,700	370,524	28,176
Supplies and Materials	10,000	10,000	10,346	(346)
Repair and Maintenance	94,000	94,000	107,436	(13,436)
Equipment	80,000	80,000	244,362	(164,362)
Contracts-Services	257,000	257,000	241,945	15,055
Travel and Transportation	60,000	60,000	84,716	(24,716)
Utilities	12,000	12,000	12,632	(632)
Other	55,000	55,000	42,556	12,444
Debt Service:				
Principal Retirement				0
Interest and Fiscal Charges				0
Other Debt Service	80,000	80,000	64,419	15,581
<i>Total Disbursements</i>	1,536,700	1,646,700	1,721,059	(74,359)
<i>Excess of Receipts Over (Under) Disbursements</i>	133,300	23,300	(9,075)	(32,375)
<i>Net Change in Fund Balance</i>	133,300	23,300	(9,075)	(32,375)
<i>Fund Balance Beginning of Year</i>	36,844	36,844	36,844	0
<i>Fund Balance End of Year</i>	\$ 170,144	\$ 60,144	\$ 27,769	\$ (32,375)

See accompanying notes to the basic financial statements

**Athens-Hocking Joint Solid Waste Management District**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*Recycle Ohio Grant Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Intergovernmental	\$ 101,600	\$ 101,600	\$ 96,225	\$ (5,375)
Tipping Fees				0
Curbside Fees				0
Other Fees				0
Recycling Fees				0
Sales				0
Reimbursements				0
Miscellaneous	24,000	24,000	28,406	4,406
<i>Total receipts</i>	<u>125,600</u>	<u>125,600</u>	<u>124,631</u>	<u>(969)</u>
<b>Disbursements</b>				
Current:				
Salaries	43,014	43,014	35,368	7,646
Fringe Benefits	13,000	13,000	12,081	919
Supplies and Materials				0
Repair and Maintenance				0
Equipment	25,722	25,722	25,722	0
Contracts-Services	14,000	14,000	14,000	0
Travel and Transportation	5,364	5,364	4,460	904
Utilities				0
Reimbursements	34,000	34,000	34,000	0
Other	500	500	270	231
<i>Total Disbursements</i>	<u>135,600</u>	<u>135,600</u>	<u>125,901</u>	<u>9,699</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(10,000)</u>	<u>(10,000)</u>	<u>(1,270)</u>	<u>8,730</u>
<i>Net Change in Fund Balance</i>	(10,000)	(10,000)	(1,270)	8,730
<i>Fund Balance Beginning of Year</i>	<u>2,541</u>	<u>2,541</u>	<u>2,541</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ (7,459)</u>	<u>\$ (7,459)</u>	<u>\$ 1,271</u>	<u>\$ 8,730</u>

See accompanying notes to the basic financial statements



**Athens-Hocking Joint Solid Waste Management District**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*December 31, 2004*

	<u>General</u>	<u>Recycling Center</u>	<u>Recycle Ohio Grant</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 112,855	\$ 36,844	\$ 2,541	\$ 152,240
<i>Total Assets</i>	<u>112,855</u>	<u>36,844</u>	<u>2,541</u>	<u>152,240</u>
<b>Fund Balances</b>				
Unreserved:				
Undesignated (Deficit), Reported in:				
General Fund	112,855			112,855
Special Revenue Funds		36,844	2,541	39,385
<i>Total Fund Balances</i>	<u>\$ 112,855</u>	<u>\$ 36,844</u>	<u>\$ 2,541</u>	<u>\$ 152,240</u>

See accompanying notes to the basic financial statements

**Athens-Hocking Joint Solid Waste Management District**  
*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2004*

	General	Recycling Center	Recycle Ohio Grant	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>						
Intergovernmental	\$ 10,000		\$ 91,668		\$ 9,700	\$ 111,368
Tipping Fees	202,650					202,650
Curbside Fees	70,445	70,483	-			140,928
Other Fees		66,303	-			66,303
Recycling Fees		1,197,592	-			1,197,592
Sales		318,910	-			318,910
Reimbursements	848,249		-			848,249
Miscellaneous	2,725	21,831	10,031	61,999		96,586
<i>Total Receipts</i>	<u>1,134,069</u>	<u>1,675,118</u>	<u>101,699</u>	<u>61,999</u>	<u>9,700</u>	<u>2,982,585</u>
<b>Disbursements</b>						
Current:						
Salaries	661,108	547,497	41,514		200	1,250,319
Fringe Benefits	359,749	301,260	11,493			672,502
Supplies and Materials	1,812	11,380	576			13,768
Repair and Maintenance		109,662				109,662
Equipment	2,451	255,457	7,249			265,157
Contracts-Services	40,348	240,642	15,872		9,500	306,363
Travel and Transportation	1,840	64,023	5,250			71,113
Utilities		11,065				11,065
Reimbursements	80,445		10,000			90,445
Other	12,193	54,731	14,270			81,194
Debt Service:						
Principal Retirement				56,533		56,533
Interest and Fiscal Charges				5,466		5,466
Other Debt Service		162,292				162,292
<i>Total Disbursements</i>	<u>1,159,946</u>	<u>1,758,009</u>	<u>106,224</u>	<u>61,999</u>	<u>9,700</u>	<u>3,095,878</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(25,877)</u>	<u>(82,891)</u>	<u>(4,525)</u>	<u>0</u>	<u>0</u>	<u>(113,293)</u>
<b>Other Financing Sources (Uses)</b>						
Notes Issued		60,000				60,000
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>60,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>60,000</u>
<i>Net Change in Fund Balances</i>	<u>(25,877)</u>	<u>(22,891)</u>	<u>(4,525)</u>	<u>0</u>	<u>0</u>	<u>(53,293)</u>
<i>Fund Balances Beginning of Year</i>	<u>138,732</u>	<u>59,735</u>	<u>7,066</u>	<u>0</u>	<u>0</u>	<u>205,533</u>
<i>Fund Balances End of Year</i>	<u>\$ 112,855</u>	<u>\$ 36,844</u>	<u>\$ 2,541</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 152,240</u>

See accompanying notes to the basic financial statements

**Athens-Hocking Joint Solid Waste Management District**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2004*

	Budgeted Amounts			(Optional) Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Intergovernmental	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Tipping Fees	225,000	225,000	202,650	(22,350)
Curbside Fees	75,000	75,000	70,445	(4,555)
Reimbursements	890,000	890,000	848,249	(41,751)
Miscellaneous	11,000	11,000	2,725	(8,275)
<i>Total receipts</i>	<u>1,211,000</u>	<u>1,211,000</u>	<u>1,134,069</u>	<u>(76,931)</u>
<b>Disbursements</b>				
Current:				
Salaries	705,000	687,000	661,108	25,892
Fringe Benefits	339,000	364,077	359,749	4,328
Supplies and Materials	3,000	3,000	1,812	1,188
Equipment	2,000	2,000	2,451	(451)
Contracts-Services	57,000	51,923	40,348	11,575
Travel and Transportation	2,000	2,000	1,840	160
Reimbursements	85,000	85,000	80,445	4,555
Other	18,000	16,000	12,193	3,807
<i>Total Disbursements</i>	<u>1,211,000</u>	<u>1,211,000</u>	<u>1,159,946</u>	<u>51,054</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>-</u>	<u>-</u>	<u>(25,877)</u>	<u>(25,877)</u>
<i>Net Change in Fund Balance</i>	-	-	(25,877)	(25,877)
<i>Fund Balance Beginning of Year</i>	<u>138,163</u>	<u>138,163</u>	<u>138,732</u>	<u>569</u>
<i>Fund Balance End of Year</i>	<u>\$ 138,163</u>	<u>\$ 138,163</u>	<u>\$ 112,855</u>	<u>\$ (25,308)</u>

See accompanying notes to the basic financial statements

**Athens-Hocking Joint Solid Waste Management District**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*Recycling Center Fund*  
*For the Year Ended December 31, 2004*

	Budgeted Amounts			(Optional) Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Curbside Fees	\$ 75,000	\$ 75,000	\$ 70,483	\$ (4,517)
Other Fees	70,000	70,000	66,303	(3,697)
Recycling Fees	1,130,200	1,130,200	1,197,592	67,392
Sales	230,000	230,000	318,910	88,910
Miscellaneous	24,000	24,000	21,831	(2,169)
<i>Total receipts</i>	<u>1,529,200</u>	<u>1,529,200</u>	<u>1,675,118</u>	<u>145,918</u>
<b>Disbursements</b>				
Current:				
Salaries	600,000	600,000	547,497	52,503
Fringe Benefits	353,000	353,000	301,260	51,740
Supplies and Materials	10,000	10,000	11,380	(1,380)
Repair and Maintenance	92,000	92,000	109,662	(17,662)
Equipment	110,000	110,000	255,457	(145,457)
Contracts-Services	236,000	236,000	240,642	(4,642)
Travel and Transportation	56,000	56,000	64,023	(8,023)
Utilities	12,000	12,000	11,065	935
Other	40,000	40,000	54,731	(14,731)
Debt Service:				
Principal Retirement				0
Interest and Fiscal Charges				0
Other Debt Service	80,000	80,000	162,292	(82,292)
<i>Total Disbursements</i>	<u>1,589,000</u>	<u>1,589,000</u>	<u>1,758,009</u>	<u>(169,009)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(59,800)</u>	<u>(59,800)</u>	<u>(82,891)</u>	<u>(23,091)</u>
<b>Other Financing Sources (Uses)</b>				
Notes Issued			60,000	60,000
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>60,000</u>	<u>60,000</u>
<i>Net Change in Fund Balance</i>	(59,800)	(59,800)	(22,891)	36,909
<i>Fund Balance Beginning of Year</i>	<u>51,936</u>	<u>51,936</u>	<u>59,735</u>	<u>7,799</u>
<i>Fund Balance End of Year</i>	<u>\$ (7,864)</u>	<u>\$ (7,864)</u>	<u>\$ 36,844</u>	<u>\$ 44,708</u>

See accompanying notes to the basic financial statements

**Athens-Hocking Joint Solid Waste Management District**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*Recycle Ohio Grant Fund*  
*For the Year Ended December 31, 2004*

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Intergovernmental	\$ 101,600	\$ 101,600	\$ 91,668	\$ (9,932)
Tipping Fees				0
Curbside Fees				0
Other Fees				0
Recycling Fees				0
Sales				0
Reimbursements				0
Miscellaneous	10,000	10,000	10,031	31
<i>Total receipts</i>	<u>111,600</u>	<u>111,600</u>	<u>101,699</u>	<u>(9,901)</u>
<b>Disbursements</b>				
Current:				
Salaries	41,184	41,516	41,514	2
Fringe Benefits	11,812	12,003	11,493	510
Supplies and Materials	605	605	576	29
Equipment	7,249	7,249	7,249	0
Contracts-Services	25,000	20,000	15,872	4,128
Travel and Transportation	5,250	5,250	5,250	0
Reimbursements	10,000	10,000	10,000	0
Other	10,500	14,477	14,270	207
<i>Total Disbursements</i>	<u>111,600</u>	<u>111,100</u>	<u>106,224</u>	<u>4,876</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>-</u>	<u>500</u>	<u>(4,525)</u>	<u>(5,025)</u>
<i>Net Change in Fund Balance</i>	-	500	(4,525)	(5,025)
<i>Fund Balance Beginning of Year</i>	<u>2,541</u>	<u>2,541</u>	<u>7,066</u>	<u>4,525</u>
<i>Fund Balance End of Year</i>	<u>\$ 2,541</u>	<u>\$ 3,041</u>	<u>\$ 2,541</u>	<u>\$ (500)</u>

See accompanying notes to the basic financial statements

**ATHENS-HOCKING JOINT SOLID WASTE MANAGEMENT DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

**Note 1 – Reporting Entity**

The Athens-Hocking Joint Solid Waste Management District, Athens 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 a six-member Board of Directors comprised of the three County Commissioners of Athens and Hocking Counties. The District provides solid waste disposal, recycling opportunities, and other waste management services to these counties. The financial statements present the district and its component unit, an entity for which the District is considered to be financially accountable. The blended component unit, although a legally separate entity, is, in substance, part of the District's operations and so financial data from this unit is combined with the financial data of the District (primary government). The blended component unit has a December 31 fiscal year end.

Blended Component Unit. The Athens-Hocking County Recycling Centers, Inc., (the Recycling Centers) is governed by a seven-member Board of Trustees made up of the six elected County Commissioners from Athens and Hocking Counties and the appointed Coordinator of the Athens-Hocking Joint Solid Waste Management District. Its sole purpose is to assist and promote recycling and control of solid wastes, to secure the sale of recycling materials collected, to aid the counties in the control problems of solid waste and to contract with the necessary agencies to allow the processing and selling of collected materials. The District provides funding to the Recycling Centers as needed, and issues debt on the recycling Centers' behalf. The Recycling Centers is reported as a Special Revenue Fund.

Complete financial statements for the blended component unit may be obtained at the entity's administrative office:

Athens-Hocking County Recycling Centers, Inc.  
P.O. Box 2607  
Athens, Ohio 45701

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

**Note 2 - Summary of Significant Accounting Policies**

As discussed further in Note 2C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Health District's accounting policies.

**ATHENS-HOCKING JOINT SOLID WASTE MANAGEMENT DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
(Continued)**

**Note 2 - Summary of Significant Accounting Policies** (Continued)

*A. Basis of Presentation*

The District's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through intergovernmental revenues or other nonexchange transactions.

The statement of net assets presents the cash balance of the governmental activities of the District at year end. The statement of activities compares disbursements and program receipts for each program or function of the District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the District is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Receipts which are not classified as program receipts are presented as general receipts of the District, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program or business activity is self-financing on a cash basis or draws from the general receipts of the District.

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

*B. Fund Accounting*

The District uses funds 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. The funds of the District are presented as governmental.

**ATHENS-HOCKING JOINT SOLID WASTE MANAGEMENT DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
(Continued)**

**Note 2 - Summary of Significant Accounting Policies** (Continued)

**Governmental Funds**

Governmental funds are those through which most governmental functions of the District are financed. The following are the District's major governmental funds:

*General Fund* - The General Fund accounts for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

*Recycling Center Fund* - This fund accounts for the financial activity of the Athens-Hocking Recycling Centers, Inc.

*Recycle Ohio Grant Fund* - This fund receives grant monies to be used for the implementation of solid waste reduction, recycling, and litter prevention programs.

*Debt Service Fund* - This fund receives resources to pay debt.

The other governmental funds of the District account for grants and other resources whose use is restricted for a particular purpose.

**C. Basis of Accounting**

The District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

**D. Budgetary Process**

All funds are legally required to be budgeted and appropriated. The major documents prepared are the annual budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The annual budget demonstrates a need for existing or increased rates. The certificate of estimated resources establishes a limit on the amount the Board may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of control has been established by the Board at the fund level for all funds.



**ATHENS-HOCKING JOINT SOLID WASTE MANAGEMENT DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
(Continued)**

**Note 2 - Summary of Significant Accounting Policies** (Continued)

**D. Budgetary Process** (Continued)

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the fiscal officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Board.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

Although the Recycling Center is not subject to the budgetary requirements of the Ohio Revised Code, annual budgets are prepared and approved and included within the budgetary information.

**E. Cash and Cash Equivalents**

As required by Ohio Revised Code, the Athens County Treasurer is custodian for the District's cash. The District's cash is held in the County's cash and investment pool, and is valued at the County Treasurer's carrying amount.

The Recycling Centers' cash is held and invested by the Manager with approval of the Board of Trustees. The Recycling Centers' assets are held in its cash and investment pool and are valued at the Recycling Centers' reported carrying amount.

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposits or short-term investments with an original maturity of three months or less. The District values investments and cash equivalents at cost.

**F. Restricted Assets**

Assets are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

**G. Inventory and Prepaid Items**

The District reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

**ATHENS-HOCKING JOINT SOLID WASTE MANAGEMENT DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
(Continued)**

**Note 2 - Summary of Significant Accounting Policies** (Continued)

*H. Capital Assets*

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

*I. Accumulated Leave*

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the District's cash basis of accounting.

*J. Employer Contributions to Cost-Sharing Pension Plans*

The District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

*K. Net Assets*

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for miscellaneous purposes primarily include activities involving the District's Recycle Ohio Grant Fund. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

**Note 3 - Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis for the general fund and each major special revenue fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

**ATHENS-HOCKING JOINT SOLID WASTE MANAGEMENT DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
(Continued)**

**Note 4 - Deposits and Investments**

Ohio law restricts deposits and investments to the following:

1. United States Treasury Bills, Bonds, Notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States, or any book entry, zero coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio or its political subdivisions;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the District lends securities and the eligible institution agrees to simultaneously exchange either securities or cash, equal value for equal value;
9. Commercial paper notes, corporate notes and bankers' acceptances; and debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government. All interest and principal shall be denominated and payable in United States funds.

Reverse repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States, are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Bankers' acceptances must mature within 180 days. Commercial paper and corporate notes must mature within 270 days. All other investments must mature within five years from the date of settlement unless matched to a specific obligation or debt of the District. Investments must be purchased with the expectation that they 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.

**ATHENS-HOCKING JOINT SOLID WASTE MANAGEMENT DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
(Continued)**

**Note 4 - Deposits and Investments** (Continued)

The Athens County Treasurer serves as the fiscal agent for the District and the investments of the County funds, including the District's cash. The District maintains no control over the investment of its cash.

**Deposits:** The District's deposits maintained by the Athens County Treasurer are either insured by the Federal Deposit Insurance Corporation or were considered collateralized by securities held by the pledging institutions' trust departments in Athen's County's name and all State statutory requirements for the deposit of money had been followed. Deposit's of the Recycling Center are insured by the Federal Deposit Insurance Corporation.

The carrying amount of cash and investments at December 31 was as follows:

	<u>2004</u>	<u>2005</u>
Deposits held by County Treasurer	\$115,396	\$ 143,373
Recycling Centers Deposits	<u>\$ 36,844</u>	<u>\$ 27,769</u>
Total deposits	<u>\$152,240</u>	<u>\$ 171,142</u>

**Note 5 – Debt**

Debt outstanding at December 31, 2005 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Equipment Bonds	\$11,939	3.85%

The District borrowed money for the purchase of a roll-off truck and a packer truck for use by the Recycling Centers. The loan was borrowed on December 16, 2002, for 200,000 and has maturities through December 16, 2008. The loan will be repaid from the revenues of the Recycling Centers. The District has the taxing authority to levy the necessary taxes for repayment of the debt if other revenue sources are insufficient to retire the debt. The district made additional principal payments during the course of the audit period. Therefore, the debt will be paid off in full during 2006 as follows:

Amortization of the above debt, including interest, is scheduled as follows:

<u>Year ending December 31:</u>	<u>Equipment Bonds</u>
2006	\$11,939

It should also be noted that the Recycling Center took out a \$60,000 note during 2004 to purchase 2 pickup trucks. This debt was paid off in full by the Recycling center during 2004.

**ATHENS-HOCKING JOINT SOLID WASTE MANAGEMENT DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
(Continued)**

**Note 6 – Risk Management**

The Athens County Commissioners maintain comprehensive insurance coverage with private carriers for real property, building contents and vehicles owned by the District and Recycling Centers. Vehicle policies include liability coverage for bodily injury and property damage.

**Note 7 - Defined Benefit Pension Plans**

**Ohio Public Employees Retirement System**

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 OPERS 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.

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 publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

For the years ended December 31, 2005 and 2004, members of all three plans were required to contribute 8.5 percent of their annual covered salary to fund pension obligations. The District's contribution rate for pension benefits for 2005 and 2004 was 9.55 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

**ATHENS-HOCKING JOINT SOLID WASTE MANAGEMENT DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
(Continued)**

**Note 8 - Postemployment Benefits**

**Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers". A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 and 2004 employer contribution rate was 13.55 percent of covered payroll; 4.00 percent was the portion used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2003, include a rate of return on investments of 8 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees), and an additional increase in total payroll of between .5 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 4 percent annually.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 369,885. Actual employer contributions for 2004 which were used to fund postemployment benefits were \$191,134. The actual contribution and the actuarial required contribution amounts are the same. OPERS's net assets available for the payment of benefits at December 31, 2003 (the latest information available), was \$10.5 billion. The actuarial accrued liability and the unfunded actuarial accrued liability were \$26.9 billion and \$16.4 billion, respectively.

**ATHENS-HOCKING JOINT SOLID WASTE MANAGEMENT DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
(Continued)**

**Note 8 - Postemployment Benefits** (continued)

In December 2001, the OPERS Board adopted the Health Care "Choices" Plan. The Choices Plan will be offered to all persons newly hired in an OPERS covered position after January 1, 2004, with no prior service credit accumulated toward health care coverage. The Choices Plan will incorporate a cafeteria approach offering a broader range of health care options. The Choices Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year "cliff" eligibility standard for the present Plan.

The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Choices Plan will also offer a spending account feature enabling the benefit recipient to apply their allowance toward specific medical expenses, much like a medical spending account.

**Note 9 – Contingent Liabilities**

*Pending or Threatened Litigation:*

Former employee Tom O'Grady has filed an administrative appeal over abolishment of his job seeking back wages and job restoration. The appeal is being vigorously contested by the District.

Amounts grantor agencies pay to the District are subject to audit and adjustment. Grantors may require the District to refund any disallowed costs. Management cannot presently determine amounts which may be disallowed. However, based on prior experience, management believes such refunds would be immaterial.

**Note 10 – Beginning Balance Adjustment**

An adjustment to the 2004 beginning balance was made due to the 2003 financial statements not including the Recycle Ohio Grant Fund which had a 2003 ending balance of \$7,066. This balance should have been reflected in the prior audit Special Revenue Fund Type.

***Perry & Associates***  
Certified Public Accountants, A.C.

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

March 10, 2006

Athens-Hocking Joint Solid Waste Management District  
Athens County  
P.O. Box 2607  
Athens, Ohio 45701

To the Board of Directors:

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Athens-Hocking Joint Solid Waste Management District, Athens County, (the District) as of and for the years ended December 31, 2005 and 2004, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 10, 2006, wherein we noted the District revised its financial statement presentation comparable to the requirements of Governmental Accounting Standards Board Statement No. 34. 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 to determine our auditing procedures to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the District's management dated March 10, 2006, we reported one matter involving internal control over financial reporting we did not deem a reportable condition.



Athens-Hocking Joint Solid Waste Management District  
Athens County  
Independent Accountants' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

### **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 that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the District, and other officials authorized to receive this report and is not intended to be, and should not be used by anyone other than these specified parties.

**Perry and Associates**  
Certified Public Accountants, A.C.





**Auditor of State  
Betty Montgomery**

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**ATHENS HOCKING JOINT SOLID WASTE MANAGEMENT DISTRICT  
ATHENS 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  
JULY 6, 2006**