



Mary Taylor, CPA
Auditor of State

**JEFFERSON BELMONT JOINT SOLID WASTE AUTHORITY
JEFFERSON COUNTY**

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Mary Taylor, CPA
Auditor of State

Jefferson Belmont Joint Solid Waste Authority
Jefferson County
PO Box 2129
Wintersville, Ohio 43953

To the Board of Directors:

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

Mary Taylor

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Auditor of State

May 15, 2009

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Jefferson Belmont Joint Solid Waste Authority
Jefferson County
PO Box 2129
Wintersville, OH 43953

To the Board of Directors:

We have audited the accompanying financial statements of Jefferson Belmont Joint Solid Waste Authority, Jefferson County, (the Authority) as of and for the years ended December 31, 2008 and 2007. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

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

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Authority's larger (i.e. major) funds separately. While the Authority does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Authority has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2008 and 2007 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Authority as of December 31, 2008 and 2007, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Jefferson Belmont Joint Solid Waste Authority, Jefferson County, as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2009, on our consideration of the Authority'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.



Mary Taylor, CPA
Auditor of State

May 15, 2009

**JEFFERSON BELMONT JOINT SOLID WASTE AUTHORITY
JEFFERSON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>All Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Special Assessment	\$3,714		\$3,714
Fees	1,757,249		1,757,249
Intergovernmental		\$37,600	37,600
Earnings on Investments	12,686		12,686
Miscellaneous	23,705		23,705
	<u>1,797,354</u>	<u>37,600</u>	<u>1,834,954</u>
Cash Disbursements:			
Current Disbursements:			
Public Health Services:			
Salaries	413,181		413,181
PERS	56,504		56,504
Hospitalization	102,462		102,462
Workers Compensation	13,040		13,040
Materials and Supplies	93,420		93,420
Equipment	520,559		520,559
Contracts - Repair	25,186		25,186
Contracts - Services	512,920		512,920
Utilities	14,036		14,036
Lease	23,767		23,767
Other	40,450		40,450
Pass through payment		188,000	188,000
Capital Outlay	42,267		42,267
	<u>1,857,792</u>	<u>188,000</u>	<u>2,045,792</u>
Total Receipts Over/(Under) Disbursements	<u>(60,438)</u>	<u>(150,400)</u>	<u>(210,838)</u>
Fund Cash Balances, January 1	<u>838,254</u>	<u>150,400</u>	<u>988,654</u>
Fund Cash Balances, December 31	<u>\$777,816</u>	<u>\$0</u>	<u>\$777,816</u>
Reserve for Encumbrances, December 31	<u>\$30,765</u>		<u>\$30,765</u>

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

JEFFERSON BELMONT JOINT SOLID WASTE AUTHORITY
JEFFERSON COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>All Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Special Assessments	\$6,420		\$6,420
Fees	1,563,940		1,563,940
Intergovernmental		\$150,400	150,400
Earnings on Investments	16,672		16,672
Miscellaneous	13,500		13,500
	<hr/>		<hr/>
Total Cash Receipts	1,600,532	150,400	1,750,932
	<hr/>		<hr/>
Cash Disbursements:			
Current Disbursements:			
Public Health Services:			
Salaries	286,560		286,560
PERS	40,573		40,573
Hospitalization	75,998		75,998
Workers Compensation	3,429		3,429
Materials and Supplies	48,661		48,661
Equipment	94,682		94,682
Contracts - Repair	28,555		28,555
Contracts - Services	258,959		258,959
Utilities	12,953		12,953
Lease	25,727		25,727
Other	17,593		17,593
	<hr/>		<hr/>
Total Cash Disbursements	893,690	0	893,690
	<hr/>		<hr/>
Total Receipts Over/(Under) Disbursements	706,842	150,400	857,242
	<hr/>		<hr/>
Fund Cash Balances, January 1	131,412		131,412
	<hr/>		<hr/>
Fund Cash Balances, December 31	\$838,254	\$150,400	\$988,654
	<hr/>		<hr/>
Reserve for Encumbrances, December 31	\$120,084		\$120,084
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The notes to the financial statements are an integral part of this statement.

**JEFFERSON BELMONT JOINT SOLID WASTE AUTHORITY
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Jefferson Belmont Joint Solid Waste Authority, Jefferson County, (the Authority) as a body corporate and politic. The Authority is directed by a fourteen member Board of Directors comprised of two County Commissioners, one from Belmont County and one from Jefferson County, and representatives from each city government, village government, township government, and the boards of health from each county as well as two representatives of the citizenry. The Board of Directors also includes two waste generators one from Belmont County and one from Jefferson County. The Authority provides solid waste disposal, recycling opportunities, and other waste management services to these counties.

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

B. Accounting Basis

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

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

C. Deposit and Investments

The Authority's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Authority values certificates of deposit at cost.

D. Fund Accounting

The Authority uses fund accounting to segregate cash and investments that are restricted as to use. The Authority classifies its funds into the following types:

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

**JEFFERSON BELMONT JOINT SOLID WASTE AUTHORITY
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

2. Special Revenue Funds

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Authority had the following significant Special Revenue Funds:

Market Development Grant Fund - This fund receives grant monies to be passed through to businesses with an approved plan for the implementation of the recycling grant.

E. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Authority 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 2008 and 2007 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

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

G. Accumulated Leave

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

**JEFFERSON BELMONT JOINT SOLID WASTE AUTHORITY
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS

The Authority maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2008	2007
Demand deposits	\$325,966	\$988,654
Certificates of deposit	451,850	
Total deposits	\$777,816	\$988,654

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institution's public entity deposit pool.

3. RECYCLING GIFT CARDS

Each year, Keep America Beautiful runs a plastic bottle recycling contest throughout the country called "Return the Warmth" and in 2008, Sam's Club was a sponsor of the contest. As a reward to the top participants of the contest, Sam's Club presented \$1,000 gift cards to each winning school for its recycling efforts. Sam's Club also presented the participating affiliates (the Authority) with the same amount of gift cards. Fifteen schools within Belmont County and Jefferson County that participated in the contest were rewarded for their recycling efforts and each received a \$1,000 Sam's club gift card. The Authority, as a participating affiliate, also received fifteen gift cards. As a result, the Jefferson/Belmont Regional Solid Waste Authority held, in safekeeping, fifteen \$1,000 Sam's Club gift cards as of December 31, 2008,

At the regularly scheduled board meeting on March 9, 2009, the finance committee recommended and the board moved for the Authority to donate all gift cards back to winning participating schools in the contest. That process has been completed as of the date of this report.

4. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2008 and 2007 follows:

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,800,450	\$1,797,354	(\$3,096)
Special Revenue	37,600	37,600	0
Total	\$1,838,050	\$1,834,954	(\$3,096)

**JEFFERSON BELMONT JOINT SOLID WASTE AUTHORITY
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

4. BUDGETARY ACTIVITY - (Continued)

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,126,121	\$1,888,557	\$237,564
Special Revenue	188,000	188,000	0
Total	\$2,314,121	\$2,076,557	\$237,564

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,595,587	\$1,600,532	\$4,945
Special Revenue	150,400	150,400	0
Total	\$1,745,987	\$1,750,932	\$4,945

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,178,415	\$1,013,774	\$164,641
Special Revenue	0	0	0
Total	\$1,178,415	\$1,013,774	\$164,641

5. RETIREMENT SYSTEMS

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

The Ohio Revised Code also prescribes contribution rates. For 2008 and 2007, OPERS members contributed 10 and 9.5%, respectively, of their gross salaries and the Authority contributed an amount equaling 14 and 13.85%, respectively, of participants' gross salaries. The Authority has paid all contributions required through December 31, 2008.

6. RISK MANAGEMENT

Risk Pool Membership

The District is covered as part of Jefferson County's insurance coverage. County officials entered into an agreement with the County Risk Sharing Authority (CORSA), in conjunction with the County Commissioners Association of Ohio, to provide insurance coverage on property, buildings, vehicles, and equipment through a self insurance program. Real property and contents are 100% insured.

**JEFFERSON BELMONT JOINT SOLID WASTE AUTHORITY
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

6. RISK MANAGEMENT - (Continued)

The County Risk Sharing Authority, Inc. (CORSA), is a public entity shared risk pool among forty-one counties in Ohio. CORSA was formed as an Ohio non-profit corporation for the purpose of establishing the CORSA Insurance/Self Insurance Program, a primary group and excess insurance/self insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. This coverage includes comprehensive general liability, automobile liability, certain property insurance and public officials' error and omissions liability insurance.

Each member, one from each member county, has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member County's control over budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member Counties' obligation to make coverage payments to CORSA. The participating counties have no responsibility for the payment of certificates. The County does not have an equity interest or a financial responsibility.

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Mary Taylor, CPA

Auditor of State

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

Jefferson Belmont Joint Solid Waste Authority
Jefferson County
PO Box 2129
Wintersville, Ohio 43952

To the Authority Board of Directors:

We have audited the financial statements of the Jefferson Belmont Joint Solid Waste Authority, Jefferson County, (the Authority) as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated May 15, 2009, wherein we noted the Authority followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Authority's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Authority's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Authority's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the Authority's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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

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

Mary Taylor, CPA
Auditor of State

May 15, 2009



Mary Taylor, CPA
Auditor of State

JEFFERSON BELMONT JOINT 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
JULY 14, 2009**