



**COSHOCTON FAIRFIELD LICKING PERRY SOLID WASTE DISTRICT
LICKING COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2011-2010



Dave Yost • Auditor of State

**COSHOCTON-FAIRFIELD-LICKING-PERRY SOLID WASTE MANAGEMENT DISTRICT
LICKING COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter	1
Independent Accountants' Report.....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balance – Enterprise Fund - For the Year Ended December 31, 2011 and 2010.....	5
Notes to the Financial Statements	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	11

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Dave Yost • Auditor of State

Coshocton, Fairfield, Licking, Perry Solid Waste District
Licking County
675 Price Road
Newark, Ohio 43055

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 statement due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your District to prepare a financial statement pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statement in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statement present is misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statement you prepared using the cash basis and financial statement format the AOS permits.

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Dave Yost
Auditor of State

June 15, 2012

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Coshocton, Fairfield, Licking, Perry Solid Waste District
Licking County
675 Price Road
Newark, Ohio

To the Board of Directors:

We have audited the accompanying financial statement of the Coshocton, Fairfield, Licking, Perry Solid Waste District, Licking County, Ohio (the District) as of and for the years ended December 31, 2011 and 2010. This financial statement is the responsibility of the District's management. Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the District has prepared this financial statement 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.

Revisions to GAAP would require the District to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2011 and 2010. While the District does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Districts to reformat their statement. The District has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statement referred to above for the years ended December 31, 2011 and 2010 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2011 and 2010, or its changes in financial position or cash flows, where applicable, for the years then ended.

Also, in our opinion, the financial statement referred to above present fairly, in all material respects, the cash balance and the reserves for encumbrances of the Coshocton, Fairfield, Licking, Perry Solid Waste District, Licking County, Ohio as of December 31, 2011 and 2010, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2012, 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State

June 15, 2012

**COSHOCTON, FAIRFIELD, LICKING, PERRY SOLID WASTE DISTRICT
LICKING COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCE
ENTERPRISE FUND
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

	2011	2010
Cash Receipts:		
Disposal Fees	\$ 1,389,342	\$ 1,502,055
Generation Fees	751,743	-
Reimbursements from Grantees	79,388	106,217
Miscellaneous	532	1,821
	2,221,005	1,610,093
Cash Disbursements:		
Personnel Services	128,831	130,335
Other Contractual Services	1,940,231	2,280,909
Office Supplies and Materials	20,112	33,186
	2,089,174	2,444,430
Operating Income/ (Loss)	131,831	(834,337)
Non-Operating Cash Receipts		
Interest	11,478	12,321
Excess of Cash Receipts Over/(Under) Cash Disbursements	143,309	(822,016)
Cash Balances, January 1	4,146,177	4,968,193
Cash Balances, December 31	\$ 4,289,486	\$ 4,146,177
Reserve for Encumbrances, December 31	\$ 69,894	\$ 43,111

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

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**COSHOCTON-FAIRFIELD-LICKING-PERRY SOLID WASTE MANAGEMENT DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2011 AND 2010**

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 Coshocton-Fairfield-Licking-Perry Solid Waste Management District, Licking County, Ohio, (the District) as a body corporate and politic. The three Commissioners of Coshocton, Fairfield, Licking and Perry Counties comprise the Board of Directors, which governs the District. The District provides solid waste recycling opportunities and other waste management services to these counties.

The District's management believes this financial statement presents all activities for which the District is financially accountable.

B. Accounting Basis

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

This statement includes adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposit and Investments

As the Ohio Revised Code permits, the Licking County Treasurer holds the District's deposits as the District's custodian. The County holds the District's assets in its investment pool, valued at the Treasurer's reported carrying amount.

D. Fund Accounting

The District classifies its fund into the following type:

1. Enterprise Fund

Enterprise Funds account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges.

**COSHOCTON-FAIRFIELD-LICKING-PERRY SOLID WASTE MANAGEMENT DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2011 AND 2010
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

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 or function level of control, and appropriations may not exceed estimated resources. The District Board must annually approve appropriation measures and subsequent amendments. The Licking County Budget Commission must also approve the annual appropriation measure. 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.

3. Encumbrances

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

A summary of 2011 and 2010 budgetary activity appears in Note 2.

F. Property, Plant, and Equipment

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

G. Accumulated Leave

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

2. Budgetary Activity

Budgetary activity for the years ending December 31, 2011 and 2010 follows:

Fund Type	2011 Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
Enterprise	\$ 2,159,609	\$ 2,232,483	\$ 72,874
Total	<u>\$ 2,159,609</u>	<u>\$ 2,232,483</u>	<u>\$ 72,874</u>

**COSHOCTON-FAIRFIELD-LICKING-PERRY SOLID WASTE MANAGEMENT DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2011 AND 2010
(Continued)**

2. Budgetary Activity (Continued)

2011 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
Enterprise	\$ 2,276,278	\$ 2,159,068	\$ 117,210
Total	\$ 2,276,278	\$ 2,159,068	\$ 117,210

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
Enterprise	\$ 1,323,814	\$ 1,622,414	\$ 298,600
Total	\$ 1,323,814	\$ 1,622,414	\$ 298,600

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
Enterprise	\$ 2,491,638	\$ 2,487,541	\$ 4,097
Total	\$ 2,491,638	\$ 2,487,541	\$ 4,097

3. Retirement Systems

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

The Ohio Revised Code also prescribes contribution rates. For 2011 and 2010, OPERS members contributed 10% respectively, of their gross salaries and the District contributed an amount equaling 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2011.

**COSHOCTON-FAIRFIELD-LICKING-PERRY SOLID WASTE MANAGEMENT DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2011 AND 2010
(Continued)**

4. Risk Management

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Comprehensive property
- General liability;

The District (through Licking County) also provides health insurance, vision and dental coverage to full time employees through a private carrier.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years. There have been no changes in coverage amounts.

The District employees are also covered by a blanket bond maintained by Licking County for errors and omissions. Licking County provides vehicle insurance for one district vehicle.

5. Related Party Transactions

The Board of Directors approves contracts with governmental agencies located within the counties they represent.

6. Environmental Contracts/Equipment

All equipment purchased by contractors with District contract funds becomes the property of the contractor as long as it continues to be used for the original purpose of recycling, composting, or waste management as approved in the contract agreement. Upon termination of the contract activity, the contractor must notify the District in writing of intent to dispose of equipment, estimate fair market value of the equipment, and gain approval by the Board of Directors prior to taking action. If disposed, the contractor must reimburse the District the amount received in the sale.



Dave Yost • Auditor of State

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

Coshocton, Fairfield, Licking, Perry Solid Waste District
Licking County
675 Price Road
Newark, Ohio

To the Board of Directors:

We have audited the financial statement of the Coshocton, Fairfield, Licking, Perry Solid Waste District, Licking County, Ohio (the District) as of and for the years ended December 31, 2011 and 2010 and have issued our report thereon dated June 15, 2012, wherein we noted the District prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the financial statement will not be prevented, or detected and timely corrected.

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

Compliance and Other Matters

As part of reasonably assuring whether the '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 Board of Directors and others within the District. We intend it for no one other than these specified parties.

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

Dave Yost
Auditor of State

June 15, 2012



Dave Yost • Auditor of State

COSHOCTON, FAIRFIELD, PERRY SOLID WASTE DISTRICT

LICKING 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 31, 2012