



**GEAUGA-TRUMBULL SOLID WASTE MANAGEMENT DISTRICT
GEAUGA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2001 & 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**GEAUGA-TRUMBULL SOLID WASTE MANAGEMENT DISTRICT
GEAUGA COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Geauga-Trumbull Solid Waste Management District
Geauga County
2931 Youngstown Road
Warren, Ohio 44484

To the Board of Directors:

We have audited the accompanying financial statements of the Geauga-Trumbull Solid Waste Management District, Geauga County, Ohio (the District) as of and for the years ended December 31, 2001 and December 31, 2000. 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 audits.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Geauga-Trumbull Solid Waste Management District as of December 31, 2001 and December 31, 2000, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2002 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

This report is intended solely for the information and use of management, the Board of Directors, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

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Jim Petro
Auditor of State

May 13, 2002

**GEAUGA-TRUMBULL SOLID WASTE MANAGEMENT DISTRICT
GEAUGA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Charges for services	\$1,101,900		\$1,101,900
Ohio Recycle Grant		\$151,969	151,969
Local Matching		42,380	42,380
Miscellaneous	65,561		65,561
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Total cash receipts	1,167,461	194,349	1,361,810
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Cash Disbursements:			
Current:			
Salaries	110,601	73,331	183,932
Supplies and Materials	5,012	498	5,510
Contracts - Services	906,281	32,521	938,802
Public Employee's Retirement	13,306	9,283	22,589
Worker's Compensation	727	470	1,197
Other	60,811	81,297	142,108
	<hr/>		
Total Disbursements	1,096,738	197,400	1,294,138
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Total Receipts Over/(Under) Disbursements	70,723	-3,051	67,672
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Fund Cash Balances, January 1, 2001	1,203,652	31,294	1,234,946
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Fund Cash Balances, December 31, 2001	\$1,274,375	\$28,243	\$1,302,618
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Reserve for Encumbrances, December 31, 2001	\$114,772	\$15,478	\$130,250
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The notes to the financial statements are an integral part of this statement.

**GEAUGA-TRUMBULL SOLID WASTE MANAGEMENT DISTRICT
GEAUGA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Governmental Fund Types		
	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts:			
Charges for services	\$1,167,544		\$1,167,544
Ohio Recycle Grant		\$130,180	130,180
Local Matching		86,510	86,510
Miscellaneous	67,964		67,964
Total cash receipts	1,235,508	216,690	1,452,198
Cash Disbursements:			
Current:			
Salaries	121,296	78,266	199,562
Supplies and Materials	3,069	994	4,063
Contracts - Services	899,572	23,788	923,360
Public Employee's Retirement	15,001	6,915	21,916
Worker's Compensation	353		353
Other	68,215	75,433	143,648
Total Disbursements	1,107,506	185,396	1,292,902
Total Receipts Over/(Under) Disbursements	128,002	31,294	159,296
Fund Cash Balances, January 1, 2000	1,075,650	0	1,075,650
Fund Cash Balances, December 31, 2000	\$1,203,652	\$31,294	\$1,234,946
Reserve for Encumbrances, December 31, 2000	\$139,721	\$15,748	\$155,469

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

**GEAUGA-TRUMBULL SOLID WASTE MANAGEMENT DISTRICT
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Geauga-Trumbull Solid Waste Management District, Geauga 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 Geauga and Trumbull Counties. The District provides solid waste disposal, recycling opportunities, and other waste management services to these counties.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

In accordance with Ohio Revised Code, the Geauga County Treasurer is custodian for the District's monies. The District's cash and investments are held in the County's cash and investment pool, and are valued at the Treasurer's reported carrying amount.

D. Fund Accounting

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

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Fund

This fund is used to account for proceeds from specific source (other than from trusts or for capital projects) that is restricted to expenditure for specific purposes. The District had the following significant Special Revenue Fund:

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

**GEAUGA-TRUMBULL SOLID WASTE MANAGEMENT DISTRICT
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(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, function or object level of control, and appropriations may not exceed estimated resources. Appropriation Authority includes current year appropriations plus encumbrances carried over from the prior year (if any). The Board must annually approve appropriation measures and subsequent amendments. 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.

3. Encumbrances

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

A summary of 2001 and 2000 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. Accumulated Leave

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

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2001 and December 31, 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,226,100	\$1,167,461	(\$58,639)
Special Revenue	194,349	194,349	0
Total	\$1,420,449	\$1,361,810	(\$58,639)

**GEAUGA-TRUMBULL SOLID WASTE MANAGEMENT DISTRICT
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

2. BUDGETARY ACTIVITY (Continued)

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,489,743	\$1,211,510	\$278,233
Special Revenue	220,147	212,878	7,269
Total	\$1,709,890	\$1,424,388	\$285,502

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,193,000	\$1,235,508	\$42,508
Special Revenue	216,690	216,690	0
Total	\$1,409,690	\$1,452,198	\$42,508

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,438,378	\$1,247,227	\$191,151
Special Revenue	207,561	201,144	6,417
Total	\$1,645,939	\$1,448,371	\$197,568

3. RETIREMENT SYSTEMS

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced employer contribution rates to 8.13% effective July 1, 2000 through December 31, 2000. The District has paid all contributions required through December 31, 2001.

**GEAUGA-TRUMBULL SOLID WASTE MANAGEMENT DISTRICT
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

4. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

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



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**REPORT OF ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Geauga-Trumbull Solid Waste Management District
Geauga County
2931 Youngstown Road
Warren, Ohio 44484

To the Board of Directors:

We have audited the accompanying financial statements of Geauga-Trumbull Solid Waste Management District, Geauga County, Ohio (the District) as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated May 13, 2001. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the District in a separate letter dated May 13, 2002.

Geauga-Trumbull Solid Waste Management District
Geauga County
Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended solely for the information and use of management and the Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

May 13, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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GEAUGA-TRUMBULL SOLID WASTE MANAGEMENT DISTRICT

GEAUGA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 25, 2002**