



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

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2007 - 2006**



**Mary Taylor, CPA**  
Auditor of State



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

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Mary Taylor, CPA  
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 statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your District 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*

**Mary Taylor, CPA**  
Auditor of State

July 25, 2008

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

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

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, 2007 and 2006. The 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. This practice differs from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statement of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the fund the accompanying financial statement present, GAAP require presenting entity wide statements and also presenting the District's larger (i.e. major) funds separately. 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, 2007 and 2006 does 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, 2007 and 2006, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statement referred to above presents fairly, in all material respects, the cash balance and reserves for encumbrances of the Coshocton, Fairfield, Licking, Perry Solid Waste District, Licking County, Ohio, as of December 31, 2007 and 2006, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The District 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 July 25, 2008, 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 cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

July 25, 2008



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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCE  
ENTERPRISE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2007 and 2006**

	<b>2007</b>	<b>2006</b>
<b>Cash Receipts:</b>		
Charges for Services	\$ 2,136,138	\$ 2,327,793
Reimbursements from Grantees	116,261	194,150
Miscellaneous	5,170	17,365
	<u>2,257,569</u>	<u>2,539,308</u>
<b>Total Operating Cash Receipts</b>		
	<u>2,257,569</u>	<u>2,539,308</u>
<b>Cash Disbursements:</b>		
Personnel Services	122,927	113,283
Other Contractual Services	2,134,294	2,042,789
Office Supplies and Materials	37,678	47,138
	<u>2,294,899</u>	<u>2,203,210</u>
<b>Total Operating Cash Disbursements</b>		
	<u>2,294,899</u>	<u>2,203,210</u>
Operating Income/(Loss)	<u>(37,330)</u>	<u>336,098</u>
<b>Non-Operating Cash Receipts:</b>		
Interest	231,126	217,114
	<u>231,126</u>	<u>217,114</u>
<b>Total Non-Operating Cash Receipts</b>		
	<u>231,126</u>	<u>217,114</u>
Net Receipts Over Disbursements	193,796	553,212
Cash Balance, January 1	<u>5,193,918</u>	<u>4,640,706</u>
<b>Cash Balance, December 31</b>	<u><b>\$ 5,387,714</b></u>	<u><b>\$ 5,193,918</b></u>
Reserve for Encumbrances, December 31	<u>\$ 126,703</u>	<u>\$ 117,808</u>

*The notes to the financial statements 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 STATEMENTS  
DECEMBER 31, 2007 AND 2006**

**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 as a body corporate and politic. The three Commissioners of Coshocton, Fairfield, Licking and Perry Counties make up 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 these financial statements present 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. Cash and Investments**

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

**D. Fund Accounting**

The District classifies its funds 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.

**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. Unencumbered appropriations lapse at year end.

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**E. Budgetary Process (Continued)**

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

**3. Encumbrances**

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

A summary of 2007 and 2006 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 statement does 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 statement does not include a liability for unpaid leave.

**2. Budgetary Activity**

Budgetary activity for the years ending December 31, 2007 and 2006 follows:

2007 Budgeted vs. Actual Receipts				
Fund		Budgeted Receipts	Actual Receipts	Variance
Enterprise		\$2,580,123	\$2,488,695	(\$91,428)
	Total	\$2,580,123	\$2,488,695	(\$91,428)

2007 Budgeted vs. Actual Budgetary Basis Expenditures				
Fund		Appropriation Authority	Budgetary Expenditures	Variance
Enterprise		\$3,623,957	\$2,421,602	\$1,202,355
	Total	\$3,623,957	\$2,421,602	\$1,202,355

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**2. Budgetary Activity (Continued)**

2006 Budgeted vs. Actual Receipts			
Fund	Budgeted Receipts	Actual Receipts	Variance
Enterprise	\$2,118,767	\$2,756,422	\$637,655
Total	\$2,118,767	\$2,756,422	\$637,655

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund	Appropriation Authority	Budgetary Expenditures	Variance
Enterprise	\$3,456,562	\$2,341,018	\$1,115,544
Total	\$3,456,562	\$2,341,018	\$1,115,544

**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 plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2007 and 2006, OPERS members contributed 9.5% and 9%, respectively, of their gross salaries and the District contributed an amount equaling 13.85% and 13.7%, respectively, of participants' gross salaries. The District has paid all contributions required through December 31, 2007.

**4. Risk Management**

**Commercial Insurance**

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;

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

The District employees are also covered by a blanket bond maintained by Licking County for errors and omissions.

**5. Related Party Transactions**

The Board of Directors approves grant awards to governmental agencies and located within the counties they represent.

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**6. Environmental Contracts/Equipment**

All equipment purchased by contractors with District contract funds become 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.



# 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*

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

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, 2007 and 2006, and have issued our report thereon dated July 25, 2008, wherein we noted the District 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 District'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 District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District'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 District'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 District'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 District'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.

We noted a certain internal control matter that we reported to the District's management in a separate letter dated July 25, 2008.

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### **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 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

July 25, 2008





**Mary Taylor, CPA**  
Auditor of State

**COSHOCTON FAIRFIELD LICKING 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  
SEPTEMBER 4, 2008**