



Dave Yost • Auditor of State



**JEFFERSON BELMONT SOLID WASTE AUTHORITY  
JEFFERSON COUNTY  
DECEMBER 31, 2016 AND 2015**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Jefferson Belmont Solid Waste Authority  
Jefferson County  
115 South Third Street, Suite 109  
Steubenville, Ohio 43952

To the Board of Directors:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Jefferson Belmont Solid Waste Authority, Jefferson County, (the "Authority") as of and for the years ended December 31, 2016 and 2015.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Authority's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statements, the Authority prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Authority does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Authority as of December 31, 2016 and 2015, or changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Jefferson Belmont Solid Waste Authority, Jefferson County, as of December 31, 2016 and 2015, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 19, 2017, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

July 19, 2017

**Jefferson-Belmont Solid Waste Authority**  
*Jefferson County*  
**Combined Statement of Receipts, Disbursements**  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
**For the Year Ended December 31, 2016**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Tipping Fees:				
Inside District	\$259,198			\$259,198
Outside District	119,819			119,819
Outside State	417,242			417,242
Contract Tipping Fees	208,621			208,621
Rates and Charges	595,178			595,178
Designation Fees	436,433			436,433
Recycling Income	205,284			205,284
Intergovernmental Revenue	23,080			23,080
Miscellaneous	25,578			25,578
<i>Total Cash Receipts</i>	<u>2,290,433</u>	<u>0</u>	<u>0</u>	<u>2,290,433</u>
<b>Cash Disbursements</b>				
Current:				
Public Health Services:				
Wages and Benefits	785,489			785,489
Grants to Others:				
Financial Assistance to County Board of Health	83,274			83,274
Office Supplies	4,273			4,273
Postage	677			677
Travel	2,299			2,299
Contract Services	75,428			75,428
Professional Contract Services	23,191			23,191
Contract Repairs	100,921			100,921
Fuel	63,560			63,560
Insurance	13,315			13,315
Paper Recycling	46,018			46,018
Advertising/Promotional	22,246			22,246
Utilities	10,307			10,307
Equipment	4,834			4,834
Recycling Supplies	2,348			2,348
Office Lease	32,112			32,112
Buildings and Grounds	740			740
Collections Drives	189,544			189,544
Other	2,604			2,604
Debt Service:				
Principal Retirement	83,107			83,107
Interest and Fiscal Charges	1,020			1,020
<i>Total Cash Disbursements</i>	<u>1,547,307</u>	<u>0</u>	<u>0</u>	<u>1,547,307</u>
<i>Excess of Receipts Over Disbursements</i>	<u>743,126</u>	<u>0</u>	<u>0</u>	<u>743,126</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In	681		\$200,000	200,681
Transfers Out	(200,000)	(\$681)		(200,681)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(199,319)</u>	<u>(681)</u>	<u>200,000</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	543,807	(681)	200,000	743,126
<i>Fund Cash Balances, January 1</i>	<u>1,809,884</u>	<u>681</u>	<u>200,000</u>	<u>2,010,565</u>
<b>Fund Cash Balances, December 31</b>				
Restricted			400,000	400,000
Unassigned	2,353,691			2,353,691
<i>Fund Cash Balances, December 31</i>	<u>\$2,353,691</u>	<u>\$0</u>	<u>\$400,000</u>	<u>\$2,753,691</u>

See accompanying notes to the basic financial statements

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**Jefferson Belmont Solid Waste Authority**  
*Jefferson County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**Note 1 - Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Jefferson Belmont 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, one representative from a city government, a village government, a township government, and the board 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 these financial statements present all activities for which the Authority is financially accountable.

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

***Basis of Presentation***

The Authority's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types organized on a fund type basis.

***Fund Accounting***

The Authority 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 Authority are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Authority for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Special Revenue Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Authority had the following significant Special Revenue Funds:

***Litter Cleanup and Tire Amnesty Grant Fund*** This fund receives grant monies to be used for the implementation of recycling, and litter prevention programs.

***Capital Project Funds*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Authority had the following significant capital project funds:

***Capital Reserve Fund*** This fund was established to accumulate resources for acquisition, construction or improvement of fixed assets, including motor vehicles.

**Jefferson Belmont Solid Waste Authority**  
*Jefferson County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

***Budgetary Process***

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

***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. Unencumbered appropriations lapse at year end.

***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.

***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 2016 budgetary activity appears in Note 3.

***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.

***Capital Assets***

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

***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 Solid Waste Authority**  
*Jefferson County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Authority must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

***Nonspendable*** The Authority classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

***Restricted*** Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** Directors can *commit* amounts via formal action (resolution). The Authority must adhere to these commitments unless the Directors amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Directors or an Authority official delegated that authority by resolution, or by State Statute.

***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Authority applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Note 3 - Budgetary Activity**

Budgetary activity for the year ending December 31, 2016 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,859,931	\$2,290,433	\$430,502
Special Revenue	681	0	(681)
Capital Projects	100,000	200,000	100,000
Total	\$1,960,612	\$2,490,433	\$529,821

**Jefferson Belmont Solid Waste Authority**  
*Jefferson County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

**Note 3 - Budgetary Activity (Continued)**

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,030,957	\$1,792,049	\$238,908
Special Revenue	1,238	681	557
Capital Projects	50,000	0	50,000
Total	\$2,082,195	\$1,792,730	\$289,465

**Note 4 – Deposits**

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:

Demand deposits	2016
	\$2,753,691

***Deposits***

Deposits are insured by the Federal Depository Insurance Corporation.

At December 31, 2015, \$2,503,691 of deposits were not insured or collateralized, contrary to Ohio law.

**Note 5 - Risk Management**

The Authority 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, the provide insurance coverage on property, buildings, vehicles, and equipment through a self-insurance program. Real Property and contents are 100% insured.

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 of 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 if 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.

**Jefferson Belmont Solid Waste Authority**  
*Jefferson County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**Note 6 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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. OPERS members contributed 10% of their gross salaries and the Authority contributed an amount equaling 14% of participants' gross salaries. The Authority has paid all contributions required through December 31, 2016.

**Note 7 - Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. OPERS contributes 2 percent of the employer contribution to fund these benefits.

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**Jefferson-Belmont Solid Waste Authority**  
*Jefferson County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2015*

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Tipping Fees:				
Inside District	\$268,384			\$268,384
Outside District	574,428			574,428
Outside State	134,337			134,337
Contract Tipping Fees	67,168			67,168
Rates and Charges	719,323			719,323
Designation Fees	25,500			25,500
Recycling Income	229,321			229,321
Intergovernmental Revenue	20,000	\$2,820		22,820
Miscellaneous	27,578			27,578
<i>Total Cash Receipts</i>	<u>2,066,039</u>	<u>2,820</u>	<u>0</u>	<u>2,068,859</u>
<b>Cash Disbursements</b>				
Current:				
Public Health Services:				
Wages and Benefits	802,533			802,533
Grants to Others:				
Financial Assistance to County Board of Health	92,696			92,696
Market Development Grant	77,145			77,145
Office Supplies	5,006			5,006
Postage	1,290			1,290
Travel	2,833			2,833
Contract Services	66,335	17		66,352
Professional Contract Services	90,758			90,758
Contract Repairs	86,346			86,346
Fuel	84,863			84,863
Insurance	15,669			15,669
Paper Recycling	52,521			52,521
Advertising/Promotional	6,200			6,200
Utilities	9,642			9,642
Recycling Supplies	2,466			2,466
Office Lease	34,849			34,849
Buildings and Grounds	3,422			3,422
Collections Drives	185,063			185,063
Environmental Enforcement	0	3,881		3,881
Other	2,052			2,052
Debt Service:				
Principal Retirement	108,467			108,467
Interest and Fiscal Charges	3,702			3,702
<i>Total Cash Disbursements</i>	<u>1,733,858</u>	<u>3,898</u>	<u>0</u>	<u>1,737,756</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>332,181</u>	<u>(1,078)</u>	<u>0</u>	<u>331,103</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In			\$100,000	100,000
Transfers Out	(100,000)			(100,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(100,000)</u>	<u>0</u>	<u>100,000</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	232,181	(1,078)	100,000	331,103
<i>Fund Cash Balances, January 1</i>	<u>1,577,703</u>	<u>1,759</u>	<u>100,000</u>	<u>1,679,462</u>
<b>Fund Cash Balances, December 31</b>				
Restricted		681	200,000	200,681
Assigned	137,101			137,101
Unassigned	1,672,783			1,672,783
<i>Fund Cash Balances, December 31</i>	<u>\$1,809,884</u>	<u>\$681</u>	<u>\$200,000</u>	<u>\$2,010,565</u>

See accompanying notes to the basic financial statements

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**Jefferson Belmont Solid Waste Authority**  
*Jefferson County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2015*

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**Note 1 - Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Jefferson Belmont 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, one representative from a city government, a village government, a township government, and the board 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 these financial statements present all activities for which the Authority is financially accountable.

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

***Basis of Presentation***

The Authority's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types organized on a fund type basis.

***Fund Accounting***

The Authority 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 Authority are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Authority for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Special Revenue Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Authority had the following significant Special Revenue Funds:

***Litter Cleanup and Tire Amnesty Grant Fund*** This fund receives grant monies to be used for the implementation of recycling, and litter prevention programs.

***Capital Project Funds*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Authority had the following significant capital project funds:

***Capital Reserve Fund*** This fund was established to accumulate resources for acquisition, construction or improvement of fixed assets, including motor vehicles.

**Jefferson Belmont Solid Waste Authority**  
*Jefferson County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2015*

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

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

***Budgetary Process***

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

***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. Unencumbered appropriations lapse at year end.

***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.

***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 2015 budgetary activity appears in Note 3.

***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.

***Capital Assets***

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

***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 Solid Waste Authority**  
*Jefferson County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2015*

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

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Authority must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

***Nonspendable*** The Authority classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

***Restricted*** Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** Directors can *commit* amounts via formal action (resolution). The Authority must adhere to these commitments unless the Directors amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Directors or an Authority official delegated that authority by resolution, or by State Statute.

***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Authority applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Note 3 - Budgetary Activity**

Budgetary activity for the year ending December 31, 2015 follows:

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,469,062	\$2,066,039	\$596,977
Special Revenue	2,820	2,820	0
Capital Projects	100,000	100,000	0
Total	\$1,571,882	\$2,168,859	\$596,977

**Jefferson Belmont Solid Waste Authority**  
*Jefferson County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2015*

**Note 3 - Budgetary Activity (Continued)**

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,972,743	\$1,867,782	\$104,961
Special Revenue	4,579	4,454	125
Capital Projects	100,000	0	100,000
Total	\$2,077,322	\$1,872,236	\$205,086

**Note 4 – Deposits**

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:

Demand deposits	2015
	\$2,010,565

***Deposits***

Deposits are insured by the Federal Depository Insurance Corporation.

At December 31, 2015, \$1,750,565 of deposits were not insured or collateralized, contrary to Ohio law.

**Note 5 - Risk Management**

The Authority 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 Directors Association of Ohio, the provide insurance coverage on property, buildings, vehicles, and equipment through a self-insurance program. Real Property and contents are 100% insured.

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 Directors of member counties are eligible to serve of 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 if 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.

**Jefferson Belmont Solid Waste Authority**  
*Jefferson County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2015*

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**Note 6 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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. OPERS members contributed 10% of their gross salaries and the Authority contributed an amount equaling 14% of participants' gross salaries. The Authority has paid all contributions required through December 31, 2015.

**Note 7 - Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. OPERS contributes 2 percent of the employer contribution to fund these benefits.

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# Dave Yost • Auditor of State

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

Jefferson Belmont Solid Waste Authority  
Jefferson County  
115 South Third Street, Suite 109  
Steubenville, Ohio 43952

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements by fund type of the Jefferson Belmont Regional Solid Waste Authority, Jefferson County, (the "Authority") as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, and have issued our report thereon dated July 19, 2017 wherein we noted the Authority followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Authority's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Authority's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify an deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses or significant deficiencies may exist.

***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, opining 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*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

**Dave Yost**  
Auditor of State  
Columbus, Ohio

July 19, 2017





# Dave Yost • Auditor of State

**JEFFERSON BELMONT 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  
AUGUST 8, 2017**