



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**SOLID WASTE DISTRICT OF BUTLER COUNTY
BUTLER COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Solid Waste District of Butler County
Butler County
130 High Street
Hamilton, Ohio 45011

To the Policy Committee:

We have audited the accompanying financial statements of the Solid Waste District of Butler County, Butler County, Ohio (the District), as of and for the years ended December 31, 2001, and 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 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit 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 audit provides 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 fund cash balances of the District as of December 31, 2001 and 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 August 2, 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 audit.

This report is intended solely for the information and use of management, the Policy Committee, and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, 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", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

August 2, 2002

**SOLID WASTE DISTRICT OF BUTLER COUNTY
BUTLER COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2001**

Cash Receipts:

Landfill Fees	\$482,300
Intergovernmental - State Grants	5,280
Miscellaneous	8,109
	8,109
 Total cash receipts	 495,689

Cash Disbursements:

Current:	
Salaries	75,772
Public Employee's Retirement	8,888
Worker's Compensation	891
Medical Health Insurance	1,073
Group Health Insurance	4,545
Office Supplies	620
Postage	1,838
Professional Development	1,246
Professional Services	36,960
Travel and Training Expenses	1,203
Other Contract Services	107,801
Other Capital Outlay	42,522
Other	823
Grants	10,000
	10,000
 Total Disbursements	 294,182

Total Receipts Over/(Under) Disbursements	201,507
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Other Financing Receipts/(Disbursements):

Transfers-Out	(29,954)
 Total Other Financing Receipts/(Disbursements)	 (29,954)

Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	171,553
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Fund Cash Balances, January 1	243,056
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Fund Cash Balances, December 31	\$414,609
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The notes to the financial statements are an integral part of this statement.

**SOLID WASTE DISTRICT OF BUTLER COUNTY
BUTLER COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

Cash Receipts:	
Landfill Fees	\$401,161
Miscellaneous	4,730
	405,891
 Cash Disbursements:	
Current:	
Salaries	88,711
Public Employee's Retirement	10,578
Worker's Compensation	1,057
Medical Health Insurance	1,235
Group Health Insurance	3,610
Office Supplies	465
Postage	3,332
Subscriptions and Publications	134
Professional Development	1,803
Professional Services	185,213
Travel and Training Expenses	1,607
Other Contract Services	70,421
Printing	21,549
Other Capital Outlay	2,176
Other	894
Recycling Incentives	40,000
Grants	7,000
	439,785
Total Disbursements	439,785
Total Receipts Over/(Under) Disbursements	(33,894)
 Other Financing Receipts/(Disbursements):	
Transfers-Out	(27,455)
Total Other Financing Receipts/(Disbursements)	(27,455)
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(61,349)
Fund Cash Balances, January 1	304,405
Fund Cash Balances, December 31	\$243,056
Reserve for Encumbrances, December 31	\$56,268

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

**SOLID WASTE DISTRICT OF BUTLER COUNTY
BUTLER COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Solid Waste District of Butler County, Butler County, Ohio (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 an appointed seven-member Policy Committee. The District provides guidelines for the disposal of solid waste, recycling opportunities, and assures compliance with all EPA requirements.

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 Deposits

In accordance with Ohio Revised Code, the Butler County Treasurer is custodian for the District's monies. The District's cash and deposits 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 type:

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.

**SOLID WASTE DISTRICT OF BUTLER COUNTY
BUTLER COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process Note: Under HB 262, effective for fiscal years ending 12/00 and subsequent, Solid Waste Districts that do not levy property taxes must follow most of the 5705 budget requirements, but need not seek approval of a county budget commission for any budgetary actions. These Districts must:

HB 262 Requirements	Applicable ORC Section	Applicable OCS Section
Estimate receipts and adopt an operating budget	5705.28(B)(2)(a)	Comparable to 1-1
Prepare certificate of estimated resources (but does not require budget commission approval).	5705.36	1-4
Must amend estimated resources under the circumstances described in the OCS (also see ADAM 97-05).	5705.36	1-5
Appropriate at the minimum level of control prescribed by 5705.38(C) (or a lower level). No budget commission approval required.	5705.38	1-6
Cannot appropriate more than estimated resources	5705.28(B)(2)(c)	Comparable to 1-7
Must amend appropriations if they intend to spend more than the original appropriation.	5705.40	1-8
Cannot disburse or encumber more than appropriated.	5705.41(B)	1-9
Must certify the availability of funds.	5705.41(D)	1-9
May issue blanket or super blanket purchase orders.	5705.41(D)	1-10

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 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 District must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

2. Estimated Resources

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

**SOLID WASTE DISTRICT OF BUTLER COUNTY
BUTLER COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2.

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 ended December 31, 2001, and 2000 follows:

2001 Budgeted vs. Actual Receipts

Fund Type	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$420,000	\$495,689	\$75,689

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$581,518	\$324,137	\$257,381

2000 Budgeted vs. Actual Receipts

Fund Type	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$360,000	\$405,891	\$45,891

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$566,860	\$523,508	\$43,352

**SOLID WASTE DISTRICT OF BUTLER COUNTY
BUTLER COUNTY**

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

3. RETIREMENT SYSTEM

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 through June 30, 2000. PERS temporarily reduced employer contribution rates to 8.13% effective July 1, 2000. The District has paid all contributions required through December 31, 2001.

4. RISK MANAGEMENT

Commercial Insurance

The District is included in Butler County's commercial insurance policies for the following risks:

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



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

Solid Waste District of Butler County
Butler County
130 High Street
Hamilton Ohio, 45011

To the Policy Committee:

We have audited the accompanying financial statements of the Solid Waste District of Butler County, Butler County, Ohio (the District), as of and for the years ended December 31, 2001, and 2000, and have issued our report thereon dated August 2, 2002. 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 *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*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated August 2, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, 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 other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated August 2, 2002.

Solid Waste District of Butler County
Butler County
Report of Independent Accountants 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 Policy Committee, 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 stylized with a large, looping initial "J" and a long horizontal stroke extending to the right.

Jim Petro
Auditor of State

August 2, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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SOLID WASTE DISTRICT OF BUTLER COUNTY

BUTLER 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 12, 2002**