



**Auditor of State  
Betty Montgomery**



**GALLIA, JACKSON, MEIGS, VINTON SOLID WASTE MANAGEMENT DISTRICT  
JACKSON COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report .....	1
Statement of Cash Receipts, Cash Disbursements, and Change in Cash Balance - For the Year Ended December 31, 2003 .....	3
Statement of Cash Receipts, Cash Disbursements, and Change in Cash Balance - For the Year Ended December 31, 2002 .....	4
Notes to the Financial Statements .....	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	9

**This page intentionally left blank.**



**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Gallia, Jackson, Meigs, Vinton Solid Waste Management District  
Jackson County  
1056 South New Hampshire Avenue  
Wellston, Ohio 45692

To the Board of Directors:

We have audited the accompanying financial statements of the Gallia, Jackson, Meigs, Vinton Solid Waste Management District, Jackson County, Ohio (the District), as of and for the years ended December 31, 2003 and 2002. 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 cash balances and reserves for encumbrances of the Gallia, Jackson, Meigs, Vinton Solid Waste Management District, Jackson County, as of December 31, 2003 and 2002, and its 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 March 26, 2004 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.

Gallia, Jackson, Meigs, Vinton Solid Waste Management District  
Jackson County  
Independent Accountants' Report  
Page 2

This report is intended solely for the information and use of the audit committee, 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.

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

**Betty Montgomery**  
Auditor of State

March 26, 2004

**GALLIA, JACKSON, MEIGS, VINTON SOLID WASTE MANAGEMENT DISTRICT  
JACKSON COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGE IN CASH BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2003**

<b>Cash Receipts:</b>				
	Fees			\$936,733
	Grants			90,000
	Recycling			140,825
	Interest			23,821
	Miscellaneous			<u>902</u>
	Total Cash Receipts			<u>1,192,281</u>
<b>Cash Disbursements:</b>				
	Current:			
	Salaries			246,354
	Supplies			4,998
	Equipment			4,591
	Buybacks			67,206
	Contracts Services			530,270
	Projects			114,994
	Travel			17,476
	Utilities			6,985
	Postage/Printing and Advertising			1,203
	Fringes			102,150
	Insurance			10,937
	Miscellaneous			1,480
	Recycle Ohio Grant			26,578
	Maintenance			<u>10,213</u>
	Total Cash Disbursements			<u>1,145,435</u>
	Total Cash Receipts Over/(Under) Cash Disbursements			<u>46,846</u>
	Cash Balance, January 1			<u>706,005</u>
	<b>Cash Balance, December 31</b>			<b><u>\$752,851</u></b>
Reserve	for	Encumbrances	December	31
				<u>\$65,636</u>

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

**GALLIA, JACKSON, MEIGS, VINTON SOLID WASTE MANAGEMENT DISTRICT  
JACKSON COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGE IN CASH BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2002**

<b>Cash Receipts:</b>	
Fees	\$799,627
Grants	88,980
Recycling	100,789
Interest	25,142
Miscellaneous	<u>7,458</u>
Total Cash Receipts	<u>1,021,996</u>
<b>Cash Disbursements:</b>	
Current:	
Salaries	237,392
Supplies	5,025
Equipment	815
Buybacks	42,322
Contracts Services	447,346
Projects	104,317
Travel	20,637
Utilities	5,972
Postage/Printing and Advertising	3,219
Fringes	78,159
Insurance	9,105
Miscellaneous	4,176
Recycle Ohio Grant	24,712
Maintenance	<u>10,229</u>
Total Cash Disbursements	<u>993,426</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>28,570</u>
Cash Balance, January 1	<u>677,435</u>
<b>Cash Balance, December 31</b>	<b><u>\$706,005</u></b>
Reserve for Encumbrances, December 31	<u>\$59,939</u>



**GALLIA, JACKSON, MEIGS, VINTON SOLID WASTE MANAGEMENT DISTRICT  
JACKSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Gallia, Jackson, Meigs, Vinton Solid Waste Management District, Jackson 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 twelve-member Board of Directors comprised of the three County Commissioners of Gallia, Jackson, Meigs and Vinton 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**

Investments are included in cash balances. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Certificates of deposit are valued at cost.

**D. Budgetary Process**

The Ohio Revised Code requires the District to adopt an annual budget.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the legal 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 of Directors must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

**GALLIA, JACKSON, MEIGS, VINTON SOLID WASTE MANAGEMENT DISTRICT  
JACKSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. 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 commitments are made. Encumbrances outstanding at year end are carried over, and need not be re-appropriated.

A summary of 2003 and 2002 budgetary activity appears in Note 3.

**E. 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.

**F. 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. EQUITY IN POOLED CASH AND INVESTMENTS**

The District maintains a cash and investments pool. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	2003	2002
Demand Deposits	\$221,763	\$192,877
Certificates of Deposit	531,088	513,128
Total Deposits and Investments	\$752,851	\$706,005

**Deposits:** Deposits are either (1) insured by the Federal Deposit Insurance Corporation, or (2) collateralized by securities specifically pledged by the financial institution to the District.

**GALLIA, JACKSON, MEIGS, VINTON SOLID WASTE MANAGEMENT DISTRICT  
JACKSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2003 and 2002 follows:

2003 Budgeted vs. Actual Receipts		
Budgeted Receipts	Actual Receipts	Variance
\$1,004,461	\$1,192,281	\$187,820

2003 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$1,707,742	\$1,211,071	\$496,671

2002 Budgeted vs. Actual Receipts		
Budgeted Receipts	Actual Receipts	Variance
\$978,907	\$1,021,996	\$43,089

2002 Budgeted vs. Actual Budgetary Basis		
Appropriation Authority	Budgetary Expenditures	Variance
\$1,639,403	\$1,053,365	\$586,038

**4. LONG TERM PAYABLE TO GALLIA AND JACKSON COUNTIES**

Gallia and Jackson Counties each issued General Obligation Bonds in the amount of \$337,500 for the purpose of constructing a recycling center for the District. The bonds were issued April 17, 1998, and have maturities through December 12, 2012.

Through a resolution, the District accepted responsibility for the repayment of the General Obligation Debt. The debt is a general obligation to the Counties and is collateralized by those Counties. The payments are considered to be a long-term payable from the District to those Counties.

Long term payables outstanding at December 31, 2003 were as follows:

	Principal	Interest Rate
Gallia County	\$230,000	4.95%
Jackson County	230,000	4.95%
Total	\$460,000	

**GALLIA, JACKSON, MEIGS, VINTON SOLID WASTE MANAGEMENT DISTRICT  
JACKSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**4. LONG TERM PAYABLE TO GALLIA AND JACKSON COUNTIES (Continued)**

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31	Gallia County	Jackson County
2004	\$31,385	\$31,385
2005	30,395	30,395
2006	34,405	34,405
2007	33,167	33,167
2008	31,930	31,930
2009-2012	129,599	129,599
Total	\$290,882	\$290,882

**5. 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 2003 and 2002, PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries through December 31, 2003. The District has paid all contributions required through December 31, 2003.

**6. RISK POOL MEMBERSHIP**

The District belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association with over 600 governmental entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services.

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverage, modified for each member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the member's deductible.

The Plan uses conventional insurance coverage and reinsures these coverage 100%, rather than using a risk pool of member funds to pay individual and collective losses. Therefore, the individual members are only responsible for their self-retention (deductible) amounts which vary from member to member.



**Auditor of State  
Betty Montgomery**

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

Gallia, Jackson, Meigs, Vinton Solid Waste Management District  
Jackson County  
1056 South New Hampshire Avenue  
Wellston, Ohio 45692

To the Board of Directors:

We have audited the accompanying financial statements of the Gallia, Jackson, Meigs, Vinton Solid Waste Management District, Jackson County, Ohio (the District), as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated March 26, 2004. 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 March 26, 2004.

**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 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 March 26, 2004.

743 E. State St. / Athens Mall Suite B / Athens, OH 45701  
Telephone: (740) 594-3300 (800) 441-1389 Fax: (740) 594-2110  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

Gallia, Jackson, Meigs, Vinton Solid Waste Management District  
Jackson County  
Independent Accountants' 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 the audit committee, 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

March 26, 2004



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**GALLIA, JACKSON, MEIGS, VINTON SOLID WASTE MANAGEMENT DISTRICT**

**JACKSON 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  
APRIL 27, 2004**