



Mary Taylor, CPA  
Auditor of State



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

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Cover Letter .....	1
Independent Accountants' Report.....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balance - For the Year Ended December 31, 2007 .....	5
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balance - For the Year Ended December 31, 2006 .....	6
Notes to the Financial Statements .....	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	13

**This page intentionally left blank.**



**Mary Taylor, CPA**  
Auditor of State

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

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 government 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.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

March 27, 2008

**This page intentionally left blank.**



# Mary Taylor, CPA

Auditor of State

## 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, 2007 and 2006. 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 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 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the District has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements 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 statements. 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 statements referred to above for the years ended December 31, 2007 and 2006 do 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 statements referred to above present fairly, in all material respects, the fund cash balances and reserves for encumbrances of the Gallia, Jackson, Meigs, Vinton Solid Waste Management District, Jackson County, 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 March 27, 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

March 27, 2008



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

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

<b>Cash Receipts:</b>	
Fees	\$1,405,535
Intergovernmental	\$40,000
Recycling	\$183,950
Interest	\$37,066
Miscellaneous	3,505
Tire Disposal	390
	1,670,446
Total Cash Receipts	1,670,446
<b>Cash Disbursements:</b>	
Current:	
Salaries	317,803
Supplies and Materials	5,500
Equipment	598
Buybacks	65,820
Contracts - Services	748,999
Projects	106,787
Travel	17,469
Utilities	15,785
Postage/Printing and Advertising	599
Fringe Benefits	145,088
Insurance	10,139
Maintenance	18,262
Other	2,183
Debt Service:	
Redemption of Principal	58,209
Interest	16,753
	1,529,994
Total Cash Disbursements	1,529,994
Total Cash Receipts Over/(Under) Cash Disbursements	140,452
Cash Balance, January 1	945,940
<b>Cash Balance, December 31</b>	<b>\$1,086,392</b>
Reserve for Encumbrances, December 31	\$194,026

*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  
CHANGES IN CASH BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2006**

<b>Cash Receipts:</b>	
Fees	\$1,185,600
Intergovernmental	18,000
Recycling	158,068
Interest	34,861
Miscellaneous	383
Tire Disposal	208
	<u>1,397,120</u>
<b>Cash Disbursements:</b>	
Current:	
Salaries	286,147
Supplies and Materials	4,252
Equipment	3,325
Buybacks	64,328
Contracts - Services	646,520
Projects	86,820
Travel	16,105
Utilities	15,543
Postage/Printing and Advertising	1,120
Fringe Benefits	131,301
Insurance	10,027
Maintenance	18,688
Other	6,515
Debt Service:	
Redemption of Principal	57,756
Interest	19,681
	<u>1,368,128</u>
Total Cash Disbursements	<u>1,368,128</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>28,992</u>
Cash Balance, January 1	<u>916,948</u>
<b>Cash Balance, December 31</b>	<b><u>\$945,940</u></b>
Reserve for Encumbrances, December 31	<u>\$117,104</u>

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

**GALLIA, JACKSON, MEIGS VINTON SOLID WASTE MANAGEMENT DISTRICT  
JACKSON 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 Gallia, Jackson, Meigs, Vinton Solid Waste Management District, Jackson County (the District), as a body corporate and politic. The three Commissioners of Gallia, Jackson, Meigs, and Vinton Counties govern the District. The District provides 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**

These financial statements follow 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).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. Cash and Investments**

The District'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.

The District values certificates of deposit at cost.

**D. 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.

**2. Estimated Resources**

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

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

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

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

**D. Budgetary Process (Continued)**

**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 3.

**E. Property, Plant, and Equipment**

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

**F. 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.

**2. Equity in Pooled Cash and Investments**

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

	2007	2006
Demand deposits	\$336,392	\$351,393
Certificates of deposit	750,000	594,547
Total deposits and investments	\$1,086,392	\$945,940

**Deposits:** Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the District.

**3. Budgetary Activity**

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

2007 Budgeted vs. Actual Receipts		
Budgeted	Actual	
Receipts	Receipts	Variance
\$1,372,737	\$1,670,446	\$297,709

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

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

**3. Budgetary Activity (Continued)**

2007 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$2,316,384	\$1,724,020	\$592,364

2006 Budgeted vs. Actual Receipts		
Budgeted Receipts	Actual Receipts	Variance
\$1,256,894	\$1,397,120	\$140,226

2006 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$2,098,865	\$1,485,232	\$613,633

**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, 2007 were as follows:

	Principal	Interest Rate
Gallia County	\$140,000	4.95%
Jackson County	140,000	4.95%
Total	\$280,000	

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(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
2008	\$31,930	\$31,930
2009	30,693	30,693
2010	34,455	34,455
2011	32,970	32,970
2012	31,485	31,485
Total	<u>\$161,533</u>	<u>\$161,533</u>

**5. Lease Purchase Agreement**

During 2005, the District entered into a capital lease agreement with Ford Motor Credit Company for the purchase of a truck. Debt outstanding at December 31, 2007 associated with the lease purchase was as follows.

	Principal	Interest Rate
Capital Lease	\$2,842	\$5.70%

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

Year ending December 31:	
2008	<u>\$ 2,876</u>

**6. 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 9.0%, respectively, of their gross salaries and the District contributed an amount equaling 13.85% and 13.70%, respectively, of participants' gross salaries. The District has paid all contributions required through December 31, 2007.

**7. Risk Pool Membership**

The District belongs to the Ohio Government Risk Management Plan (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to over 550 Ohio governments ("Members").

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

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

**7. Risk Pool Membership (Continued)**

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is 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 coverages, 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 issues its own policies and reinsures the Plan with A- VII or better rated carriers, except for the 15% casualty and the 10% property portions the Plan retains. The Plan retains the lesser of 15% or \$37,500 of casualty losses and the lesser of 10% or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31: 2006 and 2005 (the latest information available)

	2006	2005
Assets	\$9,620,148	\$8,219,430
Liabilities	(3,329,620)	(2,748,639)
Members' Equity	\$6,290,528	\$5,470,791

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**8. Related Party Transactions**

The Executive Director of the Gallia, Jackson, Meigs, Vinton Solid Waste Management District was appointed to the Board of Health by the licensing council in April, 2002. The Solid Waste Management District provided \$25,000 in 2007 and \$25,000 in 2006 in financial assistance for solid waste landfill licensing and inspection activities according to a contract between the Jackson County Combined General Health District and the Solid Waste Management District entered into the prior to April, 2002. The Executive Director is no longer a full time Board of Health Member. He is an alternate.

**This page intentionally left blank.**





# 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*

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

To the District Board of Directors:

We have audited the 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, 2007 and 2006 and have issued our report thereon dated March 27, 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 matter that we reported to the District's management in a separate letter dated March 27, 2008.

### **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 did note certain noncompliance or other matters that we reported to the District's management in a separate letter dated March 27, 2008.

We intend this report solely for the information and use of the audit committee, 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

March 27, 2008



**Mary Taylor, CPA**  
Auditor of State

**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 17, 2008**