



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

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2009-2008



Mary Taylor, CPA
Auditor of State

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

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Mary Taylor, CPA
Auditor of State

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

To the Board of Directors:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statement due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your District to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statement in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statement presents is misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

Mary Taylor, CPA
Auditor of State

March 11, 2010

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Directors:

We have audited the accompanying financial statement of the Coshocton, Fairfield, Licking, Perry Solid Waste District, Licking County, Ohio (the District) as of and for the years ended December 31, 2009 and 2008. This financial statement is the responsibility of the District's management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial 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 this financial statement using accounting practices the Auditor of State prescribes or permits. This practice differs from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statement of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the fund the accompanying financial statement presents, GAAP require presenting entity wide statements and also presenting the District's larger (i.e. major) funds separately. While the District does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Districts to reformat their statement. The District has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statement referred to above for the years ended December 31, 2009 and 2008 does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2009 and 2008, or its changes in financial position or cash flows, where applicable, for the years then ended.

Also, in our opinion, the financial statement referred to above present fairly, in all material respects, the cash balance and reserves for encumbrances of the Coshocton, Fairfield, Licking, Perry Solid Waste District, Licking County, as of December 31, 2009 and 2008, 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 11, 2010, 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 black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

March 11, 2010

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCE
ENTERPRISE FUND
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

	2009	2008
Cash Receipts:		
Charges for Services	\$1,756,349	\$2,370,129
Reimbursements from Grantees	189,054	135,036
Miscellaneous	22,885	4,663
	1,968,288	2,509,828
Total Operating Cash Receipts	1,968,288	2,509,828
Cash Disbursements:		
Personnel Services	127,303	121,028
Other Contractual Services	2,311,752	2,402,972
Office Supplies and Materials	67,025	26,220
	2,506,080	2,550,220
Total Operating Cash Disbursements	2,506,080	2,550,220
Operating (Loss)	(537,792)	(40,392)
Non-Operating Cash Receipts		
Interest	45,494	113,169
	45,494	113,169
Total Non-Operating Cash Receipts	45,494	113,169
Excess of Cash Receipts Over / (Under) Cash Disbursements	(492,298)	72,777
Cash Balances, January 1	5,460,491	5,387,714
Cash Balances, December 31	\$4,968,193	\$5,460,491
Reserve for Encumbrances, December 31	\$132,958	\$191,242

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

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Coshocton, Fairfield, Licking, Perry Solid Waste District, Licking County, (the District) as a body corporate and politic. The three commissioners appointed from Coshocton, Fairfield, Licking, and Perry County make up the Board of Directors, which governs the District. The District provides solid waste recycling opportunities and other waste management services to these counties.

The District's management believes this financial statement presents all activities for which the District is financially accountable.

B. Accounting Basis

This financial statement follows the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

This statement includes adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Cash and Investments

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

D. Fund Accounting

The District classifies its funds into the following type:

1. Enterprise Fund

Enterprise Funds account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund or function level of control, and appropriations may not exceed estimated resources. The District Board must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

E. Budgetary Process (Continued)

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

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 2009 and 2008 budgetary activity appears in Note 2.

F. Property, Plant, and Equipment

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

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. Budgetary Activity

Budgetary activity for the years ending 2009 and 2008 follows:

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
Enterprise	\$1,871,215	\$2,013,782	\$142,567
Total	\$1,871,215	\$2,013,782	\$142,567

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
Enterprise	\$3,661,730	\$2,639,038	\$1,022,692
Total	\$3,661,730	\$2,639,038	\$1,022,692

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

2. Budgetary Activity (Continued)

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
Enterprise	\$2,622,998	\$2,622,997	(\$1)
Total	\$2,622,998	\$2,622,997	(\$1)

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
Enterprise	\$3,654,098	\$2,741,462	\$912,636
Total	\$3,654,098	\$2,741,462	\$912,636

3. Retirement Systems

The District's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OPERS members contributed 10 percent of their gross salaries, and the District contributed 14 percent. The District has paid all contributions required through December 31, 2009.

4. Risk Management

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Comprehensive property
- General Liability

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

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years. There have been no significant changes in coverage amounts.

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

5. Related Party Transactions

The Board of Directors approves grant awards to governmental agencies located within the Counties the District represents.

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

6. Environmental Contracts/Equipment

All equipment purchased by contractors with District contract funds become the property of the contractor as long as it continues to be used for the original purpose of recycling, composting or waste management, as approved in the contract agreement. Upon termination of the contract activity, the contractor must notify the District in writing of intent to dispose of the equipment, estimate fair market value of the equipment, and gain approval by the Board of Directors prior to taking action. If disposed, the contractor must reimburse the District the amount received in the sale.



Mary Taylor, CPA

Auditor of State

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

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

To the Board of Directors:

We have audited the financial statement of the Coshocton, Fairfield, Licking, Perry Solid Waste District, Licking County, Ohio (the District) as of and for the years ended December 31, 2009 and 2008 and have issued our report thereon dated March 11, 2010, wherein we noted the District prepared its financial statements using accounting practices the Auditor of State prescribes or permits 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 the purpose of expressing our opinion on the financial statement, but not for the purpose of opining 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 *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 more than a reasonable possibility that a material misstatement of the District's financial statement will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statement is free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of management, and 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 11, 2010



Mary Taylor, CPA
Auditor of State

COSHOCTON FAIRFIELD LICKING PERRY SOLID WASTE DISTRICT

LICKING COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 8, 2010**