



# **Balestra, Harr & Scherer, CPAs, Inc.**

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Accounting, Auditing and Consulting Services for Federal, State and Local Governments

[www.bhscpas.com](http://www.bhscpas.com)

ATHENS-HOCKING JOINT SOLID WASTE DISTRICT  
ATHENS COUNTY

REGULAR AUDIT

For the Years Ended December 31, 2011 and 2010  
Fiscal Years Audited Under GAGAS: 2011 and 2010





# Dave Yost • Auditor of State

Board of Directors  
Athens-Hocking Joint Solid Waste District  
13183 State Route 13  
Chauncey, Ohio 45719

We have reviewed the *Independent Auditor's Report* of the Athens-Hocking Joint Solid Waste District, Athens County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2010 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Athens-Hocking Joint Solid Waste District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

July 14, 2012

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**Athens-Hocking Joint Solid Waste District**  
Athens County, Ohio

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# Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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## Independent Auditor's Report

Athens-Hocking Joint Solid Waste District  
13183 State Route 13  
Chauncey, Ohio 45719

To the Board of Directors:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Athens-Hocking Joint Solid Waste District, (the District) as of and for the years ended December 31, 2011 and 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions 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 that our audit provides a reasonable basis for our opinions.

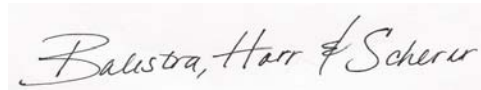
As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of December 31, 2011 and 2010, and the respective changes in cash basis financial position, thereof and the respective budgetary comparisons for the General and Recycling Center Funds, for the years then ended in conformity with the accounting basis Note 2 describes.

As described in Note 11, the District adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2012, 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 this 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.

We conducted our audit to opine on the District's financial statements taken as a whole. Management's Discussion and Analysis includes tables of net assets, changes in net assets, and governmental activities. These tables provide additional information, but are not part of the basic financial statements. However these tables are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These tables were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion and Analysis, and we express no opinion or any other assurance on it.



Balestra, Harr & Scherer, CPAs, Inc.  
April 30, 2012

**Athens-Hocking Joint Solid Waste District**  
*Management's Discussion and Analysis*  
*For the Years Ended December 31, 2011 and 2010*  
*Unaudited*

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The discussion and analysis of the Athens-Hocking Joint Solid Waste District's (the District) financial performance provides an overall review of the District's financial activities for the years ended December 31, 2011 and 2010, within the limitations of the District's cash basis of accounting. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for the year 2011 are as follows:

- Net assets increased \$443,457 from 2010 to 2011.
- General receipts accounted for \$16,540 in receipts or 1 percent of all receipts. Program specific receipts in the form of charges for services and sales and operating grants and contributions accounted for \$2,528,075 or 99 percent of total receipts of \$2,544,615.
- The District had \$2,101,158 in disbursements related to governmental activities; all of these disbursements were offset by program specific charges for services and sales and operating grants and contributions.

Key financial highlights for the year 2010 are as follows:

- Net assets increased \$357,775 from 2009 to 2010.
- General receipts accounted for \$6,422 in receipts or less than 1 percent of all receipts. Program specific receipts in the form of charges for services and sales and operating grants and contributions accounted for \$2,386,412 or more than 99 percent of total receipts of \$2,392,834.
- The District had \$2,035,059 in disbursements related to governmental activities; all of these disbursements were offset by program specific charges for services and sales and operating grants and contributions.

**Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the District's cash basis of accounting.

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions on a cash basis of accounting.

The Statement of Net Assets – Cash Basis and Statement of Activities – Cash Basis provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the basic financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information in the statements.



**Athens-Hocking Joint Solid Waste District**  
*Management's Discussion and Analysis*  
*For the Years Ended December 31, 2011 and 2010*  
*Unaudited*

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**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America. Under the District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**Reporting the District as a Whole**

The statement of net assets and the statement of activities reflect how the District did financially during 2011 and 2010, within the limitations of the cash basis of accounting. The Statement of Net Assets – Cash Basis presents the cash balances of the governmental activities of the District at year end. The Statement of Activities – Cash Basis compares cash disbursements with program receipts for each governmental activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the District's general receipts.

These statements report the District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the District's financial health. Over time, increases or decreases in the District's cash position is one indicator of whether the District's financial health is improving or deteriorating. When evaluating the District's financial condition, you should also consider other non-financial factors as well as the District's reliance on other local governments' property tax bases, the condition of the District's capital assets and infrastructure, the extent of the District's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth.

In the Statement of Net Assets – Cash Basis and the Statement of Activities – Cash Basis, the District's basic sanitation and recycling service is reported. Charges for services and state and federal grants finance most of these activities. Benefits provided through the governmental activities are not necessarily paid for by the people receiving them.

**Athens-Hocking Joint Solid Waste District**  
*Management's Discussion and Analysis*  
For the Years Ended December 31, 2011 and 2010  
Unaudited

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**Reporting the District's Most Significant Funds**

***Fund Financial Statements***

Fund financial statements provide detailed information about the District's major funds – not the District as a whole. The District establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the District are governmental.

***Governmental Funds*** - The District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed short-term view of the District's governmental operations and the services it provides. Governmental fund information helps determine whether there are more or less financial resources on a cash basis that can be spent to finance the District's programs. The District's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. For 2011 and 2010, the District's major governmental funds are the General Fund, Recycling Center Fund, Recycling Capital Improvement Fund (2011 only) and Capital Improvement Fund. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**The District as a Whole**

Table 1 provides a summary of the District's net assets for 2011 compared to 2010 and 2010 compared to 2009 on a cash basis:

**Table 1**  
**Net Assets – Cash Basis**

|  | <b>Governmental Activities</b> |                  |                  |
|--|--------------------------------|------------------|------------------|
|  | <b>2011</b>                    | <b>2010</b>      | <b>2009</b>      |
| <b>Assets</b>                              |                                |                  |                  |
| Equity in Pooled Cash and Cash Equivalents | \$1,181,798                    | \$738,341        | \$380,566        |
| <b>Net Assets</b>                          |                                |                  |                  |
| Restricted for:                            |                                |                  |                  |
| Recycling Center                           | 303,750                        | 432,178          | 20,385           |
| Recycle Ohio                               | 481                            | 481              | 481              |
| Emergency Relief & Cleanup                 | 2,776                          | 1,757            | 5,057            |
| USDA Rural Development                     | 11,035                         | 0                | 0                |
| Community Development                      | 7,238                          | 0                | 0                |
| Capital Projects                           | 590,464                        | 93,464           | 103,742          |
| Unrestricted                               | 266,054                        | 210,461          | 250,901          |
| <b>Total Net Assets</b>                    | <b>\$1,181,798</b>             | <b>\$738,341</b> | <b>\$380,566</b> |

As mentioned previously, net assets increased \$443,457 from 2010 to 2011. The increase is due primarily to an increase to charges for services and sales in 2011 as compared to 2010 in the Recycling Center and the disbursements being less than receipts in 2011.

**Athens-Hocking Joint Solid Waste District**  
*Management's Discussion and Analysis*  
For the Years Ended December 31, 2011 and 2010  
Unaudited

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**The District as a Whole (Continued)**

Table 2 reflects the changes in net assets in 2011, 2010 and 2009.

|                                     | <b>Governmental<br/>Activities<br/>2011</b> | <b>Governmental<br/>Activities<br/>2010</b> | <b>Governmental<br/>Activities<br/>2009</b> |
|-------------------------------------|---|---|---|
| <b>Receipts</b>                     |   |   |   |
| Program Cash Receipts               |   |   |   |
| Charges for Services and Sales      | \$2,476,415                                 | \$2,356,934                                 | \$1,947,215                                 |
| Operating Grants and Contributions  | 51,660                                      | 29,478                                      | 57,532                                      |
| <b>Total Program Cash Receipts</b>  | <b>2,528,075</b>                            | <b>2,386,412</b>                            | <b>2,004,747</b>                            |
| General Receipts                    |   |   |   |
| Proceeds from Loan                  | -   | -   | 60,000                                      |
| Other Receipts                      | 16,540                                      | 6,422                                       | 19,622                                      |
| <b>Total General Receipts</b>       | <b>16,540</b>                               | <b>6,422</b>                                | <b>79,622</b>                               |
| <b>Total Receipts</b>               | <b>\$2,544,615</b>                          | <b>\$2,392,834</b>                          | <b>\$2,084,369</b>                          |
| <b>Disbursements:</b>               |   |   |   |
| Sanitation/Recycling:               |   |   |   |
| Salaries                            | 625,219                                     | 653,844                                     | 753,826                                     |
| Fringe Benefits                     | 470,870                                     | 568,541                                     | 575,138                                     |
| Supplies and Materials              | 25,278                                      | 16,136                                      | 15,430                                      |
| Repair and Maintenance              | 193,722                                     | 174,694                                     | 93,776                                      |
| Equipment                           | 143,290                                     | 27,703                                      | 260,854                                     |
| Contracts-Services                  | 420,538                                     | 395,722                                     | 400,191                                     |
| Travel and Transportation           | 142,675                                     | 115,715                                     | 99,650                                      |
| Utilities                           | 26,609                                      | 32,813                                      | 14,509                                      |
| Advertising                         | 5,848                                       | 5,780                                       | 7,504                                       |
| Legal Fees                          | 7,580                                       | 6,253                                       | 7,130                                       |
| Other                               | 39,529                                      | 37,858                                      | 21,219                                      |
| Debt Service:                       |   |   |   |
| Principal Retirement                | -   | -   | 60,000                                      |
| <b>Total Disbursements</b>          | <b>2,101,158</b>                            | <b>2,035,059</b>                            | <b>2,309,227</b>                            |
| <b>Change in Net Assets</b>         | <b>443,457</b>                              | <b>357,775</b>                              | <b>(224,858)</b>                            |
| <b>Net Assets Beginning of Year</b> | <b>738,341</b>                              | <b>380,566</b>                              | <b>605,424</b>                              |
| <b>Net Assets End of Year</b>       | <b>\$1,181,798</b>                          | <b>\$738,341</b>                            | <b>\$380,566</b>                            |

**Athens-Hocking Joint Solid Waste District**  
*Management's Discussion and Analysis*  
For the Years Ended December 31, 2011 and 2010  
Unaudited

**The District as a Whole (Continued)**

Program cash receipts increased due to recycling fees and sales in 2011 and 2010 as compared to 2009. Salaries and Fringe Benefits decreased due to a reduction of employees during 2010. Equipment decreased in 2010 due to no significant purchases made during the year. Equipment increased in 2011 due to purchases made as a result of monies received from an ODNR grant. Travel and Transportation increased due to increased fuel costs. Repairs and maintenance increased in 2011 and 2010 as a result of increased costs to maintain equipment.

**Governmental Activities**

If you look at the Statement of Activities – Cash Basis on pages 11 and 17, you will see that the first column lists the major services provided by the District. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for salaries and fringe benefits, which combined account for 52% and 60% of all governmental disbursements, for 2011 and 2010, respectively. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the District that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This “net cost” amount represents the cost of the service which ends up being paid from money provided by local townships and municipalities taxpayers and state subsidies. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

**Table 3**  
**Governmental Activities**

|                            | <b>Total Cost of<br/>Services<br/>2011</b> | <b>Net Cost of<br/>Services<br/>2011</b> | <b>Total Cost of<br/>Services<br/>2010</b> | <b>Net Cost of<br/>Services<br/>2010</b> | <b>Total Cost of<br/>Services<br/>2009</b> | <b>Net Cost of<br/>Services<br/>2009</b> |
|----------------------------|--|--|--|--|--|--|
| <b>Disbursements:</b>      |  |  |  |  |  |  |
| Sanitation/Recycling:      |  |  |  |  |  |  |
| Salaries                   | \$625,219                                  | (\$127,033)                              | \$653,844                                  | (\$112,886)                              | \$753,826                                  | (\$112,886)                              |
| Fringe Benefits            | 470,870                                    | (95,672)                                 | 568,541                                    | (98,159)                                 | 575,138                                    | (98,159)                                 |
| Supplies and Materials     | 25,278                                     | (5,136)                                  | 16,136                                     | (2,786)                                  | 15,430                                     | (2,786)                                  |
| Repair and Maintenance     | 193,722                                    | (39,361)                                 | 174,694                                    | (30,161)                                 | 93,776                                     | (30,161)                                 |
| Equipment                  | 143,290                                    | (29,114)                                 | 27,703                                     | (4,783)                                  | 260,854                                    | (4,783)                                  |
| Contracts-Services         | 420,538                                    | (85,446)                                 | 395,722                                    | (68,321)                                 | 400,191                                    | (68,321)                                 |
| Travel and Transportation  | 142,675                                    | (28,989)                                 | 115,715                                    | (19,978)                                 | 99,650                                     | (19,978)                                 |
| Utilities                  | 26,609                                     | (5,406)                                  | 32,813                                     | (5,665)                                  | 14,509                                     | (5,665)                                  |
| Advertising                | 5,848                                      | (1,188)                                  | 5,780                                      | (998)                                    | 7,504                                      | (998)                                    |
| Legal Fees                 | 7,580                                      | (1,540)                                  | 6,253                                      | (1,080)                                  | 7,130                                      | (1,080)                                  |
| Other                      | 39,529                                     | (8,032)                                  | 37,858                                     | (6,536)                                  | 21,219                                     | (6,536)                                  |
| Principal                  | 0  | 0  | 0  | 0  | 60,000                                     | (8,821)                                  |
| <b>Total Disbursements</b> | <b>\$2,101,158</b>                         | <b>(\$426,917)</b>                       | <b>\$2,035,059</b>                         | <b>(\$351,353)</b>                       | <b>\$2,309,227</b>                         | <b>(\$304,480)</b>                       |

**Athens-Hocking Joint Solid Waste District**  
*Management's Discussion and Analysis*  
*For the Years Ended December 31, 2011 and 2010*  
*Unaudited*

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**The District's Funds**

During 2011, the General Fund had \$320,078 in receipts and \$264,485 in disbursements. The General Fund's cash balance increased \$55,593. The Recycling Center Fund had \$2,202,037 in receipts and \$2,330,465 in disbursements and other financing uses. The Recycling Center's cash balance decreased \$128,428. The Recycling Capital Improvement Fund had \$320,000 in other financing sources and \$0 in disbursements. The Recycling Capital Improvement Fund's cash balance increased \$320,000. The Capital Improvement Fund had \$200,000 in other financing sources and \$23,000 in disbursements. The Capital Improvement Fund's cash balance increased \$177,000.

During 2010, the General Fund had \$317,639 in receipts and \$358,079 in disbursements. The General Fund's cash balance decreased \$40,440. The Recycling Center Fund had \$2,075,195 in receipts and \$1,663,402 in disbursements. The Recycling Center's cash balance increased \$411,793. The Capital Improvement Fund had \$0 in receipts and \$10,278 in disbursements. The Capital Improvement Fund's cash balance decreased \$10,278.

**General Fund Budgeting Highlights**

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of 2011 and 2010, the District amended its appropriations and the budgetary statement reflects both the original and final amounts. During 2011 and 2010 the District did not amend its estimated revenues. Actual revenues were above budgeted revenues due to additional monies received for tipping fees by the District. For 2011, the District's actual appropriations were well below estimates due to conservative budgeting by the District for fringe benefits, utilities and other. During 2010, budgeted appropriations were below actual disbursements for salaries and fringe benefits.

**Debt**

During 2011 and 2010, the District had no debt activity.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and providers with a general overview of the District's finances and to reflect the District's accountability for the money it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Roger Bail, Coordinator, Athens-Hocking Joint Solid Waste District, P.O. Box 2607, Athens, Ohio 45701.

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**Athens-Hocking Joint Solid Waste District**  
*Statement of Net Assets - Cash Basis*  
*As of December 31, 2011*

|  | Governmental<br>Activities |
|--|----------------------------|
| <b>Assets</b>                              |                            |
| Equity in Pooled Cash and Cash Equivalents | \$ 1,181,798               |
| <i>Total Assets</i>                        | <i>\$ 1,181,798</i>        |
| <b>Net Assets</b>                          |                            |
| Restricted for:                            |                            |
| Recycling Center                           | \$ 303,750                 |
| Recycle Ohio                               | 481                        |
| USDA Rural Development                     | 11,035                     |
| Emergency Relief & Clean Up                | 2,776                      |
| Community Development                      | 7,238                      |
| Capital Projects                           | 590,464                    |
| Unrestricted                               | 266,054                    |
| <i>Total Net Assets</i>                    | <i>\$ 1,181,798</i>        |

See accompanying notes to the basic financial statements.

**Athens-Hocking Joint Solid Waste District**  
*Statement of Activities - Cash Basis*  
For the Year Ended December 31, 2011

|                                      | Program Cash Receipts |                                   |                                       | Net (Disbursements) Receipts<br>and Changes in Net Assets |
|--------------------------------------|-----------------------|-----------------------------------|---------------------------------------|---|
|                                      | Cash<br>Disbursements | Charges for<br>Services and Sales | Operating Grants<br>and Contributions | Governmental<br>Activities                                |
| <b>Governmental Activities</b>       |                       |                                   |                                       |   |
| Sanitation/Recycling:                |                       |                                   |                                       |   |
| Salaries                             | \$ 625,219            | \$ 736,880                        | \$ 15,372                             | \$ 127,033  |
| Fringe Benefits                      | 470,870               | 554,965                           | 11,577                                | 95,672  |
| Supplies and Materials               | 25,278                | 29,793                            | 621                                   | 5,136   |
| Repair and Maintenance               | 193,722               | 228,320                           | 4,763                                 | 39,361  |
| Equipment                            | 143,290               | 168,881                           | 3,523                                 | 29,114  |
| Contracts-Services                   | 420,538               | 495,644                           | 10,340                                | 85,446  |
| Travel and Transportation            | 142,675               | 168,156                           | 3,508                                 | 28,989  |
| Utilities                            | 26,609                | 31,361                            | 654                                   | 5,406   |
| Advertising                          | 5,848                 | 6,892                             | 144                                   | 1,188   |
| Legal Fees                           | 7,580                 | 8,934                             | 186                                   | 1,540   |
| Other                                | 39,529                | 46,589                            | 972                                   | 8,032   |
| <i>Total Governmental Activities</i> | <u>\$ 2,101,158</u>   | <u>\$ 2,476,415</u>               | <u>\$ 51,660</u>                      | <u>426,917</u>  |
| <b>General Receipts</b>              |                       |                                   |                                       |   |
| Other Receipts                       |                       |                                   |                                       | <u>16,540</u>   |
| <i>Total General Receipts</i>        |                       |                                   |                                       | <u>16,540</u>   |
| Change in Net Assets                 |                       |                                   |                                       | 443,457   |
| <i>Net Assets Beginning of Year</i>  |                       |                                   |                                       | <u>738,341</u>  |
| <i>Net Assets End of Year</i>        |                       |                                   |                                       | <u>\$ 1,181,798</u>                                       |

See accompanying notes to the basic financial statements.



**Athens-Hocking Joint Solid Waste District**  
*Statement of Cash Basis Assets and Fund Balances - Cash Basis*  
*Governmental Funds*  
*As of December 31, 2011*

|  | <u>General</u>    | <u>Recycling<br/>Center</u> | <u>Recycling<br/>Capital Improvement<br/>Fund</u> | <u>Capital<br/>Improvement<br/>Fund</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|-------------------|-----------------------------|---|---|---|---|
| <b>Assets</b>                              |                   |                             |   |   |   |   |
| Equity in Pooled Cash and Cash Equivalents | \$ 266,054        | \$ 303,750                  | \$ 320,000  | \$ 270,464                              | \$ 21,530                               | \$ 1,181,798                            |
| <i>Total Assets</i>                        | <u>\$ 266,054</u> | <u>\$ 303,750</u>           | <u>\$ 320,000</u>                                 | <u>\$ 270,464</u>                       | <u>\$ 21,530</u>                        | <u>\$ 1,181,798</u>                     |
| <b>Fund Balances</b>                       |                   |                             |   |   |   |   |
| Unreserved:                                |                   |                             |   |   |   |   |
| Restricted                                 | \$ -              | \$ 303,750                  | \$ 320,000  | \$ 270,464                              | \$ 21,530                               | \$ 915,744                              |
| Unassigned                                 | 266,054           | -                           | -   | -                                       | -                                       | 266,054                                 |
| <i>Total Fund Balances</i>                 | <u>\$ 266,054</u> | <u>\$ 303,750</u>           | <u>\$ 320,000</u>                                 | <u>\$ 270,464</u>                       | <u>\$ 21,530</u>                        | <u>\$ 1,181,798</u>                     |

See accompanying notes to the basic financial statements.

**Athens-Hocking Joint Solid Waste District**  
*Statement of Receipts, Disbursements and Changes in Cash Basis Fund Balances - Cash Basis*  
 Governmental Funds  
 For the Year Ended December 31, 2011

|  | General           | Recycling<br>Center | Recycling<br>Capital<br>Improvement<br>Fund | Capital<br>Improvement<br>Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|-------------------|---------------------|---|--------------------------------|--------------------------------|--------------------------------|
| <b>Receipts</b>                                      |                   |                     |   |                                |                                |                                |
| Intergovernmental                                    | \$ -              | \$ -                | \$ -  | \$ -                           | \$ 22,500                      | \$ 22,500                      |
| Tipping Fees   | 170,114           | -                   | -   | -                              | -                              | 170,114                        |
| Curbside Fees  | 133,424           | 133,424             | -   | -                              | -                              | 266,848                        |
| Other Fees   | -                 | 120,054             | -   | -                              | -                              | 120,054                        |
| Recycling Fees                                       | -                 | 1,476,622           | -   | -                              | -                              | 1,476,622                      |
| Sales  | -                 | 442,777             | -   | -                              | -                              | 442,777                        |
| Miscellaneous  | 16,540            | 29,160              | -   | -                              | -                              | 45,700                         |
| <i>Total Receipts</i>                                | <u>320,078</u>    | <u>2,202,037</u>    | <u>-</u>                                    | <u>-</u>                       | <u>22,500</u>                  | <u>2,544,615</u>               |
| <b>Disbursements</b>                                 |                   |                     |   |                                |                                |                                |
| Current:   |                   |                     |   |                                |                                |                                |
| Salaries   | 43,796            | 581,423             | -   | -                              | -                              | 625,219                        |
| Fringe Benefits                                      | 35,035            | 435,835             | -   | -                              | -                              | 470,870                        |
| Supplies and Materials                               | 1,241             | 17,987              | -   | -                              | 6,050                          | 25,278                         |
| Repair and Maintenance                               | -                 | 193,722             | -   | -                              | -                              | 193,722                        |
| Equipment  | 1,085             | 64,492              | -   | 23,000                         | 54,713                         | 143,290                        |
| Contracts-Services                                   | 156,851           | 259,255             | -   | -                              | 4,432                          | 420,538                        |
| Travel and Transportation                            | 796               | 141,560             | -   | -                              | 319                            | 142,675                        |
| Utilities  | 9,522             | 17,087              | -   | -                              | -                              | 26,609                         |
| Advertising  | -                 | 5,634               | -   | -                              | 214                            | 5,848                          |
| Legal Fees   | 7,580             | -                   | -   | -                              | -                              | 7,580                          |
| Other  | 8,579             | 29,370              | -   | -                              | 1,580                          | 39,529                         |
| <i>Total Disbursements</i>                           | <u>264,485</u>    | <u>1,746,365</u>    | <u>-</u>                                    | <u>23,000</u>                  | <u>67,308</u>                  | <u>2,101,158</u>               |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>55,593</u>     | <u>455,672</u>      | <u>-</u>                                    | <u>(23,000)</u>                | <u>(44,808)</u>                | <u>443,457</u>                 |
| <b>Other Financing Sources (Uses)</b>                |                   |                     |   |                                |                                |                                |
| Transfers In   | -                 | -                   | 320,000                                     | 200,000                        | 39,423                         | 559,423                        |
| Transfers Out  | -                 | (559,423)           | -   | -                              | -                              | (559,423)                      |
| Advances In  | -                 | -                   | -   | -                              | 24,677                         | 24,677                         |
| Advances Out   | -                 | (24,677)            | -   | -                              | -                              | (24,677)                       |
| <i>Total Other Financing Sources (Uses)</i>          | <u>-</u>          | <u>(584,100)</u>    | <u>320,000</u>                              | <u>200,000</u>                 | <u>64,100</u>                  | <u>-</u>                       |
| <i>Net Change in Fund Balances</i>                   | <u>55,593</u>     | <u>(128,428)</u>    | <u>320,000</u>                              | <u>177,000</u>                 | <u>19,292</u>                  | <u>443,457</u>                 |
| <i>Fund Balances Beginning of Year</i>               | <u>210,461</u>    | <u>432,178</u>      | <u>-</u>                                    | <u>93,464</u>                  | <u>2,238</u>                   | <u>738,341</u>                 |
| <i>Fund Balances End of Year</i>                     | <u>\$ 266,054</u> | <u>\$ 303,750</u>   | <u>\$ 320,000</u>                           | <u>\$ 270,464</u>              | <u>\$ 21,530</u>               | <u>\$ 1,181,798</u>            |

See accompanying notes to the basic financial statements.

**Athens-Hocking Joint Solid Waste District**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual (Non - GAAP Budgetary Basis)*  
*General Fund*  
*For the Year Ended December 31, 2011*

|                                       | <u>Budgeted Amounts</u> |                   |                   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|-------------------|-------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>      | <u>Actual</u>     |   |
| <b>Receipts</b>                       |                         |                   |                   |   |
| Tipping Fees                          | \$ 155,000              | \$ 155,000        | \$ 170,114        | \$ 15,114   |
| Curbside Fees                         | 130,000                 | 130,000           | 133,424           | 3,424   |
| Miscellaneous                         | 15,000                  | 15,000            | 16,540            | 1,540   |
| <i>Total Receipts</i>                 | <u>300,000</u>          | <u>300,000</u>    | <u>320,078</u>    | <u>20,078</u>   |
| <b>Disbursements</b>                  |                         |                   |                   |   |
| Current:                              |                         |                   |                   |   |
| Salaries                              | 11,252                  | 42,168            | 43,796            | (1,628)   |
| Fringe Benefits                       | 102,148                 | 87,724            | 35,035            | 52,689  |
| Supplies and Materials                | 2,500                   | 2,500             | 1,241             | 1,259   |
| Equipment                             | 1,500                   | 1,500             | 1,085             | 415   |
| Contracts-Services                    | 140,500                 | 163,374           | 156,851           | 6,523   |
| Travel and Transportation             | 2,000                   | 2,000             | 796               | 1,204   |
| Utilities                             | 22,000                  | 20,000            | 9,522             | 10,478  |
| Legal Fees                            | 5,000                   | 7,580             | 7,580             | -   |
| Other                                 | 15,000                  | 18,607            | 8,579             | 10,028  |
| <i>Total Disbursements</i>            | <u>301,900</u>          | <u>345,453</u>    | <u>264,485</u>    | <u>80,968</u>   |
| <i>Net Change in Fund Balance</i>     | (1,900)                 | (45,453)          | 55,593            | 101,046   |
| <i>Fund Balance Beginning of Year</i> | <u>210,461</u>          | <u>210,461</u>    | <u>210,461</u>    | <u>-</u>  |
| <i>Fund Balance End of Year</i>       | <u>\$ 208,561</u>       | <u>\$ 165,008</u> | <u>\$ 266,054</u> | <u>\$ 101,046</u>                                       |

See accompanying notes to the basic financial statements.

**Athens-Hocking Joint Solid Waste District**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual (Non - GAAP Budgetary Basis)*  
*Recycling Center Fund*  
*For the Year Ended December 31, 2011*

|  | <u>Budgeted Amounts</u> |                   |                   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------------|-------------------|-------------------|---|
|  | <u>Original</u>         | <u>Final</u>      | <u>Actual</u>     |   |
| <b>Receipts</b>                                      |                         |                   |                   |   |
| Curbside Fees  | \$ 130,000              | \$ 135,000        | \$ 133,424        | \$ (1,576)  |
| Other Fees   | 100,000                 | 125,000           | 120,054           | (4,946)   |
| Recycling Fees                                       | 1,400,000               | 1,480,000         | 1,476,622         | (3,378)   |
| Sales  | 300,000                 | 450,000           | 442,777           | (7,223)   |
| Miscellaneous  | 26,691                  | 30,000            | 29,160            | (840)   |
| <i>Total Receipts</i>                                | <u>1,956,691</u>        | <u>2,220,000</u>  | <u>2,202,037</u>  | <u>(17,963)</u>   |
| <b>Disbursements</b>                                 |                         |                   |                   |   |
| Current:   |                         |                   |                   |   |
| Salaries   | 539,580                 | 591,580           | 581,423           | 10,157  |
| Fringe Benefits                                      | 538,086                 | 547,036           | 435,835           | 111,201   |
| Supplies and Materials                               | 18,309                  | 18,309            | 17,987            | 322   |
| Repair and Maintenance                               | 190,525                 | 260,525           | 193,722           | 66,803  |
| Equipment  | 30,000                  | 37,000            | 64,492            | (27,492)  |
| Contracts-Services                                   | 264,000                 | 264,000           | 259,255           | 4,745   |
| Travel and Transportation                            | 130,000                 | 150,000           | 141,560           | 8,440   |
| Utilities  | 20,000                  | 18,000            | 17,087            | 913   |
| Advertising  | 6,500                   | 5,700             | 5,634             | 66.00   |
| Other  | 25,000                  | 30,000            | 29,370            | 630   |
| <i>Total Disbursements</i>                           | <u>1,762,000</u>        | <u>1,922,150</u>  | <u>1,746,365</u>  | <u>175,785</u>  |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>194,691</u>          | <u>297,850</u>    | <u>455,672</u>    | <u>157,822</u>  |
| <b>Other Financing Sources (Uses)</b>                |                         |                   |                   |   |
| Transfers Out  | (200,000)               | (561,100)         | (559,423)         | 1,677.00  |
| Advances Out   | -                       | -                 | (24,677)          | (24,677)  |
| <i>Total Other Financing Sources (Uses)</i>          | <u>(200,000)</u>        | <u>(561,100)</u>  | <u>(584,100)</u>  | <u>(23,000.00)</u>                                      |
| <i>Net Change in Fund Balance</i>                    | (5,309)                 | (263,250)         | (128,428)         | 134,822   |
| <i>Fund Balance Beginning of Year</i>                | <u>432,178</u>          | <u>432,178</u>    | <u>432,178</u>    | <u>-</u>  |
| <i>Fund Balance End of Year</i>                      | <u>\$ 426,869</u>       | <u>\$ 168,928</u> | <u>\$ 303,750</u> | <u>\$ 134,822</u>                                       |

See accompanying notes to the basic financial statements.

**Athens-Hocking Joint Solid Waste District**  
*Statement of Net Assets - Cash Basis*  
*For the Year Ended December 31, 2010*

|  | Governmental<br>Activities |
|--|----------------------------|
| <b>Assets</b>                              |                            |
| Equity in Pooled Cash and Cash Equivalents | \$ 738,341                 |
| <i>Total Assets</i>                        | 738,341                    |
| <br><b>Net Assets</b>                      |                            |
| Restricted for:                            |                            |
| Recycling Center                           | 432,178                    |
| Recycle Ohio                               | 481                        |
| Emergency Relief & Cleanup                 | 1,757                      |
| Capital Projects                           | 93,464                     |
| Unrestricted                               | 210,461                    |
| <i>Total Net Assets</i>                    | \$ 738,341                 |

See accompanying notes to the basic financial statements.

**Athens-Hocking Joint Solid Waste District**  
*Statement of Activities - Cash Basis*  
For the Year Ended December 31, 2010

|                                      | Program Cash Receipts |                                   |                                       | Net (Disbursements) Receipts<br>and Changes in Net Assets |
|--------------------------------------|-----------------------|-----------------------------------|---------------------------------------|---|
|                                      | Cash<br>Disbursements | Charges for<br>Services and Sales | Operating Grants<br>and Contributions | Governmental<br>Activities                                |
| <b>Governmental Activities</b>       |                       |                                   |                                       |   |
| Sanitation/Recycling:                |                       |                                   |                                       |   |
| Salaries                             | \$ 653,844            | \$ 757,259                        | \$ 9,471                              | \$ 112,886  |
| Fringe Benefits                      | 568,541               | 658,465                           | 8,235                                 | 98,159  |
| Supplies and Materials               | 16,136                | 18,688                            | 234                                   | 2,786   |
| Repair and Maintenance               | 174,694               | 202,324                           | 2,531                                 | 30,161  |
| Equipment                            | 27,703                | 32,085                            | 401                                   | 4,783   |
| Contracts-Services                   | 395,722               | 458,311                           | 5,732                                 | 68,321  |
| Travel and Transportation            | 115,715               | 134,017                           | 1,676                                 | 19,978  |
| Utilities                            | 32,813                | 38,003                            | 475                                   | 5,665   |
| Advertising                          | 5,780                 | 6,694                             | 84                                    | 998   |
| Legal Fees                           | 6,253                 | 7,242                             | 91                                    | 1,080   |
| Other                                | 37,858                | 43,846                            | 548                                   | 6,536   |
| <i>Total Governmental Activities</i> | <u>\$ 2,035,059</u>   | <u>\$ 2,356,934</u>               | <u>\$ 29,478</u>                      | <u>351,353</u>  |
| <b>General Receipts</b>              |                       |                                   |                                       |   |
| Other Receipts                       |                       |                                   |                                       | <u>6,422</u>  |
| <i>Total General Receipts</i>        |                       |                                   |                                       | <u>6,422</u>  |
| Change in Net Assets                 |                       |                                   |                                       | 357,775   |
| <i>Net Assets Beginning of Year</i>  |                       |                                   |                                       | <u>380,566</u>  |
| <i>Net Assets End of Year</i>        |                       |                                   |                                       | <u>\$ 738,341</u>   |

See accompanying notes to the basic financial statements.

**Athens-Hocking Joint Solid Waste District**  
*Statement of Cash Basis Assets and Fund Balances - Cash Basis*  
*Governmental Funds*  
*As of December 31, 2010*

|  | <u>General</u>    | <u>Recycling<br/>Center</u> | <u>Capital Improvement<br/>Fund</u> | <u>Other Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|-------------------|-----------------------------|-------------------------------------|-------------------------------------|---|
| <b>Assets</b>                              |                   |                             |                                     |                                     |   |
| Equity in Pooled Cash and Cash Equivalents | \$ 210,461        | \$ 432,178                  | \$ 93,464                           | \$ 2,238                            | \$ 738,341                              |
| <i>Total Assets</i>                        | <u>210,461</u>    | <u>432,178</u>              | <u>93,464</u>                       | <u>2,238</u>                        | <u>738,341</u>                          |
| <b>Fund Balances</b>                       |                   |                             |                                     |                                     |   |
| Restricted                                 | -                 | 432,178                     | 93,464                              | 2,238                               | 527,880                                 |
| Unassigned                                 | 210,461           | -                           | -                                   | -                                   | 210,461                                 |
| <i>Total Fund Balances</i>                 | <u>\$ 210,461</u> | <u>\$ 432,178</u>           | <u>\$ 93,464</u>                    | <u>\$ 2,238</u>                     | <u>\$ 738,341</u>                       |

See accompanying notes to the basic financial statements.

**Athens-Hocking Joint Solid Waste District**  
*Statement of Receipts, Disbursements and Changes in Cash Basis Fund Balances - Cash Basis*  
*Governmental Funds*  
*For the Year Ended December 31, 2010*

|  | General           | Recycling<br>Center | Capital<br>Improvement<br>Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|-------------------|---------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>Receipts</b>                        |                   |                     |                                |                                |                                |
| Tipping Fees                           | \$ 181,321        | \$ -                | \$ -                           | \$ -                           | \$ 181,321                     |
| Curbside Fees                          | 129,896           | 129,896             | -                              | -                              | 259,792                        |
| Other Fees                             | -                 | 102,053             | -                              | -                              | 102,053                        |
| Recycling Fees                         | -                 | 1,457,522           | -                              | -                              | 1,457,522                      |
| Sales                                  | -                 | 356,246             | -                              | -                              | 356,246                        |
| Miscellaneous                          | 6,422             | 29,478              | -                              | -                              | 35,900                         |
| <i>Total Receipts</i>                  | <u>317,639</u>    | <u>2,075,195</u>    | <u>-</u>                       | <u>-</u>                       | <u>2,392,834</u>               |
| <b>Disbursements</b>                   |                   |                     |                                |                                |                                |
| Current:                               |                   |                     |                                |                                |                                |
| Salaries                               | 99,056            | 554,788             | -                              | -                              | 653,844                        |
| Fringe Benefits                        | 73,593            | 494,948             | -                              | -                              | 568,541                        |
| Supplies and Materials                 | 2,019             | 14,117              | -                              | -                              | 16,136                         |
| Repair and Maintenance                 | -                 | 174,694             | -                              | -                              | 174,694                        |
| Equipment                              | 63                | 17,362              | 10,278                         | -                              | 27,703                         |
| Contracts-Services                     | 140,225           | 252,997             | -                              | 2,500                          | 395,722                        |
| Travel and Transportation              | 1,616             | 114,099             | -                              | -                              | 115,715                        |
| Utilities                              | 18,644            | 14,169              | -                              | -                              | 32,813                         |
| Advertising                            | -                 | 5,780               | -                              | -                              | 5,780                          |
| Legal Fees                             | 6,253             | -                   | -                              | -                              | 6,253                          |
| Other                                  | 16,610            | 20,448              | -                              | 800                            | 37,858                         |
| <i>Total Disbursements</i>             | <u>358,079</u>    | <u>1,663,402</u>    | <u>10,278</u>                  | <u>3,300</u>                   | <u>2,035,059</u>               |
| <i>Net Change in Fund Balances</i>     | (40,440)          | 411,793             | (10,278)                       | (3,300)                        | 357,775                        |
| <i>Fund Balances Beginning of Year</i> | <u>250,901</u>    | <u>20,385</u>       | <u>103,742</u>                 | <u>5,538</u>                   | <u>380,566</u>                 |
| <i>Fund Balances End of Year</i>       | <u>\$ 210,461</u> | <u>\$ 432,178</u>   | <u>\$ 93,464</u>               | <u>\$ 2,238</u>                | <u>\$ 738,341</u>              |

See accompanying notes to the basic financial statements.



**Athens-Hocking Joint Solid Waste District**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual (Non - GAAP Budgetary Basis)*  
*General Fund*  
*For the Year Ended December 31, 2010*

|                                       | <u>Budgeted Amounts</u> |                   |                   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|-------------------|-------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>      | <u>Actual</u>     |   |
| <b>Receipts</b>                       |                         |                   |                   |   |
| Tipping Fees                          | \$ 145,000              | \$ 145,000        | \$ 181,321        | \$ 36,321   |
| Curbside Fees                         | 130,000                 | 130,000           | 129,896           | (104)   |
| Miscellaneous                         | 15,000                  | 15,000            | 6,422             | (8,578)   |
| <i>Total Receipts</i>                 | <u>290,000</u>          | <u>290,000</u>    | <u>317,639</u>    | <u>27,639</u>   |
| <b>Disbursements</b>                  |                         |                   |                   |   |
| Current:                              |                         |                   |                   |   |
| Salaries                              | -                       | 63,680            | 99,056            | (35,376)  |
| Fringe Benefits                       | 97,200                  | 31,520            | 73,593            | (42,073)  |
| Supplies and Materials                | 2,000                   | 2,500             | 2,019             | 481   |
| Equipment                             | 1,500                   | 1,500             | 63                | 1,437   |
| Contracts-Services                    | 142,000                 | 141,000           | 140,225           | 775   |
| Travel and Transportation             | 1,500                   | 2,000             | 1,616             | 384   |
| Utilities                             | 15,200                  | 20,200            | 18,644            | 1,556   |
| Legal Fees                            | 5,000                   | 7,000             | 6,253             | 747   |
| Other                                 | 25,000                  | 25,000            | 16,610            | 8,390   |
| <i>Total Disbursements</i>            | <u>289,400</u>          | <u>294,400</u>    | <u>358,079</u>    | <u>(63,679)</u>   |
| <i>Net Change in Fund Balance</i>     | 600                     | (4,400)           | (40,440)          | (36,040)  |
| <i>Fund Balance Beginning of Year</i> | <u>250,901</u>          | <u>250,901</u>    | <u>250,901</u>    | <u>-</u>  |
| <i>Fund Balance End of Year</i>       | <u>\$ 251,501</u>       | <u>\$ 246,501</u> | <u>\$ 210,461</u> | <u>\$ (36,040)</u>                                      |

See accompanying notes to the basic financial statements.

**Athens-Hocking Joint Solid Waste District**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual (Non - GAAP Budgetary Basis)*  
*Recycling Center Fund*  
*For the Year Ended December 31, 2010*

|                                       | <u>Budgeted Amounts</u> |                         |                          | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|-------------------------|--------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>            | <u>Actual</u>            |   |
| <b>Receipts</b>                       |                         |                         |                          |   |
| Curbside Fees                         | \$ 130,000              | \$ 130,000              | \$ 129,896               | \$ (104)  |
| Other Fees                            | 85,000                  | 85,000                  | 102,053                  | 17,053  |
| Recycling Fees                        | 1,235,400               | 1,235,400               | 1,457,522                | 222,122   |
| Sales                                 | 150,000                 | 150,000                 | 356,246                  | 206,246   |
| Miscellaneous                         | 25,000                  | 25,000                  | 29,478                   | 4,478   |
| <i>Total Receipts</i>                 | <u>1,625,400</u>        | <u>1,625,400</u>        | <u>2,075,195</u>         | <u>449,795</u>  |
| <b>Disbursements</b>                  |                         |                         |                          |   |
| Current:                              |                         |                         |                          |   |
| Salaries                              | 510,000                 | 510,000                 | 554,788                  | (44,788)  |
| Fringe Benefits                       | 553,400                 | 553,400                 | 494,948                  | 58,452  |
| Supplies and Materials                | 15,000                  | 15,000                  | 14,117                   | 883   |
| Repair and Maintenance                | 140,500                 | 140,500                 | 174,694                  | (34,194)  |
| Equipment                             | 11,000                  | 11,000                  | 17,362                   | (6,362)   |
| Contracts-Services                    | 254,000                 | 254,000                 | 252,997                  | 1,003   |
| Travel and Transportation             | 100,000                 | 100,000                 | 114,099                  | (14,099)  |
| Utilities                             | 15,000                  | 15,000                  | 14,169                   | 831   |
| Advertising                           | 6,500                   | 6,500                   | 5,780                    | 720   |
| Other                                 | 20,000                  | 20,000                  | 20,448                   | (448)   |
| <i>Total Disbursements</i>            | <u>1,625,400</u>        | <u>1,625,400</u>        | <u>1,663,402</u>         | <u>(38,002)</u>   |
| <i>Net Change in Fund Balance</i>     | -                       | -                       | 411,793                  | 411,793   |
| <i>Fund Balance Beginning of Year</i> | <u>20,385</u>           | <u>20,385</u>           | <u>20,385</u>            | -   |
| <i>Fund Balance End of Year</i>       | <u><u>\$ 20,385</u></u> | <u><u>\$ 20,385</u></u> | <u><u>\$ 432,178</u></u> | <u><u>\$ 411,793</u></u>                                |

See accompanying notes to the basic financial statements.

**Athens-Hocking Joint Solid Waste District**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2011 and 2010*

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**Note 1 – Reporting Entity**

The Athens-Hocking Joint Solid Waste Management District, Athens 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 six-member Board of Directors comprised of the three County Commissioners of Athens and Hocking Counties. The District provides solid waste disposal, recycling opportunities, and other waste management services to these counties. The financial statements present the District and its component unit, an entity for which the District is considered to be financially accountable. The blended component unit, although a legally separate entity, is, in substance, part of the District's operations and so financial data from this unit is combined with the financial data of the District (primary government). The blended component unit has a December 31 fiscal year end.

Blended Component Unit. The Athens-Hocking County Recycling Centers, Inc., (the Recycling Centers) is governed by a seven-member Board of Trustees made up of the six elected County Commissioners from Athens and Hocking Counties and the Operations Coordinator of the Athens-Hocking Joint Solid Waste Management District. Its sole purpose is to assist and promote recycling and control of solid wastes, to secure the sale of recycling materials collected, to aid the counties in the control problems of solid waste and to contract with the necessary agencies to allow the processing and selling of collected materials. The District provides funding to the Recycling Centers as needed, and issues debt on the recycling Centers' behalf. The Recycling Centers is reported as a Special Revenue Fund and as a Capital Project Fund.

Complete financial statements for the blended component unit may be obtained at the entity's administrative office:

Athens-Hocking County Recycling Centers, Inc.  
P.O. Box 2607  
Athens, Ohio 45701

The District's management believes these financial statements present all activities for which the District is financially accountable.

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

As discussed further in Note 2C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the District's accounting policies.

**A. Basis of Presentation**

The District's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through charges for services, intergovernmental revenues or other non-exchange transactions.

**Athens-Hocking Joint Solid Waste District**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2011 and 2010*

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

*A. Basis of Presentation* (Continued)

The statement of net assets presents the cash balance of the governmental activities of the District at year end. The statement of activities compares disbursements and program receipts for each program or function of the District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the District is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Receipts which are not classified as program receipts are presented as general receipts of the District, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program or business activity is self-financing on a cash basis or draws from the general receipts of the District.

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

*B. Fund Accounting*

The District 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 District are presented as governmental.

Governmental Funds

Governmental funds are those through which most governmental functions of the District are financed. The following are the District's major governmental funds:

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

*Recycling Center Fund* - This fund accounts for the financial activity of the Athens-Hocking Recycling Centers, Inc. The primary source of income for this fund is charges for services.

*Recycling Capital Improvements Fund* - This fund accounts for the major capital improvements of the Athens Hocking Recycling Centers, Inc. The primary source of income for this fund was transfers from the Recycling Center Fund. This fund was only major in 2011.

*Capital Improvements Fund* - This fund accounts for major capital improvements for the District. The primary source of income for this fund is from transfers.

The other governmental funds of the District account for grants, debt service and other resources whose use is restricted for a particular purpose.

**Athens-Hocking Joint Solid Waste District**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2011 and 2010*

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

*C. Basis of Accounting*

The District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

*D. Budgetary Process*

All funds are legally required to be budgeted and appropriated. The major documents prepared are the annual budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The annual budget demonstrates a need for existing or increased rates. The certificate of estimated resources establishes a limit on the amount the Board may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of control has been established by the Board at the fund, function and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the fiscal officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Board.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

Although the Recycling Center is not subject to the budgetary requirements of the Ohio Revised Code, annual budgets are prepared and approved and included within the budgetary information.

*E. Cash and Cash Equivalents*

As required by Ohio Revised Code, the Athens County Treasurer is custodian for the District's cash. The District's cash is held in the County's cash and investment pool, and is valued at the County Treasurer's carrying amount.

The Recycling Centers' cash is held and invested by the Administration Coordinator with approval of the Board of Trustees. The Recycling Centers' assets are held in its cash and investment pool and are valued at the Recycling Centers' reported carrying amount.

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposits or short-term investments with an original maturity of three months or less. The District values investments and cash equivalents at cost.

**Athens-Hocking Joint Solid Waste District**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2011 and 2010*

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

*F. Long Term Debt*

Long term debt is not recorded as a liability in the accompanying basic cash basis financial statements. Principal payments on debt are recorded as disbursements in the year paid.

*G. Inventory and Prepaid Items*

The District reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

*H. Capital Assets*

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying basic financial statements.

*I. Accumulated Leave*

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the District's cash basis of accounting.

*J. Employer Contributions to Cost-Sharing Pension Plans*

The District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

*K. Net Assets*

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available. None of the District's restricted net assets are restricted by enabling legislation.

*L. Fund Balance*

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

***Nonspendable*** The nonspendable fund balance classification includes amounts that cannot be spent because they are not in the spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

***Restricted*** Fund balance is reported as 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.

**Athens-Hocking Joint Solid Waste District**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2011 and 2010*

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

*L. Fund Balance* (Continued)

**Committed** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the District Board. Those committed amounts cannot be used for any other purpose unless the District Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**Assigned** Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by policies of the District Board.

**Unassigned** Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District 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 Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual for the general fund and each major special revenue fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

**Note 4 - Deposits and Investments**

Ohio law restricts deposits and investments to the following:

1. United States Treasury Bills, Bonds, Notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States, or any book entry, zero coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio or its political subdivisions;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

**Athens-Hocking Joint Solid Waste District**  
*Notes to the Basic Financial Statements*  
For the Years Ended December 31, 2011 and 2010

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**Note 4 - Deposits and Investments** (Continued)

6. No-load money market mutual funds;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the District lends securities and the eligible institution agrees to simultaneously exchange either securities or cash, equal value for equal value; and
9. Commercial paper notes, corporate notes and bankers' acceptances; and debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government. All interest and principal shall be denominated and payable in United States funds.

Reverse repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States, are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Bankers' acceptances must mature within 180 days. Commercial paper and corporate notes must mature within 270 days. All other investments must mature within five years from the date of settlement unless matched to a specific obligation or debt of the District. Investments must be purchased with the expectation that they will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The Athens County Treasurer serves as the fiscal agent for the District and the investments of the County funds, including the District's cash. The District maintains no control over the investment of its cash.

**Deposits:** The District's deposits maintained by the Athens County Treasurer are either insured by the Federal Deposit Insurance Corporation or were collateralized by securities held by the pledging institutions' trust departments in Athens County's name and all State statutory requirements for the deposit of money had been followed.

For deposits of the Recycling Center, custodial credit risk is the risk that in the event of a bank failure, the Center's deposits may not be returned to it. According to state law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agency or instrumentality of the federal government. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. The Center's policy is to deposit money with financial institutions that are able to abide by the laws governing insurance and collateralization of public funds.

Deposits of the Recycling Center are either insured by the Federal Deposit Insurance Corporation or collateralized by the financial institutions' public entity deposit pools in the manner described above.

The carrying amount of cash and investments at December 31 was as follows:

|                                   |                    |                  |
|-----------------------------------|--------------------|------------------|
|                                   | <u>2011</u>        | <u>2010</u>      |
| Deposits held by County Treasurer | \$ 558,048         | \$306,163        |
| Recycling Centers Deposits        | <u>623,750</u>     | <u>432,178</u>   |
| Total deposits                    | <u>\$1,181,798</u> | <u>\$738,341</u> |



**Athens-Hocking Joint Solid Waste District**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2011 and 2010*

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**Note 5 – Risk Management**

The Athens County Commissioners maintain comprehensive insurance coverage with private carriers for real property, building contents and vehicles owned by the District and Recycling Centers. Vehicle policies include liability coverage for bodily injury and property damage.

**Note 6 - Defined Benefit Pension Plans**

**Ohio Public Employees Retirement System**

- A. The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:
- 1) The Traditional Pension Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan.
  - 2) The Member-Directed Plan (MD) – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.
  - 3) The Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.
- B. OPERS provides retirement, disability, and survivor and death benefits and annual cost-of-living adjustments to qualifying members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.
- C. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.
- D. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.
- E. The Ohio Revised Code provides statutory authority for member and employer contributions. For 2011, 2010 and 2009, member and employer contribution rates were consistent across all three plans.

The member contribution rates were 10.0%, for 2011, 2010, and 2009, respectively, for the District.

The employer contribution rates were 14.0% of covered payroll for 2011, 2010, and 2009, respectively, for the District.

The District's contributions to OPERS for the years ended December 31, 2011, 2010, and 2009 were \$145,119, \$178,943, and \$171,124, respectively, which were equal to the required contributions for those years.

**Athens-Hocking Joint Solid Waste District**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2011 and 2010*

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**Note 7 - Postemployment Benefits**

- A. Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan; the Member-Directed Plan (MD) – a defined contribution plan; and the Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement, to qualifying members of both the TP and the CO Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interest parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

- B. The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer's contributions are expressed as a percentage of the covered payroll of active members. In 2011 and 2010, the District contributed at 14.0% of covered payroll. The Ohio Revised Code currently limits the employer contribution rate not to exceed 14.0% of covered payroll. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits.

For 2011, the employer contributions allocated to the Traditional plan was 4.0% and for the Combined Plan was 6.05%. For 2010, the employer contributions allocated to the Traditional plan was 5.5% from January 1 through February 28, 2010 and 5.0% from March 1 through December 31, 2010 and for the Combined Plan was 4.73% from January 1 through February 28, 2010 and 4.23% from March 1 through December 31, 2010. For 2009, the employer contributions allocated to the health care plan was 7.0% of covered payroll from January 1 through March 31, 2009 and 5.5% from April 1 through December 31, 2009.

**Athens-Hocking Joint Solid Waste District**  
*Notes to the Basic Financial Statements*  
For the Years Ended December 31, 2011 and 2010

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**Note 7 - Postemployment Benefits** (Continued)

- C. The employer contributions that were used to fund post-employment benefits were \$41,460 for 2011, \$64,968 for 2010, and \$71,816 for 2009 which equaled the required contributions for each year.
  
- D. The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008, which allowed additional funds to be allocated to the health care plan.

**Note 8 – Interfund Transactions**

There were no transfers or advances for the year ended December 31, 2010.

**Interfund Transfers**

The following transfers were made during 2011:

| Transfers - Out | Transfers In                        |                        |                       |           |
|-----------------|-------------------------------------|------------------------|-----------------------|-----------|
|                 | Recycling<br>Capital<br>Improvement | Capital<br>Improvement | Other<br>Governmental | Total     |
| Recycling       | \$320,000                           | \$200,000              | \$39,423              | \$559,423 |
| Total           | \$320,000                           | \$200,000              | \$39,423              | \$559,423 |

**Interfund Advances**

The following advances were made during 2011:

| Advances Out     | Advances In           |
|------------------|-----------------------|
|                  | Other<br>Governmental |
| Recycling Center | \$24,677              |
| Total            | \$24,677              |

Transfers are used to move revenues from the fund that collects them in accordance with statute or budget to the fund that is required to expend them in accordance with statute or budget; to segregate money for anticipated capital projects; to provide resources for current operations; or to service debt. Advances are used to provide temporary financing for funds which are intended to be repaid. Transfers made were for local matches for grant agreements and for anticipated capital projects.

**Athens-Hocking Joint Solid Waste District**  
*Notes to the Basic Financial Statements*  
For the Years Ended December 31, 2011 and 2010

**Note 9 - Changes in Accounting Principles**

The District has implemented Governmental Accounting Standard Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions."

GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The implementation of this statement resulted in no fund reclassifications or restatements to prior year balances.

**Note 10 – Fund Balances**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on the fund balance for the major governmental funds and all other governmental funds are presented below:

| Fund Balances 2011          | General          | Recycling        | Recycling<br>Capital<br>Improvement | Capital<br>Improvement | All Other<br>Governmental | Total<br>Governmental<br>Funds |
|-----------------------------|------------------|------------------|-------------------------------------|------------------------|---------------------------|--------------------------------|
| <b>Restricted for</b>       |                  |                  |                                     |                        |                           |                                |
| Recycling                   | \$0              | \$303,750        | \$0                                 | \$0                    | \$0                       | \$303,750                      |
| Other Purposes              | 0                | 0                | 0                                   | 0                      | 21,530                    | 21,530                         |
| Capital Improvements        | 0                | 0                | 320,000                             | 270,464                | 0                         | 590,464                        |
| Total Restricted            | <u>0</u>         | <u>303,750</u>   | <u>320,000</u>                      | <u>270,464</u>         | <u>21,530</u>             | <u>915,744</u>                 |
| <b>Unassigned (Deficit)</b> | <u>266,054</u>   | <u>0</u>         | <u>0</u>                            | <u>0</u>               | <u>0</u>                  | <u>266,054</u>                 |
| Total Fund Balances         | <u>\$266,054</u> | <u>\$303,750</u> | <u>\$320,000</u>                    | <u>\$270,464</u>       | <u>\$21,530</u>           | <u>\$1,181,798</u>             |

| Fund Balances 2010          | General          | Recycling        | Capital<br>Improvement | All Other<br>Governmental | Total<br>Governmental<br>Funds |
|-----------------------------|------------------|------------------|------------------------|---------------------------|--------------------------------|
| <b>Restricted for</b>       |                  |                  |                        |                           |                                |
| Recycling                   | \$0              | \$432,178        | \$0                    | \$0                       | \$432,178                      |
| Other Purposes              | 0                | 0                | 0                      | 2,238                     | 2,238                          |
| Capital Improvements        | 0                | 0                | 93,464                 | 0                         | 93,464                         |
| Total Restricted            | <u>0</u>         | <u>432,178</u>   | <u>93,464</u>          | <u>2,238</u>              | <u>527,880</u>                 |
| <b>Unassigned (Deficit)</b> | <u>210,461</u>   | <u>0</u>         | <u>0</u>               | <u>0</u>                  | <u>210,461</u>                 |
| Total Fund Balances         | <u>\$210,461</u> | <u>\$432,178</u> | <u>\$93,464</u>        | <u>\$2,238</u>            | <u>\$738,341</u>               |

**Note 11 – Compliance**

Contrary to Ohio Revised Code Section 5705.41(B), the General Fund had expenditures plus encumbrances in excess of appropriations for salaries (\$35,376) and fringe benefits (\$42,073) as of December 31, 2010.



## **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards***

Members of the Board  
Athens-Hocking Joint Solid Waste District  
13183 State Route 13  
Chauncey, Ohio 45719

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Athens-Hocking Joint Solid Waste District (the District), as of and for the years ended December 31, 2011 and 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated April 30, 2012, wherein we noted the District followed a comprehensive accounting basis other than accounting principles generally accepted in the United States of America and that the District implemented Governmental Accounting Standards Board Statement No. 54 . 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 opinions on the financial statements, 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 statements 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 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 statements 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 an instance of noncompliance or other matters that we must report under *Government Auditing Standards* which is described in the accompanying Schedule of Findings and Responses as item 2011-001.

We also noted certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated April 30, 2012.

The District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. We did not audit the District's Schedule of Findings and Responses and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of management, the Board of Directors, and others within the District. We intend it for no one other than these specified parties.



Balestra, Harr & Scherer, CPAs, Inc.  
April 30, 2012

**ATHENS-HOCKING JOINT SOLID WASTE DISTRICT  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2011 AND 2010**

**FINDING NUMBER 2011-001**

**Material Non-Compliance**

Ohio Revised Code Section 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated.

In 2010, expenditures exceeded appropriations in the General Fund.

The District should implement monitoring procedures to ensure compliance with 5705.41 (B). Establishment of procedures for monitoring the compliance with this requirement helps to ensure that monies are not expended in excess of allowable limits.

**Client Response:**

The District corrected this issue in 2011 and will continue to monitor expenditures and appropriations in the future.







# Dave Yost • Auditor of State

**ATHENS-HOCKING JOINT SOLID WASTE DISTRICT**

**ATHENS 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  
JULY 26, 2012**