

EASTERN RENSSELAER COUNTY SOLID
WASTE MANAGEMENT AUTHORITY

FINANCIAL STATEMENTS
(and Report of Independent Auditors)
December 31, 2009
(with memorandum totals from December 31, 2008)

EASTERN RENSSELAER COUNTY SOLID
WASTE MANAGEMENT AUTHORITY

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INDEPENDENT AUDITOR'S REPORT

To the Board of Representatives
Of Eastern Rensselaer County Solid
Waste Management Authority

We have audited the accompanying statement of net assets of the Eastern Rensselaer County Solid Waste Management Authority (a public benefit corporation), as of and for the year ended December 31, 2009 and the related statements of revenues, expenses and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of Eastern Rensselaer County Solid Waste Management Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Eastern Rensselaer County Solid Waste Management Authority's 2008 financial statements and, in our report dated March 22, 2009, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Eastern Rensselaer County Solid Waste Management Authority as of December 31, 2009, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2010, on our consideration of Eastern Rensselaer County Solid Waste Management Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on page 16 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The management's discussion and analysis on pages 3 through 5 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Pattison, Koskey, Howe & Bucci CPAs, P.C.

Valatie, New York
March 25, 2010

EASTERN RENSSELAER COUNTY SOLID WASTE MANAGEMENT AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS
December 31, 2009

1. FINANCIAL HIGHLIGHTS

The Authority generated a loss of \$46,797 in 2009 compared to a loss of \$25,002 in 2008. Overall, cash and cash equivalents decreased \$100,970 in 2009 and total net assets are \$108,438 at December 21, 2009.

Tipping fees and recycling revenues were \$623,191 in 2009, a 3.12% decrease from the previous year. Tipping fees and recycling revenues comprised approximately 84% of total revenues in 2009 and 2008.

Total operating expenses were \$786,134 in 2009, a .45% decrease from the previous year.

Current assets exceeded current liabilities by \$100,843 at December 31, 2009.

2. BASIC FINANCIAL STATEMENTS

Eastern Rensselaer County Solid Waste Management Authority's (ERCSWMA) financial statements are prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board. These statements are designed to afford an overview of ERCSWMA's finances and consist of the Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Net Assets, and the Statement of Cash Flows.

The notes to the financial statements include additional information needed to provide a further understanding of the basic financial statements.

3. FINANCIAL STATEMENT ANALYSIS

Statement of Net Assets

The Statement of Net Assets presents information on ERCSWMA's assets and liabilities, reporting net assets at year-end. Increases or decreases in net assets may indicate whether or not an entity's financial position is improving. A condensed summary of ERCSWMA's Statement of Net Assets is shown below.

<u>Assets</u>	<u>2009</u>	<u>2008</u>
Current assets	\$182,882	\$267,710
Non-current assets		
Capital assets	<u>7,595</u>	<u>770</u>
Total assets	<u>\$190,477</u>	<u>\$268,480</u>
 <u>Liabilities</u>		
Current liabilities	<u>\$ 82,039</u>	<u>\$113,245</u>
Total liabilities	<u>\$ 82,039</u>	<u>\$113,245</u>
 <u>Net Assets</u>	 <u>\$108,438</u>	 <u>\$155,235</u>

EASTERN RENSSELAER COUNTY SOLID WASTE MANAGEMENT AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS

December 31, 2009

3. FINANCIAL STATEMENT ANALYSIS (CONTINUED)

Statement of Revenues, Expenses and Changes in Net Assets

The Statement of Revenues, Expenses and Changes in Net Assets shows the effect of income and expenses on ERCSWMA's net assets for the year. This statement is prepared on an accrual basis meaning revenues are recognized in the period in which they are earned and expenses are recognized in the period in which they occur. ERCSWMA's statements for 2009 and 2008 are summarized as follows:

	<u>2009</u>	<u>2008</u>
Operating revenues		
Administrative fees	\$ 99,471	\$ 97,375
Tipping and recycling fees	623,191	643,236
Grant income	13,488	20,711
Miscellaneous income	<u>2,527</u>	<u>850</u>
Total operating revenues	<u>738,677</u>	<u>762,172</u>
Operating expenses		
Salaries and payroll taxes	83,869	76,533
Tipping and recycling expenses	656,595	653,342
Education and public relations	19,312	30,224
Other	<u>26,358</u>	<u>29,596</u>
Total operating expenses	<u>786,134</u>	<u>789,695</u>
Operating loss	<u>(47,457)</u>	<u>(27,523)</u>
Non-operating revenue (expense)		
Interest income	<u>660</u>	<u>2,521</u>
Total non-operating expense	<u>660</u>	<u>2,521</u>
Decrease in net assets	(46,797)	(25,002)
Net assets, beginning of year	<u>155,235</u>	<u>180,237</u>
Net assets, end of year	<u>\$ 108,438</u>	<u>\$ 155,235</u>

Accounting for 84% of the operating revenues were tipping and recycling fees, which decreased 3.12% percent and totaled \$623,191.

Operating expenses of \$786,134 decreased by \$3,561 due in large part to a reduction in equipment repair expense from the prior year of \$3,573. Tipping and recycling costs increased \$3,253. Payroll expenses increased \$7,336, education and public relations expenses decreased \$10,912, and other expenses decreased \$335. These changes account for 100% of the total decrease in operating expenses from 2008 to 2009.

Non-operating revenue is derived from interest income on short-term investments, which was down \$1,861. ERCSWMA maintains three certificates of deposit with a total balance at December 31, 2009, of \$28,453. The certificates of deposit have varying maturities (8 months, 11 months, and 12 months) and interest rates (.35%, .40%, and 1.34%).

EASTERN RENSSELAER COUNTY SOLID WASTE MANAGEMENT AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS
December 31, 2009

3. FINANCIAL STATEMENT ANALYSIS (CONTINUED)

Statement of Cash Flows

The statement of cash flows presents information on the major sources and uses of cash during the year showing net cash provided or used in operating activities.

Net cash used for operating and investing activities was \$100,970, a decrease of \$151,269 from the prior year, in large part due to a \$93,438 outflow from operating activities.

4. AUTHORITY BUDGET

In October 2008, ERCSWMA adopted a 2009 budget projecting revenues, exclusive of tipping and recycling fees, at \$126,971. Actual revenues, exclusive of tipping and recycling fees, totaled \$116,146. Much of this decrease is a result of an education grant for the 2006-2008 period that was anticipated but has not been approved by New York State delaying the recognition of the related revenue. ERCSWMA is using their net asset surplus to off-set income shortfalls. Revenue earned from tipping and recycling fees are directly offset by associated expenses and are not included in the budget calculations.

Operating expenses, exclusive of tipping and recycling expenses, which totaled \$129,539 for the year, were provided for in ERCSWMA's operating budget. The budget projected expenditures at \$170,935. The difference between the budgeted and actual total was 24% and due in part to the inclusion of hazardous waste collection expense of \$27,250 in the budgeted total, which is included in the actual 2009 tipping and recycling expense. Actual hazardous waste collection expense totaled \$32,379 and had off-setting revenue of \$9,915 for a net expense of \$22,464, which is \$4,786 less than budget. The budget had \$7,500 scheduled for the purchase of recycling equipment, which was accounted for as a fixed asset and not an expense in 2009. Once these are factored in, the actual expense to budget variance is 3.9%.

5. CAPITAL ASSETS AND LONG-TERM DEBT

ERCSWMA did not take on any long-term debt in 2009. There was one capital asset addition in 2009 for the purchase of a 30 yard roll-off container at a cost of \$7,164.

6. ADDITIONAL INFORMATION

This report is prepared for the use of ERCSWMA's audit committee, management, federal awarding agencies and pass through entities, and members of the public interested in the affairs of ERCSWMA. Questions with regard to this financial report or requests for additional information may be addressed to the Executive Director, ERCSWMA, 21428 NY 22, Hoosick Falls, NY 12090.

EASTERN RENSSELAER COUNTY SOLID
WASTE MANAGEMENT AUTHORITY
STATEMENT OF NET ASSETS
December 31, 2009
(with memorandum totals for December 31, 2008)

ASSETS

	<u>2009</u>	<u>2008</u> (memorandum only)
Current assets:		
Cash and cash equivalents	\$ 15,880	\$ 116,850
Accounts receivable - member towns	122,061	104,747
Grants receivable	13,488	15,053
Prepaid expenses	3,000	2,975
Investments	28,453	28,085
Total current assets	<u>182,882</u>	<u>267,710</u>
Non-current assets:		
Equipment, net of \$152,487 of accumulated depreciation	<u>7,595</u>	<u>770</u>
Total assets	<u>\$ 190,477</u>	<u>\$ 268,480</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accrued expenses	\$ 1,268	\$ 958
Accounts payable	65,855	54,779
Due to members - credits	14,916	57,508
Total current liabilities	<u>82,039</u>	<u>113,245</u>
Net assets	<u>108,438</u>	<u>155,235</u>
Total liabilities and net assets	<u>\$ 190,477</u>	<u>\$ 268,480</u>

See auditors' report and notes to financial statements.

EASTERN RENSSELAER COUNTY SOLID
WASTE MANAGEMENT AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Year ended December 31, 2009
(with memorandum totals for the year ended December 31, 2008)

	<u>2009</u>	<u>2008</u> (memorandum only)
Revenues:		
Administrative fees	\$ 99,471	\$ 97,375
Tipping and recycling fees	623,191	643,236
Grant income	13,488	20,711
Interest income	660	2,521
Miscellaneous income	2,527	850
Total revenues	<u>739,337</u>	<u>764,693</u>
Expenses:		
Salaries	78,598	71,094
Payroll taxes	5,271	5,439
Tipping and recycling expenses	656,595	653,342
Professional fees	7,008	8,262
Payroll service	670	755
Education and public relations	19,312	30,224
Rent	8,400	7,800
Office supplies	845	1,508
Postage	288	311
Conferences and travel	575	720
Insurance	5,366	4,958
Equipment repair	-	3,573
Telephone	889	985
Advertising	24	25
Dues and memberships	355	329
Miscellaneous	1,599	150
Depreciation	339	220
Total expenses	<u>786,134</u>	<u>789,695</u>
Change in net assets	(46,797)	(25,002)
Net assets, beginning	<u>155,235</u>	<u>180,237</u>
Net assets, ending	<u>\$ 108,438</u>	<u>\$ 155,235</u>

See auditors' report and notes to financial statements.

EASTERN RENSSELAER COUNTY SOLID
WASTE MANAGEMENT AUTHORITY
STATEMENT OF CASH FLOWS
Year ended December 31, 2009
(with memorandum totals for the year ended December 31, 2008)

	2009	2008 (memorandum only)
Cash flows from operating activities		
Receipts from customers	\$ 665,283	\$ 736,586
Contribution from grant funds	15,053	94,007
Payments to suppliers	(690,875)	(703,094)
Payments to employees	(83,559)	(78,812)
Interest received	660	2,521
	<u>(93,438)</u>	<u>51,208</u>
Cash flows from investing activities		
Purchase of investments	(368)	(909)
Purchase of equipment	(7,164)	-
	<u>(7,532)</u>	<u>(909)</u>
Net (decrease) increase in cash	(100,970)	50,299
Cash and cash equivalents, beginning of year	116,850	66,551
Cash and cash equivalents, end of year	<u>\$ 15,880</u>	<u>\$ 116,850</u>
Cash flows from operating activities		
Change in net assets	\$ (46,797)	\$ (25,002)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	339	220
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(17,314)	9,522
Decrease in grants receivable	1,565	73,296
(Increase) decrease in prepaid expenses	(25)	144
Increase in accounts payable	11,076	9,704
Decrease in due to members - credits	(42,592)	(14,397)
Increase (decrease) in accrued liabilities	310	(2,279)
	<u>(93,438)</u>	<u>51,208</u>
Net cash provided by operating activities	<u>\$ (93,438)</u>	<u>\$ 51,208</u>

See auditors' report and notes to financial statements.

EASTERN RENSSELAER COUNTY SOLID
WASTE MANAGEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

1. Nature of Organization:

The Eastern Rensselaer County Solid Waste Management Authority, (the "Authority") was formed in December 1989, and constitutes a public benefit corporation, created by and having the powers and functions set forth pursuant to, Sections 2050 through 2050-tt of the Public Authorities Law of the State of New York, as amended. The principal office is located in Hoosick Falls, New York. The Authority's board consists of one member appointed by each legislative body of the towns constituting the Authority (maximum of seventeen and a minimum of six). The current membership of the Authority consists of seven municipalities.

The Authority's present function is to research and provide alternative, efficient methods of disposing solid waste and to provide recycling services to member towns.

2. Summary of Significant Accounting Principles:

Basis of Accounting:

The financial statements of the Authority have been prepared on the accrual basis of accounting and reflect all significant receivables, payables, and other liabilities. Revenues are recorded when earned and expenses are recorded when incurred. In accordance with accounting principles generally accepted in the United States of America the Authority applies all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements to the extent these pronouncements do not conflict with GASB pronouncements. The Agency applies FASB pronouncements, issued, on or after November 30, 1989.

Revenues:

Revenues consist of tipping and recycling fees charged member towns for waste removal services provided by the Authority. Revenues also include administrative fees charged the member towns to off-set the Authority's operating expenses. Grant income for programs provided by the Authority on behalf of the member towns for education and waste removal services are also included as operating revenue.

The Authority's revenues are mainly comprised of administrative fees and other revenues from its seven member municipalities.

Cash and Cash Equivalents:

Cash and cash equivalents include cash in banks and highly liquid investments with maturities of three months or less. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

See auditors' report.

EASTERN RENSSELAER COUNTY SOLID
WASTE MANAGEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Summary of Significant Accounting Principles (Continued):

Concentrations of Credit and Market Risk:

Financial instruments that potentially expose the Authority to concentrations of credit and market risk consist primarily of cash equivalents and investments. Cash equivalents are maintained at FDIC insured financial institutions and credit exposure is limited to one institution. As of December 31, 2009, all cash and cash equivalents were covered by FDIC insurance. The Authority has not experienced any losses with respect to its cash and cash equivalents.

Investments are exposed to various risks, such as interest rate, market, and credit. As of December 31, 2009, all investments were in certificates of deposit with maturities ranging from 8 to 12 months. All certificates of deposit were covered by FDIC insurance as of December 31, 2009.

Income taxes:

The Authority is not subject to Federal or State income taxes. Accordingly, no provision for taxes has been made in the accompanying financial statements.

Prior year amounts:

Amounts shown for December 31, 2008, in the accompanying statements are included to provide a basis for comparison with December 31, 2009, and present summarized totals only. Accordingly, the December 31, 2008, amounts are not intended to present all information necessary for a fair presentation in accordance with accounting principles generally accepted in the United States of America.

Property and equipment:

Recycling and office equipment valued at \$500 or more are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the respective assets, ranging from 5 to 7 years. Depreciation expense for 2009 totaled \$339.

Fair value measurements:

In September 2006 the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 157 "Fair Value Measurements" (FAS 157). FAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. FAS 157 does not require any new fair value measurements but applies to other GAAP accounting pronouncements that use fair value as a relevant measurement attribute.

Budgetary Data:

The budget policies are as follows:

In August of each year the executive director submits a tentative budget to the Board of Directors for the next fiscal year which begins the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing. In October, the budget is available for discussion at a public hearing and ultimately approved by the Board of Directors.

Subsequent Events:

Subsequent events have been evaluated through March 26, 2010, which is the date the financial statements were available to be issued.

See auditors' report.

EASTERN RENSSELAER COUNTY SOLID
WASTE MANAGEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. Accounts and Grants Receivable:

Accounts receivable primarily represent amounts due from member towns for tipping fees relating to services performed and are considered by management to be fully collectible within one year. As of the report date, all outstanding accounts receivable had been collected.

As of December 31, 2009, grants receivable are comprised of the following:

Household Hazardous Waste Assistance Program Grant	\$13,488
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4. Investments:

Investments consists of three certificates of deposit with a total balance at December 31, 2009, of \$28,453. The certificates of deposit have varying maturities (8 months, 11 months, and 12 months) and interest rates (.35%, .40%, and 1.34%). The certificates of deposit are maintained at a financial institution in Hoosick Falls and are fully insured by the FDIC. There was no unrealized or realized gains or losses on these investments in 2009.

Investments are measured at fair value on a recurring basis. In accordance with FAS 157, fair value measurements are identified as Level 1, Level 2, or Level 3. Level 1 fair value is based on quoted prices in active markets for identical assets/liabilities. Level 2 fair value is based on significant other observable inputs. Level 3 fair value is based on significant unobservable inputs. The Authority does not have any Level 2 or Level 3 investments.

5. Recycling and Office Equipment:

A summary of recycling and office equipment is as follows as of December 31, 2009:

Recycling Equipment	\$ 140,336
Accumulated Depreciation	<u>(133,291)</u>
	<u>\$ 7,045</u>
Office Equipment	\$ 19,746
Accumulated Depreciation	<u>(19,196)</u>
	<u>\$ 550</u>

6. Related Party Transactions:

The Authority is comprised of representatives who are appointed by their respective towns. Substantially all of the Authority's operating revenues are derived from services performed for the member towns.

7. Commitments:

The Authority is party to a twenty-year service agreement with a company that is contracted to accept "acceptable waste" generated within the member communities of the Authority. The Agreement commenced November 19, 1992 and expires November 19, 2012. The fees charged vary for solid waste and construction and demolition waste. The maximum fees per ton of waste that may be charged under the contract for 1996 and after are \$75.95 multiplied by an inflation factor per ton for solid waste and \$74.00 multiplied by an inflation factor for construction and demolition waste. For the year ended December 31, 2009, the Authority paid a rate of \$70.47 per ton for both solid waste and construction and demolition waste. The Authority paid a total of \$512,813 to the company for the year ended December 31, 2009.

See auditors' report.

EASTERN RENSSELAER COUNTY SOLID
WASTE MANAGEMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

7. Commitments (Continued):

The Authority is party to a five-year agreement with a company that is contracted to haul waste for member community transfer stations. The five-year contract expired at the end of 2009 and the Authority renewed the contract for another three years. The contract requires annual payments based on "per pull" basis at a rate of \$170.66. This rate will be held constant in 2010 with Consumer Price Index adjustments for the following two years. The total paid for these services was \$73,267 for the year ended December 31, 2009.

8. Lease Agreements:

The Authority leases office space under an operating lease agreement. The lease is typically renewed on an annual basis. The rental amount was \$700 per month and rent expense was \$8,400 for 2009. The Authority is committed under a renewed office lease contract through December 31, 2010, for monthly rental payments of \$700, an annual commitment of \$8,400.

See auditors' report.

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Representatives
of Eastern Rensselaer County Solid
Waste Management Authority:

We have audited the financial statements of Eastern Rensselaer County Solid Waste Management Authority (a public benefit corporation) as of and for the year ended December 31, 2009, and have issued our report thereon dated March 25, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Eastern Rensselaer County Solid Waste Management Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Eastern Rensselaer County Solid Waste Management Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Eastern Rensselaer County Solid Waste Management Authority's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Eastern Rensselaer County Solid Waste Management Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Eastern Rensselaer County Solid Waste Management Authority, in a separate letter dated March 25, 2010.

This report is intended solely for the information and use of management, Board of Directors, County of Rensselaer, New York, and awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Pattison, Koskey, Howe & Bucci, CPAs P.C.

Valatie, New York
March 25, 2010

EASTERN RENSSELAER COUNTY SOLID
WASTE MANAGEMENT AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES

Summary of Audit Finding: Material Weakness

Finding:

The Authority's management maintains its books and records during the year primarily on a cash basis. During the audit, several adjustments are required to convert the Authority's general ledger to the accrual basis of accounting. The adjustments required have been material in nature.

Recommendation:

We recommend management develop procedures for ensuring the Authority's general ledger is converted to the accrual basis of accounting beginning with the year ending December 31, 2010.

Response:

Management will work with the auditors to develop procedures for adjusting the Authority's general ledger to the accrual basis of accounting beginning with the year ending December 31, 2010.

SUPPLEMENTARY INFORMATION

EASTERN RENSSELAER COUNTY SOLID
WASTE MANAGEMENT AUTHORITY
STATEMENT OF REVENUES AND EXPENSES - BUDGET AND ACTUAL
Year ended December 31, 2009

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Adiministrative fees	\$ 99,471	\$ 99,471	\$ -
Grant income	25,000	13,488	(11,512)
Interest income	2,500	660	(1,840)
Miscellaneous income	-	2,527	2,527
Tipping and recycling fees	-	623,191	623,191
Total revenues	<u>126,971</u>	<u>739,337</u>	<u>612,366</u>
Expenses:			
Salaries	78,310	78,598	(288)
Payroll taxes	6,400	5,271	1,129
Tipping and recycling expenses	-	624,216	(624,216)
Hazardous waste collection	27,250	32,379	(5,129)
Professional fees	8,400	7,008	1,392
Payroll service	725	670	55
Education and public relations	23,000	19,312	3,688
Rent	8,400	8,400	-
Office supplies	750	845	(95)
Postage	350	288	62
Conferences and travel	1,700	575	1,125
Insurance	4,950	5,366	(416)
Equipment repair	500	-	500
Equipment	7,500	-	7,500
Telephone	1,050	889	161
Advertising	150	24	126
Dues and memberships	-	355	(355)
Miscellaneous	1,500	1,599	(99)
Depreciation	-	339	(339)
Total Expenses	<u>170,935</u>	<u>786,134</u>	<u>(615,199)</u>
Total expenses in excess of revenues	<u>\$ (43,964)</u>	<u>\$ (46,797)</u>	<u>\$ (2,833)</u>

See auditors' report and notes to financial statements.