



SOLID WASTE AUTHORITY of Central Ohio

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Fiscal Year ended December 31, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Board of Trustees
Solid Waste Authority of Central Ohio

We have reviewed the Independent Auditor's Report of the Solid Waste Authority of Central Ohio, Franklin County, prepared by PricewaterhouseCoopers LLP, for the audit period January 1, 2000 to December 31, 2000. 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 Solid Waste Authority of Central Ohio is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

July 23, 2001

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Comprehensive Annual Financial Report

of the

Solid Waste Authority of Central Ohio

for the

Fiscal Year ended December 31, 2000

Issued by the Solid Waste Authority of Central Ohio
Michael D. Long, P.E.
Executive Director

Prepared by the Department of Finance
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Director of Finance

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————— *Solid Waste Authority of Central Ohio* —————
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2000

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INTRODUCTORY SECTION

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SOLID WASTE AUTHORITY of Central Ohio

Board of Trustees

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To the Board of Trustees, residents and businesses of the Solid Waste Authority of Central Ohio:

The Comprehensive Annual Financial Report (the "CAFR") of the Solid Waste Authority of Central Ohio (the "Authority,") for the fiscal year ended December 31, 2000 is hereby presented to the Solid Waste Authority Board of Trustees and those living and doing business within the jurisdiction of the Authority. This CAFR has been prepared to conform to generally accepted accounting principles as applicable to state and local government entities.

INTRODUCTION

Organization of the report

The CAFR is presented in three sections. The Introductory Section includes this letter of transmittal and organizational information regarding the Authority. The Financial Section includes the general purpose financial statements of the Authority, notes to the financial statements and the accompanying report of the independent accountants regarding those statements. The Statistical Section includes current and historical data on Authority operations and solid waste deliveries, generation, and recycling.

The reporting entity

In response to Amended Substitute House Bill 592 of the 117th Ohio General Assembly ("HB 592"), the Authority was established in 1989 to develop and implement a comprehensive solid waste management plan for the Franklin County Solid Waste Management District (the "District," principally Franklin County, but also including parts of five adjacent counties). A political subdivision of the State of Ohio, the Authority operates a sanitary landfill with a maximum daily capacity of 4,000 tons and three waste transfer stations with a combined capacity of approximately 3,000 tons per day. The Authority also provides programs aimed at reducing the generation and disposal of solid waste within the Authority's jurisdiction. These programs include public education and awareness, yard waste composting and other waste-reduction activities. The Authority is also responsible for a closed landfill and a closed resource recovery facility. Total solid waste disposal from within the Authority's jurisdiction is approximately 1.1 million tons, only a portion of which is serviced by Authority facilities.



Management of the Authority

The Authority is governed by a nine-member Board of Trustees. Pursuant to HB 592 and the Authority's bylaws, the Mayor of the City of Columbus and the Franklin County Board of Commissioners each appoint two members to the Board. Other members include one designee of the County Health Commissioner, one designee of the County's township trustees, and three members appointed by the Board representing the general public and industry. The Board of Trustees appoints the Authority's Executive Director, who serves as the Authority's Chief Executive Officer. The Executive Director is the appointing authority for the Authority's other employees, including the Director of Finance, who serves as Chief Financial Officer and as secretary-treasurer to the Board. The management of the Authority is responsible for the accuracy of the data contained herein and the completeness and fairness of its presentation, including all disclosures necessary to understand the Authority's financial activities.

The Authority is organized into four departments: Sanitary Landfill Operations, Waste Transfer Operations, Planning and Programs Development, and Administration. The Authority also provides for the operation of a yard-waste composting facility under contract with a private company.

Mission Statement

As adopted by the Board of Trustees, the Authority's mission is to provide a comprehensive, environmentally sound, cost-effective, and technically reliable solid waste management program for all people living and working within the jurisdiction of the Solid Waste Authority of Central Ohio.

History of the Authority

The Authority was established in 1989 and during its first two years consisted of a small staff writing the solid waste management plan in accordance with HB 592. In early 1991, the Authority purchased the 3,333 ton-per-day Franklin County Sanitary Landfill from the County Commissioners and, in 1993, added a 90-megawatt, 2,000-ton per day resource recovery facility (the "Waste-To-Energy Facility") through a long term lease with the City of Columbus (the "City"). Under the terms of the lease agreement, the City agreed to deliver all waste collected by the City to facilities operated or designated by the Authority. The Authority also acquired the County's closed landfill (the "Model Landfill") as part of the acquisition of the operating landfill.

On June 1, 1994, the Authority implemented a \$49 per ton fee on all waste generated within the District (the "Generation Fee"). The fee resulted in all District waste being delivered to Authority facilities, including the Waste-to-Energy Facility. This fee was challenged in Federal District Court, and, pursuant to that Court's order, the Generation Fee was repealed effective September 1, 1994. At the end of 1994 the Authority implemented a new \$5 per ton Generation Fee but closed the Waste-To-Energy Facility because of its inability to generate revenues sufficient to operate the facility and update the facility to meet new federal clean air act requirements. The Authority was also no longer able to meet 100 percent of its lease obligation to the City and began negotiating revised lease payment terms with the City.

The Authority converted a portion of the closed facility and two of its satellite shredder facilities into waste transfer facilities to handle the increase in waste deliveries to the landfill. The closure of the plant, and the subsequent reorganization, resulted in the lay off of approximately 190 employees and write-downs of the facility totaling \$153 million by 1997 (see Note 9, page 2-15).

The year 1995 was one of transition as the Authority moved into the competitive market of solid waste and that continued through 1996 as adjustments in pricing caused wide swings in waste deliveries to Authority facilities. During 1997, the Authority was successful in obtaining a permit to expand its landfill, adding capacity sufficient to meet the Authority's needs for at least 20 years and increasing the daily capacity to 4,000 tons. Waste deliveries, however, continued to be volatile and the Authority and the City continued to negotiate on a modified lease that the Authority would be able to meet.

During 1998, the Authority and the City reached agreement on a modification to the lease (the "Third Modification"), which is applicable until the lease is paid in full. Basic elements of the Third Modification include implementation of a new revenue by the Authority applied to all solid waste generated within the Authority's jurisdiction and dedicated to the payment of the lease. The modified lease provides for a 35 percent reduction in the original lease obligation, contingent on successful implementation and continued collection of the new revenue source. Significantly, the modified lease provides for the deferral, with interest, of any amounts due but not paid under the modified lease for an indefinite period of time extending, if necessary, beyond the original term of the lease. Management believes that the Authority will be able to comply with the terms of the modified lease until the lease is paid in full (see Note 10, page 2-16).

Also during 1998, the Authority settled a second lawsuit challenging the \$5.00 per ton Generation Fee in a manner which left the fee in place and allowed the Authority to implement the new revenue source to meet its obligation to the City. In 1999 the Authority successfully implemented the new revenue called for in the modified lease and began making lease payments to the City of Columbus from the new revenue source (see New Revenue Source, page 1-8). The Ohio EPA approved an updated solid waste plan for the Franklin County District in February 2000, which extends the plan through the year 2008.

The Solid Waste Plan

HB 592 was designed to develop an organized and planned approach to solid waste management in Ohio and to avoid a solid waste crisis created by a shortage of landfill capacity within the state. As a result of HB 592, Ohio has been divided into 52 single and multi-county Solid Waste Districts. Each district is charged with developing and maintaining a written plan for solid waste management within the district. The primary purpose of HB 592 is to reduce reliance on landfills for solid waste disposal and the Authority's solid waste plan was drafted with this goal in mind when it was adopted in 1993. The Authority's Solid Waste Plan anticipated this reduction to come from two primary sources: waste reduction and recycling activities, and through the operation of the Waste-to-Energy Facility. With the closure of the facility in 1994, the reuse, reduction and recycling programs have taken on greater importance.

The Solid Waste Plan was updated during 1999, receiving approval from the Ohio Environmental Protection Agency in early 2000. The strategy for waste reduction contained in the plan emphasizes public education and awareness with active yard waste composting and household hazardous waste collection and disposal programs. If feasible, the plan calls for development of material recovery facilities for recycling commercial and residential waste.

The Authority has met Ohio's waste reduction goals of a twenty-five percent waste reduction rate by 1994. The Authority is continuing to implement the plan in accordance with the schedule approved by the State of Ohio. Waste generation and reduction data are shown in the Statistical Section, pages 3-16 through 3-25.

ECONOMIC OUTLOOK

The Solid Waste Authority is located principally within Franklin County, with the City of Columbus as the largest city within the District. Both the County and the City have enjoyed healthy economies over the last several years characterized by low unemployment, an increasing tax base, and strong economic development. The City and the County both maintain triple-A ratings on their long-term debt from the major rating agencies. Both the County and the City have reported continued economic strength and stable economies.

The trend in the solid waste industry has been towards consolidations with fewer and larger disposal facilities owned by a limited number of national and regional solid waste companies. These consolidations are also taking place in the collection and hauling side of the business, including the consolidation of hauling and disposal capabilities. During the past four years, five previous mid-market customers of the Authority have been acquired by other larger waste companies. These consolidations have contributed to the volatility of the Authority's waste receipts, and individual waste hauling companies are now able to have a significant impact on the volume of waste received at or diverted from the Authority's landfill (see Table 5, Page 3-8).

The market for recycled materials has been inconsistent. This, combined with increased competition and lower landfill rates, has challenged the Authority Board and staff to develop programs that will allow the Authority to meet its goals and the requirements of HB 592 with respect to recycling and reducing reliance on landfills.

The introduction in 1999 of a new revenue source dedicated to the payment of the WTEF lease (the "Waiver Fee" and "Retired Facility Fee", see page 1-8) has allowed the Authority to reduce its lease obligation to the City of Columbus by 35 percent. The partial forgiveness of the debt and the new revenue source have allowed the Authority to make significant reductions in the lease and provided a means for retirement of the obligation within a time frame acceptable to the City. Resolution of this matter has contributed greatly to a more stable outlook for the future of the Authority.

MAJOR INITIATIVES

The Authority's efforts during 2000 and 2001 can be categorized into two primary areas: operational improvements designed to improve efficiency, enhance customer service and reduce costs, and programmatic initiatives intended to meet waste reduction and recycling goals contained in the District's solid waste plan. The Authority made significant progress during 2000 in both areas. During the coming year the Authority's efforts will be aimed at completing or furthering the projects begun in 2000 as well as beginning new initiatives in the area of waste reduction.

Additionally, the Authority continues to pursue a sublease of the WTEF to one or more tenants. Although a sublease is not yet in place, the Authority has made progress towards this goal by continuing the process of sale and disposal of the boilers, turbine generators and other surplus equipment at the facility and awarding a contract for remediation of the retention basin located at the facility, the final environmental cleanup project at the WTEF. Negotiations continue with a potential tenant that may include tire recycling.

Operational improvements

During 2000 the Authority's new fleet maintenance facility was completed and the fleet maintenance operation was relocated to the new facility in May. The new facility has enabled the Authority to improve vehicle maintenance, reduce vehicle downtime, and enhance the preventive maintenance program for the Authority's fleet of waste transfer vehicles. The infrastructure improvements project at the Sanitary Landfill (relocation of entrance road and scales and construction of a truck wash facility, residential drop off area, sedimentation pond and the berm for the first horizontal expansion phase) was substantially complete at the end of the year. During 2001, the project will be completed with the installation of an automated truck scaling and controlled access system at the landfill and transfer stations.

Since 1999 the Authority has been planning the construction of a Central Office Building and consolidation of the Authority offices in a single location. In November the Board of Trustees amended the Authority's long-term master plan for the landfill to allow construction of the office building to be made on Authority property located within the landfill buffer zone. With the issue of location resolved, the Authority moved forward with the preparation of construction drawings and bid documents. The Authority awarded a construction contract in early 2001 for completion by the end of the year.

With the consolidation of the staff in the new central office building, the Authority is planning to reorganize administrative functions to take advantage of operational efficiencies made possible by the centralization of personnel. As part of the office relocation and reorganization, the Authority is designing a "paperless office" system for implementation in the Central Office Building. The Authority wishes to establish itself as a leader in this area to encourage other entities to reduce paper waste. In addition to reducing waste, such a system also saves money by reducing reproduction, filing and storage costs.

During 2001, the Authority made significant progress towards this goal by increasing the use of e-mail and the Internet for correspondence, file sharing, communications with the Board of Trustees, financial reporting, and public awareness. The Authority is developing the capability to print, file and transmit customer weight tickets and invoices in an electronic format available over the Internet or via e-mail. The Authority is also exploring options for the electronic transmittal, approval and filing of payment vouchers and vendor invoices.

In the Human Resources area, the Authority completed a comprehensive study of its compensation and performance appraisal systems, updated its Employee handbook, and designed an in-house training program for employees and Board members. All of these were implemented in the first-half of 2001. Also in progress is a review and update of the Authority's safety manual and establishment of a safety committee.

The Authority has established the goal of developing full-cost and project accounting capabilities to enhance management reporting, budgeting and project review. In 2000 the Authority was able to redesign its chart of accounts to add project budgeting and accounting for the Planning and Programs Development Department, the department with the most critical need for project accounting. The Authority is investigating a new accounting system that will allow multi-year project budgeting and automate the allocation of personnel, administrative, and fleet maintenance costs.

During the year, when it became apparent that the Authority would exceed the landfill waste limit (see Note 13 to Financial Statements), the Authority developed contract bid documents for the disposal of Authority waste at a public or private landfill located outside of Franklin County. Bids were solicited for both disposal and transfer services and included a guaranteed delivery of 300 tons per day. The Authority received disposal bids that indicated a lower cost for out-of-county disposal than the Authority's landfill cost (including the \$6.50 per ton landfill waste limit fee for waste received in excess of the cap). Significantly, the bid for transfer services was more than the Authority's estimated cost of transfer. The Board of Trustees authorized a contract with the out-of-county landfill and on September 5 the Authority's transfer division began hauling up to 300 tons per day to the out-of-county facility. Since the end of 2000, the Authority has been able to negotiate removal of the landfill waste limit eliminating the need to transfer waste out of county. To accommodate the additional waste receipts at the Authority's landfill, the Ohio EPA has approved an increase in the maximum daily waste receipts.

The Authority is developing plans for beneficial use of the landfill gas being generated at the operating landfill. Phase I of the landfill gas collection system is scheduled to be installed by the end of 2001. A beneficial use plan is to be developed by the end of the year as well.

The Authority is undertaking a project to improve the aesthetics of the landfill and vicinity to maintain the Authority's good relationship with the surrounding community. Improvements may include landscaping, ornamental fencing, development of recreational uses, and redesign of landfill facilities.

Solid Waste Reduction, Reuse and Recycling Program Initiatives

With approval of the amended Franklin County Solid Waste Management Plan on February 17, 2001, the Authority began implementation of the waste reduction strategies included in the plan. Pursuant to the plan, the Authority needs to increase waste reduction efforts 70,000 tons by the end of 2001. To achieve this goal, the Authority implemented a number of pilot projects during 2000 to determine the cost effectiveness of alternative recycling technologies. These included residential and commercial co-collection of solid waste and source-separated recyclable material pilot projects and a used-carpet recycling program.

Perhaps the most important of these pilot projects was a program to determine the costs and diversion achieved by collecting trash and recyclables using a split truck and split containers (dual collection program) compared to the current trash and recyclables collection system in the City of Columbus. The pilot project was a joint project between the Solid Waste Authority and the City of Columbus and was conducted in five demographically-representative areas with a total of 3,000 households. The pilot study was conducted over a six-month period ending on June 4, 2001. The program achieved an average diversion rate of 36 percent during its duration, a rate that exceeds the diversion of most curbside recycling programs in Franklin County. The Authority and the City are continuing to analyze the results of the study, including the possibility of testing alternative co-collection strategies. However, with the favorable diversion rates achieved, the Authority hopes to implement dual collection program in two Franklin county communities by end of 2001.

The Authority initiated a Commercial Pay-as-You-Throw recycling demonstration project during 2000. The purpose in conducting this project is to determine the costs savings that can be derived from collecting solid waste and recyclables using a split compartment front-load truck. Businesses will be charged based upon the weight of the solid waste collected. During 2001, the Authority will implement the program starting with one apartment complex adding additional business sites to test the cost effectiveness of this approach for different types of businesses.

During 2000 the Authority conducted a waste reduction and recycling audit at the Port Columbus International Airport to provide recommendations to improve waste reduction at the airport. A recycling plan has been completed and is being implemented in 2001.

During 2001 the Authority will continue its efforts to develop programs which improve the cost effectiveness of residential waste recycling and collection systems. To complement the dual collection programs and improve recycling alternatives, the Authority is analyzing the feasibility of developing a Materials Recovery Facility (“MRF”). The Authority is requesting proposals from private entities to determine the best method for construction and operation of a Materials Recovery Facility (“MRF”).

To address the growing need of litter prevention and cleanup, the Authority conducted a “litter summit” in 2000 with representatives of all local political subdivisions within the district. As a result of the summit, the Authority is implementing a new litter enforcement program during 2001. The program will include hiring special-duty police officers for litter enforcement. Citizens will be asked to report littering on a hotline number, new litter signs will be posted in all jurisdictions of the county and advertising will heighten public awareness.

During 2000, the Authority entered into an agreement with the Columbus Zoo and Aquarium to develop the “My House” educational exhibit at the zoo. When completed in 2001, the exhibit, which will be a house constructed of primarily recycled material, will serve as one of the Authority’s educational outreach opportunities and reach up to 1.4 million people each year. The Authority is also working with the Center of Science and Industry (COSI, the area’s nationally acclaimed educational science center) to develop a comprehensive waste reduction and recycling plan for COSI. The project will highlight to COSI’s visitors innovative techniques for waste reduction and recycling as well as the science of waste management.

FINANCIAL INFORMATION

Sources and Uses of Funds

The Authority derives its revenue principally from two sources: (1) tipping fees charged for solid waste disposal and waste transfer services provided at Authority facilities, and (2) fees assessed on solid waste generated within the District and disposed at the Authority landfill or other public or privately-owned landfills located outside of the county. These fees are established pursuant to authorization within the Ohio Revised Code and pursuant to agreements established with private or public landfill owners. In order to ensure statutory and contractual compliance, the Authority maintains two separate subfunds, the Operating Fund and the Program Fund, to segregate revenues and expenses as to the sources and uses of funds. The Operating Fund is further segregated into continuing operations (landfill and transfer stations) and discontinued operations (WTEF and Model Landfill).

Operating Fund-Continuing Operations

The Operating Fund receives all income derived from the operations of the Authority’s landfill and waste transfer facilities including tipping fees, waste transfer fees, investment income and certain other revenues. These revenues are derived primarily from rates and charges established pursuant to Ohio Revised Code Section 343.08. The Operating Fund is used to support the operations of the Authority’s solid waste facilities and, to the extent available, pay the cost of the Authority’s closed facilities.

New Revenue Source

In 1998 the Authority and the City of Columbus agreed to a modification to the WTEF lease (the “Third Modification”) which required the implementation of a new revenue source collected on all waste generated within the District and dedicated to the payment of the lease. Pursuant to the Third Modification, and under authority granted by the Ohio Revised Code, the Authority adopted a rule in 1998, effective April 1, 1999, requiring that all waste generated within the Authority’s jurisdiction be delivered only to an Authority facility, unless a waiver has been granted to another facility or the waste is disposed at a facility outside the State of Ohio (Rule 1-98). The Board of Trustees authorized waivers for any landfill in Ohio provided the landfill executes a waiver agreement with the Authority and agrees to pay a waiver fee as prescribed in the agreement (the “Waiver Fee”). During 1999 and 2000, waiver agreements were in place for all landfills which received District waste during these years.

Also in 1998, the Board of Trustees established a new fee, the Retired Facility Fee, to be assessed at Authority Facilities effective April 1, 1999. Under the Rule 1-98 waiver agreements, the Waiver Fee is set equal to the Retired facility Fee (initially \$7.00 per ton). Taken together, the Retired Facility Fee and the Waiver fee comprise the New Revenue called for in the Third Modification.

Operating Fund-Discontinued Operations

In accordance with the Third Modification, revenues from the New Revenue Source, as well as income derived from the sale or lease of the surplus plant property are used only to pay the lease obligation on the closed Waste-to-Energy Facility. Funds provided by continuing operations and used for closed facilities are shown as internal transfer income within discontinued operations. The segregation of discontinued and continuing operations allows the evaluation of the financial status of the Authority's ongoing operations excluding the effects of the closed Waste-to-Energy Facility and the Model Landfill.

Program Fund

The Program Fund receives the Generation Fee paid on waste generated in Franklin County and disposed of at the Authority's landfill or other public or privately-owned landfills. Generation Fees are authorized by ORC Section 3734.57 and may only be used for eligible purposes prescribed in the Revised Code. These include solid waste recycling, reuse, and reduction programs operated by the Authority in implementation of the Authority's solid waste plan. The Program Fund also includes grant revenues and expenses for grants received from the Ohio Department of Natural Resources.

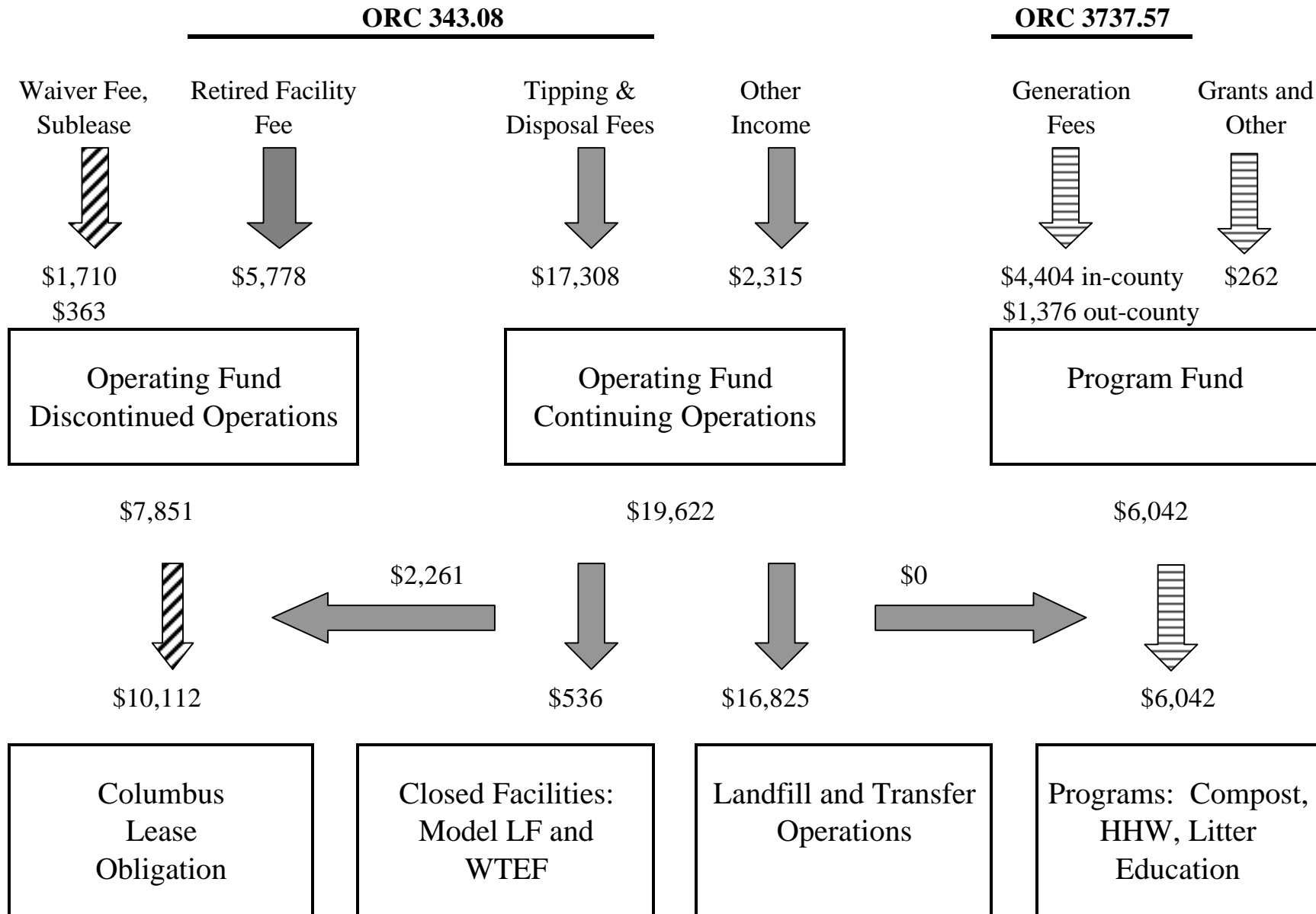
For purposes of the financial statements shown on pages 2-3 through 2-6 the Authority is presented as one enterprise fund and the Operating and Program Funds are combined. The budgetary data shown on pages 1-14 to 1-23 and the supplemental information shown on pages 2-21 through 2-23 provides balance sheet and revenue and expense information at the subfund level.

Exhibit 1-1 is a flow chart illustrating the Authority's major sources and uses of funds as well as the statutory authorization for the Authority's fees.

Waste-to-Energy Facility Lease Obligation

The closure of the Waste-to-Energy (the "WTEF") has had a significant impact on the Authority's financial statements. Even though the facility is closed, the obligation to pay the City of Columbus under the lease agreement remains. As a result of the closure, however, the facility has been reduced in value from \$162 million at the end of 1993 to \$6.3 million at the end of 2000. This is the principal reason for the \$114 million accumulated deficit shown on the Authority's balance sheet at the end of 2000.

Sources and Uses of Funds 2000 (\$000)



With closure of the WTEF, the Authority was unable to pay 100 percent of the original lease obligation to the City and began negotiating with the City to establish a revised lease payment schedule it could meet. From 1994 to 1997, the Authority paid or received credit for a total of \$20.3 million on the lease out of a total amount due of \$52.7 million. Under two modifications to the lease approved in 1996 and 1997, the City agreed to defer the \$32.4 million not paid by the Authority, plus an additional \$2.7 million in accrued interest. Significantly, the City did not declare the Authority in default under the lease for failure to pay the lease obligation when due.

The amounts paid to the City since closure of the plant and prior to 1999 have been paid from surpluses generated from operation of the Authority's landfill, not from income derived from the closed facility. The Authority's ability to generate a profit from the operation of its facilities to pay the lease obligation became increasingly difficult in the highly competitive solid waste market. Additionally, the City's agreement to direct all its waste to Authority facilities combined with the decrease in Authority waste receipts indicated that a growing percentage of lease payments to the City was coming from revenue received from the City itself for solid waste disposal.

In 1998, the Authority and the City reached agreement on a revised lease (the "Third Modification"). Under the terms of the Third Modification (which are explained in more detail in Note 10, page 2-16), the City initially forgave 4.5 percent of the lease obligation with an additional 30.5 percent forgiven if the Authority implemented and sustained a new fee levied on all waste generated within the County (the "New Revenue"). Significantly, it is not necessary for the Authority to generate a surplus at its solid waste facilities to pay the City. Instead, the New Revenue will be used to pay the lease. Additionally, any income from the sublease of the facility will be paid to the City. Finally, any amounts not paid when due by the Authority will be deferred by the City at an annual interest rate of 4.5 percent.

The New Revenue was not in force at the end of 1998, and the Authority recorded a gain in 1998 of \$7.2 million reflecting the 4.5 percent reduction in the lease obligation for the period 1995-2010. Since the modified lease contains a provision for reinstatement of the 30.5 percent reduction if the New Revenue is repealed or removed, the gain associated with the 30.5 percent reduction is to be recognized as it is earned over the remaining life of the lease. With enactment of the New Revenue on April 1, 1999 (see New Revenue Source, page 1-8), the lease obligation was reduced by the additional 30.5 percent for a total reduction of 35 percent for the period January 1, 1995 to December 31, 1999. The Authority recorded a gain of \$27.7 million for fiscal 1999, representing the additional reduction to the lease for the period 1995-1999 and a gain of \$3.7 million for the year 2000. The Authority will recognize gains totaling \$34.7 million for the years 2001 through 2010, representing the additional 30.5 percent reduction in the lease obligation if the new revenues remain in place through the end of the original lease term.

The Authority believes it will be able to meet the terms of the revised lease until the lease is paid in full. The New Revenue is subject to challenge by private haulers or solid waste generators. However, management is not aware of any challenges raised to date.

Model Landfill

During 1998 the Authority awarded a contract to upgrade and maintain the cap and to improve surface water drainage at the closed Model Landfill. These improvements are expected to last a minimum of ten years before significant remediation of the cap would be required again. As part of the process to award the construction contract, the Authority asked for proposals from prospective contractors to incorporate the remediation project into a beneficial end-use for the site. Such proposals were received and the Authority has leased the property to the contractor constructing the improvements, who has developed a public golf course at the site. Management believes that if the golf course is successful, the cost of future remediation, maintenance and monitoring and the related liability would be significantly reduced.

The amounts reported as Model Landfill closure and postclosure care liability in the Authority's financial statements as of December 31, 2000 represent the total estimated remaining cost of the current remediation project plus estimated future remediation, maintenance and monitoring costs. The estimate cost was revised in 1998. The revised estimate was \$13,870,072 less than the amount previously reported and this was reported as an increase in 1998 net income. Among other reasons, the previous estimate was higher than the current estimate because it assumed that the facility would need to be capped with a synthetic liner at a considerably higher cost.

2000 Budget to Actual Comparison

The schedules shown on pages 1-14 to 1-2 compare actual results to the original budget for the fiscal year ending December 31, 2000. In Summary, tipping fee revenues were 25 percent above both the 2000 budget and actual 1999 receipts. Although there have also been increased expenses related to the additional volume of waste, the net effect has been an increase in net income within the Operating Fund (Continuing Operations). Fees collected on total in-county and out-of-county waste disposal reflect an increase in total waste generation of less than one percent compared to the 2000 budget and actual 1999 generation. A change in the budget related to the Model Landfill closure liability has reduced earnings within Discontinued Operations. This has been mitigated somewhat by additional revenues and a reduction in interest expense on the WTEF. Expenses within the Program Fund have been below budget which, when combined with the increase in generation, have lead to a higher fund balance as of the end of the year.

Budget Amendments

Actual expenses in certain accounts exceeded the original budget. These overruns were authorized by budget amendments approved by resolution of the Board of Trustees. Including these budget amendments, Authority spending was within the authorized limits for all budgetary control accounts. Budget amendments approved by the Board during 2000 were as follows:

Year 2000 Budget Amendments Approved by the Board of Trustees

Resolution	Department	Account	Amount of Increase
34-00	Waste-to-Energy Facility	Contracts, services and supplies	\$ 800,000
	Planning & Programs Development	Contracts, services and supplies	148,000
47-00	Waste-to-Energy Facility	Personnel expense	65,000
	Planning & Programs Development	Contracts, services and supplies	1,290,400
	Planning & Programs Development	Internal Charges	40,000
73-00	Sanitary Landfill (volume related)	Contracts, services and supplies	2,350,000
	Planning & Programs Development	Contracts, services and supplies	52,900
	Planning & Programs Development	Capital equipment	17,100

Revenues and other income by Fund and Major Account – Budget and Actual

Total revenues for the Authority during 2000 reached \$37.2 million, \$4.2 million more than the budget estimate. This is primarily due to a 25 percent increase in waste deliveries to Authority facilities resulting in increased tipping fees of \$2,627,000. Other significant revenue increases within the Operating Fund include \$332,000 in waste transfer fees and \$502,000 in investment earnings. Total revenue for Continuing Operations was \$3.2 million more than budget.

As more waste was disposed at the Authority’s facilities there was an increase in in-county waste fees¹ and a corresponding decrease in out-of-county fees.² On a combined basis, in-county and out-of-county fees followed closely to the budget, showing a variance of less than one percent compared to the budget estimate.

2000 Waste Receipts by Location

(in tons)

	Budget	Actual	Variance	Percent of Budget
Solid Waste Authority	707,000	880,867	173,867	24.6%
Out-of-county facilities	441,000	275,152	#####	-37.6%
Total	1,148,000	1,156,019	8,019	0.7%

¹ Retired Facility and in-county Generation Fees.

² Waiver Fees and Generation Fees charged at out-of-county landfills.

Solid Waste Authority of Central Ohio

Revenues and other income by Fund and Major Account - Budget and Actual¹
Year ended December 31, 2000
(in thousands)

Operating Fund - Continuing Operations

	Original		Favorable (unfavorable)	
	2000 Budget	2000 Actual	<u>Variance</u>	
			Amount	Percent
Tipping fees	\$10,695	\$13,322	\$ 2,627	24.6%
Waste transfer fees	3,400	3,732	332	9.8%
Tires & white goods	260	254	(6)	-2.3%
Other	75	267	192	256.0%
Total operating revenue	14,430	17,575	3,145	21.8%
Interest income	1,500	2,002	502	33.5%
Gain on sale of assets	0	45	45	n/a
Total Continuing Operations	15,930	19,622	3,692	23.2%

Operating Fund - Discontinued Operations

Retired Facility Fee	4,560	5,778	1,218	26.7%
Waiver Fee	2,871	1,710	(1,161)	-40.4%
Total New Revenue	7,431	7,488	57	0.8%
Gain on forgiveness of debt	3,722	3,722	0	0.0%
Sublease & misc. income	40	363	323	n/a
Total Discontinued Operations	11,193	11,573	380	3.4%

Program Fund

Generation Fees (in-county)	3,535	4,404	869	24.6%
Generation Fees (out-of-county)	2,205	1,376	(829)	-37.6%
Total Generation Fees	5,740	5,780	40	0.7%
ODNR Grants	100	132	32	32.0%
Waste Transfer Fees	-	73	73	n/a
Other income	25	57	32	128.0%
Total Program Fund	5,865	6,042	177	3.0%
Total Solid Waste Authority	\$ 32,988	\$ 37,237	\$ 4,249	12.9%

¹ Does not include inter-fund transfers.

Expenses by Fund and Major Account – Budget and Actual

Total expenses in the Operating Fund-Continuing Operations were \$17,980,000 compared to the original budget of \$17,050,000. Overtime within the transfer department has been running above budget, reflecting both an increase in waste transfer levels and difficulties experienced in hiring qualified transfer drivers. The resulting vacancies in the table of organization, however, have contributed to an overall savings in salaries, wages and benefits

Expenses have exceeded budget for volume related expenses at the landfill as a result of the increased waste receipts discussed above. These include the landfill site operator contract, \$576,000 over budget, and EPA and township fees, \$293,000 over budget. An additional \$863,000 has been accrued for the landfill cap management fee³. This is an unbudgeted expense because the revenue estimate assumed that waste receipts would not exceed the cap. Another unbudgeted expense related to the landfill cap is the out-of-county disposal contract. This contract began in September as an alternative to the landfill waste limit fee. The Board of Trustees approved a budget amendment to accommodate the additional expenses associated with the increased waste deliveries. The additional expenses were more than offset by the additional revenue received as a result of the increase in waste deliveries.

Within the Program Fund, total expenses were \$444,000 more than the original budget for contracts, services and supplies. The Board of Trustees authorized the additional spending by approving budget amendments for new programs.

Schedules of Revenues, Expenses and Changes in Retained Balance – Budget and Actual

Operating income in the Operating Fund was \$3,327,000, an increase of \$1,072,000 over the budget estimate. After non-operating income and expenses (transfers out for discontinued operations and interest income and expenses), net income in the Operating Fund was \$1,642,000 for the year. This is \$2,762,000 more than the budget estimate, which projected a deficit of \$1,120,000 during 2000. The increase is due to the additional operating income generated by the additional waste receipts combined with a \$1.0 million reduction in the working capital payment to the City of Columbus to reserve funds for the remediation of the retention basis at the WTEF (interfund transfers).

Net income for discontinued operations was \$8,251,000 during 2000. This is \$2,719,000 less than the budget estimate of \$10,970,000. The budget included a \$2,666,000 reduction of the Model Landfill remediation liability, to be recognized upon successful opening of the Phoenix Golf Course. This was based on the expectation that the Authority's future cost of maintaining the Model Landfill cap would be reduced by this amount due to operation of the golf course. The golf course has opened on schedule, and the Authority still expects that future cap maintenance cost will be significantly reduced. However, issues still remain with respect to landfill gas being generated at the site and the Authority is undertaking a project to assess the migration, if any, of landfill gas from the site.

³ The \$6.50 per ton fee for waste in excess of the contractual landfill cap of 650,000 annual tons.

Solid Waste Authority of Central Ohio

**Expenses by Fund and Major Account- Budget and Actual
Year ended December 31, 2000**
(in thousands)

Operating Fund - Continuing Operations

	Original		Favorable (unfavorable)	
	2000 Budget	2000 Actual	<u>Variance</u>	
			Amount	Percent
Salaries, wages and benefits:				
Salaries and wages	\$2,079	\$2,038	\$41	2.0%
Overtime	97	222	(125)	-128.9%
PERS and medicare	496	446	50	10.1%
Health care and other insurance	321	295	26	8.1%
Accrued vacation and other benefits	188	103	85	45.2%
Total salaries, wages and benefits	3,181	3,104	77	2.4%
Contracts, services & supplies:				
Landfill site operator contract	3,850	4,426	(576)	-15.0%
Site operator-waste limit fee	0	863	(863)	n/a
Out-of-County disposal contract	0	330	(330)	n/a
EPA & TWSP fees	1,414	1,707	(293)	-20.7%
Fleet maintenance and fuel	686	778	(92)	-13.4%
Utilities and communication	185	133	52	28.1%
Property, MV and liability insurance	166	172	(6)	-3.6%
Taxes & licenses	148	171	(23)	-15.5%
Outside legal counsel	50	33	17	34.0%
Engineering/environmental monitoring	126	193	(67)	-53.2%
Professional services	133	127	6	4.5%
Building and grounds maintenance	70	49	21	30.0%
Other operating expenses	345	321	24	7.0%
Total contracts, services & supplies ¹	7,173	9,303	(2,130)	-29.7%
Subtotal, Landfill volume related contracts, services and supplies	5,264	7,326	(2,062)	-39.2%

¹ Original 2000 Budget excludes an increase of \$2,350,000 approved by the Board of Trustees for landfill volume-related contracts, services and supplies.

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————— *Solid Waste Authority of Central Ohio* —————

Expenses by Fund and Major Account- Budget and Actual
Year ended December 31, 2000
(in thousands)

Operating Fund - Continuing Operations

* continued from previous page *

	Original 2000 Budget	2000 Actual	Favorable (unfavorable) <u>Variance</u>	
			Amount	Percent
Depletion, depreciation, closure & other:				
Landfill development cost depletion	212	173	39	18.4%
Depreciation	1,166	925	241	20.7%
Landfill closing costs	843	1,078	(235)	-27.9%
Other	0	52	(52)	n/a
Internal charges	(400)	(387)	(13)	3.3%
Total depletion, depreciation, closure and other	1,821	1,841	(20)	-1.1%
 Total operating expenses	 12,175	 14,248	 (2,073)	 -17.0%
 Interfund transfers for discontinued operations:				
WTEF lease payments ²	3,077	2,261	816	26.5%
WTEF layup cost paid	527	0	527	100.0%
Model Landfill closure cost paid	335	536	(201)	-60.0%
Total interfund transfers	3,939	2,797	1,142	29.0%
 Interest expense	 936	 935	 1	 0.1%
Total Continuing Operations	\$ 17,050	\$ 17,980	\$ (930)	-5.5%

————— *Solid Waste Authority of Central Ohio* —————

Expenses by Fund and Major Account- Budget and Actual
Year ended December 31, 2000
(in thousands)

Operating Fund - Discontinued Operations

	Original		Favorable (unfavorable)	
	2000	2000	<u>Variance</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Amount</u>	<u>Percent</u>
Salaries, wages and benefits:				
Salaries and wages	\$ 55	\$ 109	\$ (54)	-98.2%
PERS and medicare	12	22	(10)	-83.3%
Health care and other insurance	2	7	(5)	-250.0%
Accrued vacation and other benefits	11	8	3	27.3%
Terminal leave pay & severance	72	23	49	68.1%
Less paid from accrued expenses	<u>(72)</u>	<u>(24)</u>	<u>(48)</u>	<u>66.7%</u>
 Total salaries, wages and benefits ¹	 80	 145	 (65)	 -81.3%
 Contracts, services & supplies:				
Water and sewer charges	19	24	(5)	-26.3%
Building maintenance expenses	15	16	(1)	-6.7%
Property insurance	42	12	30	71.4%
Asset sale and disposal	300	132	168	56.0%
Less paid from accrued expenses	<u>(286)</u>	<u>(20)</u>	<u>(266)</u>	<u>93.0%</u>
 Total Contracts, services & supplies ²	 90	 164	 (74)	 -82.2%
 Internal charges	 0	 1	 (1)	 n/a
Interest expense	<u>6,658</u>	<u>5,810</u>	<u>848</u>	<u>12.7%</u>
 Total Discontinued Operations	 <u>\$ 6,828</u>	 <u>\$ 6,120</u>	 <u>\$ 708</u>	 <u>10.4%</u>

¹ Original 2000 Budget excludes an increase of \$65,000 approved by the Board of Trustees.

² Original 2000 Budget excludes an \$800,000 increase approved by the Board Trustees.

————— *Solid Waste Authority of Central Ohio* —————

Expenses by Fund and Major Account- Budget and Actual
Year ended December 31, 2000
(in thousands)

Program Fund

	Original	2000 Actual	Favorable (unfavorable)	
	2000 Budget		<u>Variance</u>	
			Amount	Percent
Salaries, wages and benefits:				
Salaries and wages	453	423	\$ 30	6.6%
PERS and medicare	95	77	18	18.9%
Health care benefits	42	37	5	11.9%
Accrued vacation and other benefits	38	15	23	60.5%
	<hr/>	<hr/>	<hr/>	<hr/>
Total salaries, wages and benefits	628	552	76	12.1%
Contracts, services & supplies:				
Yard waste composting	2,073	1,868	205	9.9%
Household hazardous waste program	695	464	231	33.2%
Enforcement	455	457	(2)	-0.4%
School based education	158	136	22	13.9%
Other programs	166	655	(489)	-294.6%
Litter prevention/KFCB	106	49	57	53.8%
re:Art	92	80	12	13.0%
General office expenses	89	115	(26)	-29.2%
Waste reduction programs	47	526	(479)	-1019%
Outside legal counsel	25	0	25	100.0%
	<hr/>	<hr/>	<hr/>	<hr/>
Total contracts, services & supplies ¹	3,906	4,350	(444)	-11.4%
Internal charges ²	400	386	14	3.5%
Depreciation/other	64	34	30	46.9%
	<hr/>	<hr/>	<hr/>	<hr/>
Total Program Fund	<u>\$ 4,998</u>	<u>\$ 5,322</u>	<u>\$ (324)</u>	<u>-6.5%</u>

¹ Original 2000 Budget excludes increases totalling \$1,531,300 approved by the Board of Trustees.

² Original 2000 Budget excludes a \$40,000 increase approved by the Board Trustees.

Solid Waste Authority of Central Ohio

**Schedule of Revenues, Expenses, and Changes in Retained Balance - Budget and Actual
Year ended December 31, 2000**
(in thousands)

Operating Fund - Continuing Operations

	Original		Favorable (unfavorable)	
	2000 Budget	2000 Actual	Variance	
			Amount	Percent
Revenues:				
Tipping and disposal fees	\$10,955	\$13,576	\$2,621	23.9%
Transfer fees	3,400	3,732	332	9.8%
Other	75	267	192	256.0%
	<hr/>		<hr/>	
Operating revenues	14,430	17,575	3,145	21.8%
Expenses:				
Salaries, wages and benefits	3,181	3,104	77	2.4%
Contracts, services and supplies	7,173	9,303	(2,130)	-29.7%
Depreciation, depletion & other	1,378	1,150	228	16.6%
Landfill closing expenses	843	1,078	(235)	-27.9%
Internal charges	(400)	(387)	(13)	3.3%
	<hr/>		<hr/>	
Operating expenses	12,175	14,248	(2,073)	-17.0%
Operating income	2,255	3,327	1,072	47.5%
	<hr/>		<hr/>	
Nonoperating income (expenses):				
Interest expense	(936)	(935)	1	-0.1%
Interest income	1,500	2,002	502	33.5%
Gain on sale of assets	0	45	45	n/a
Interfund transfers	(3,939)	(2,797)	1,142	-29.0%
	<hr/>		<hr/>	
Total nonoperating expenses	(3,375)	(1,685)	1,690	-50.1%
Net income	(1,120)	1,642	2,762	-246.6%
Retained balance, beginning of year	9,223	9,442	219	2.4%
	<hr/>		<hr/>	
Retained balance, end of year	\$8,103	\$11,084	\$2,981	36.8%
	<hr/>		<hr/>	

Solid Waste Authority of Central Ohio

**Schedule of Revenues, Expenses, and Changes in Retained Balance - Budget and Actual
Year ended December 31, 2000**

(in thousands)

Operating Fund - Discontinued Operations

	Original		Favorable (unfavorable)	
	2000 Budget	2000 Actual	Variance Amount	Percent
Revenues:				
Retired Facility and Waiver Fees	\$7,431	\$7,488	\$57	0.8%
Sublease income and other	40	363	323	n/a
Operating revenues	7,471	7,851	380	5.1%
Expenses:				
Salaries, wages and benefits	80	145	(65)	-81.3%
Contracts, services and supplies	90	164	(74)	-82.2%
Reduction of liability	(2,666)	0	(2,666)	100.0%
Interfund transfers	0	1	(1)	n/a
Operating expenses	(2,496)	310	(2,806)	112.4%
Operating income	9,967	7,541	(2,426)	-24.3%
Nonoperating income (expenses):				
Gain on forgiveness of debt	3,722	3,722	0	0.0%
Interest expense	(6,658)	(5,810)	848	-12.7%
Interfund transfers	3,939	2,797	(1,142)	-29.0%
Total nonoperating income	1,003	709	(294)	-29.3%
Net income	10,970	8,251	(2,719)	-24.8%
Retained deficit, beginning of year	(141,361)	(141,154)	207	-0.1%
Retained deficit, end of year	(\$130,391)	(\$132,903)	(\$2,512)	1.9%

Totals may not add due to rounding.

Solid Waste Authority of Central Ohio

**Schedule of Revenues, Expenses, and Changes in Retained Balance - Budget and Actual
Year ended December 31, 2000**
(in thousands)

Program Fund

	Original		Favorable (unfavorable)	
	2000 Budget	2000 Actual	<u>Variance</u> Amount	Percent
Revenues:				
Generation fees	\$ 5,740	\$ 5,780	\$ 40	0.7%
Waste Transfer Fees	0	73	73	n/a
Other	25	57	32	n/a
Operating revenues	<u>5,765</u>	<u>5,910</u>	<u>145</u>	<u>2.5%</u>
Operating Expenses:				
Salaries, wages and benefits	628	552	76	12.1%
Contracts, services and supplies	3,906	4,350	(444)	-11.4%
Depreciation and other	64	34	30	46.9%
Internal charges	400	386	14	3.5%
Operating expenses	<u>4,998</u>	<u>5,322</u>	<u>(324)</u>	<u>-6.5%</u>
Operating income	<u>767</u>	<u>588</u>	<u>(179)</u>	<u>-23%</u>
Nonoperating income:				
Grants	<u>100</u>	<u>132</u>	<u>32</u>	<u>32.0%</u>
Net income	867	720	(147)	-17.0%
Retained balance, beginning of year	<u>6,369</u>	<u>6,797</u>	<u>428</u>	<u>6.7%</u>
Retained balance, end of year	<u>\$ 7,236</u>	<u>\$ 7,517</u>	<u>\$ 281</u>	<u>3.9%</u>

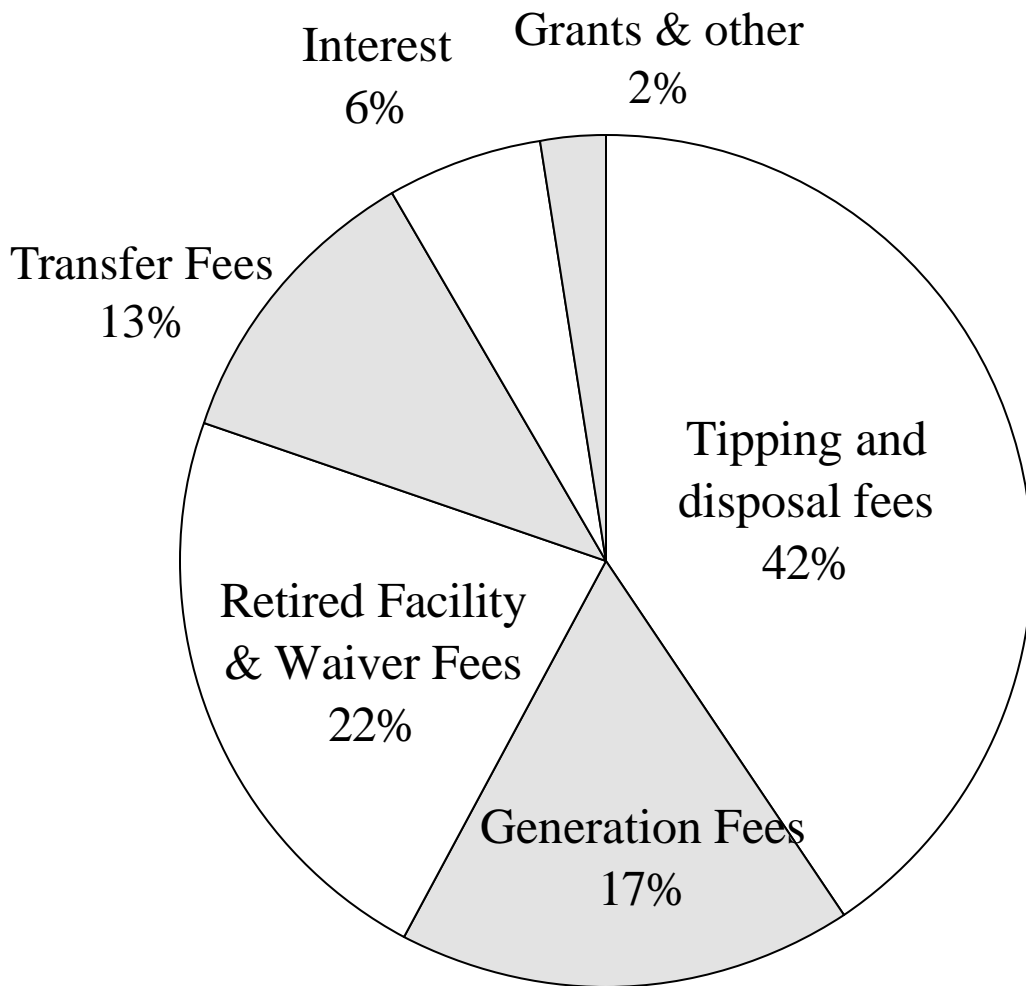
Solid Waste Authority of Central Ohio

**Schedule of Revenues, Expenses, and Changes in Retained Balance - Budget and Actual
Year ended December 31, 2000**
(in thousands)

Operating Fund and Program Funds Combined

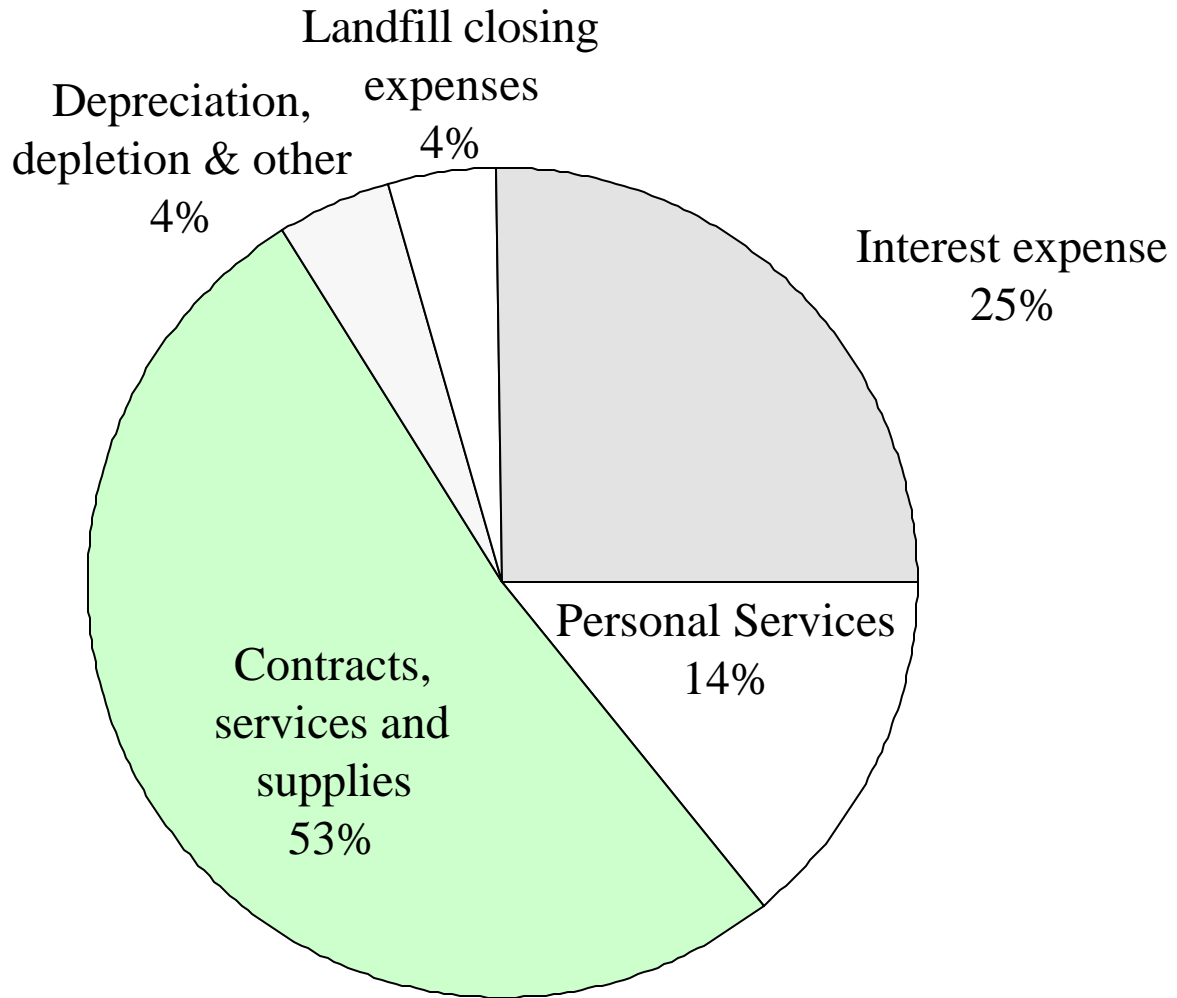
	Original		Favorable (unfavorable)	
	2000 Budget	2000 Actual	<u>Variance</u> Amount	Percent
Revenues:				
Tipping and disposal fees	\$10,955	\$13,576	\$2,621	23.9%
Transfer fees	3,400	3,806	406	11.9%
Retired facility and waiver fees	7,431	7,488	57	0.8%
Generation fees	5,740	5,780	40	0.7%
Other	140	687	547	390.7%
Operating revenues	27,666	31,337	3,671	13.3%
Expenses:				
Salaries, wages and benefits	3,889	3,801	88	2.3%
Contracts, services and supplies	11,169	13,817	(2,648)	-23.7%
Depreciation, depletion & other	1,442	1,184	258	17.9%
Landfill closing expenses	843	1,078	(235)	-27.9%
Reduction of liability	(2,666)	0	2,666	-100.0%
Operating expenses	14,677	19,880	129	0.9%
Operating income	12,989	11,457	(1,532)	-11.8%
Nonoperating income (expenses):				
Gain on forgiveness of debt	3,722	3,722	0	0.0%
Interest expense	(7,594)	(6,745)	849	-11.2%
Interest income	1,500	2,002	502	33.5%
Grants	100	132	32	32.0%
Gain on sale of assets	0	45	45	n/a
Total nonoperating expenses	(2,272)	(844)	1,428	-62.9%
Net income	10,717	10,613	(104)	-1.0%
Retained deficit, beginning of year	(125,769)	(124,915)	854	-0.7%
Retained deficit, end of year	(\$115,052)	(\$114,302)	\$750	-0.7%

2000 Revenues by Source¹



¹ Excludes gains.

2000 Expenses by Category



Internal Control Structure

The Authority relies on segregation of duties as its primary means of ensuring an internal control structure that adequately safeguards the Authority's assets and the reliability of the Authority's financial records. The Authorization of transactions begins with the Board of Trustees. The Board adopts an annual operating and capital improvements budget and Board approval is required on all contracts exceeding \$50,000. Certain contracts of less than \$50,000 may also require Board approval under the Board's procurement policy. Additionally, the Board must approve the disposition of property, the setting of rates and charges, and major policies and rules of the Authority. The Authority's Chief Legal Counsel reviews resolutions of the Board and Authority contracts for compliance with the Board's policies, the Authority's bylaws and the Ohio Revised Code and approves them as to form.

Each department is responsible for authorizing the payment of expenses and determining the account used to record transactions. The Finance Department reviews the transactions for compliance with Board policy, the Ohio Revised Code, and generally accepted accounting principles and disburses funds to pay valid obligations of the Authority. Disbursements in excess of \$10,000 require two signatures. Monthly expense reports are distributed to each department to permit verification of the recorded transactions.

With respect to revenues, each waste-receiving facility records each receipt of waste as a separate transaction, either on a pre-approved credit account or as a cash sale. Credit charges are aggregated and monthly invoices are mailed to Authority customers. Payments on account are directed to the Authority's bank lock-box. Cash receipts are deposited daily and reconciled to the cash sales journal. The Finance Department reconciles the monthly invoices with the sales transactions reported by the individual weigh stations.

The report of the Authority's independent accountants, included in Part 2 of the CAFR, indicates that the accountants "noted no matters involving internal control over financial reporting and its operation that we consider to be material weaknesses."

Budgetary Control

The Board of Trustees adopts an operating and capital improvements budget resolution. Budgetary control is maintained by the Board at the major account (Salaries, wages and benefits; Contracts, services and supplies; Interest expense; etc.) and fund level. The Executive Director is authorized to make transfers between departments within the same fund and major accounts. Board approval is required to transfer between major accounts or to increase the budget within a fund. Budget status reports for 2000 are shown on pages 1-14 through 1-23 of this section.

Budget Principles

The Board of Trustees has identified the following principles for staff to follow in budget development:

- Continued compliance with all state, federal and local environmental, health and safety regulations.
- Continued compliance with HB 592 by reducing reliance on landfills and encouraging reduction, reuse, and recycling.
- Use of the generation fee as a tool for solid waste plan implementation and to encourage recycling and waste minimization.
- Maintenance of a safe working environment for employees and safe public access areas for customers and clients of the Solid Waste Authority.
- Convenience and good service to customers at transfer stations and landfill.
- Fulfillment of lease obligation to the City of Columbus to the greatest extent possible.
- Maintenance of adequate working capital levels with a target of \$3.0 million set by the City of Columbus Third Modification.

Basis of Accounting and Accounting Controls

The Authority prepares financial statements and budgets on the accrual basis of accounting. Accordingly, revenue is recognized when earned and expenses are recorded when incurred. The Authority's budget differs from a cash-basis budget, such as those used by most government entities, in the following ways:

- Depreciation and depletion are included as an expense. These expenses are used to amortize capital outlays and landfill development costs during the periods in which the assets are used instead of during the periods the actual cash outlays occur.
- Capital outlays for (fixed assets and capital improvements) are not shown as an expense but as a use of funds.
- Debt service payments for principal are shown as a use of working capital but not as an expense.
- Expenses for landfill closure are accrued based on estimated costs as landfill capacity is used and shown as a use of funds when payments are made to outside vendors for actual closure costs.

- In place of “Fund Balance” (unencumbered cash) used in cash-basis budgeting, the Authority focuses on working capital (current assets over current liabilities) and changes in working capital.

The Authority maintains an automated financial accounting system on its local area computer network. The system is an integrated Windows-based system and includes general ledger, cash, accounts receivable, accounts payable, and fixed asset modules. A separate Windows-based point-of-sale system is used to record waste receipts and sales. An electronic interface records sales data in the accounting system. Payroll is processed using an outside service provider. Payroll data is manually recorded on the accounting system.

Closure Trust Fund

Upon closure of the expanded landfill, the Authority will be faced with capping the completed landfill and providing for its long-term post-closure care. The Ohio Environmental Protection Agency requires landfill operators to provide assurance that they will be able to meet this financial obligation. Pursuant to this requirement, the Board of Trustees established a Trust Fund in 1993 to provide for the closure of the landfill prior to its expansion. Upon approval of the permit for the expanded landfill, the Authority placed the existing Trust Fund (which was fully funded for the pre-expanded landfill) into a trust fund for the expanded landfill. The balance in the Trust Fund stood at \$13.4 million at the end of 2000.

Debt Management

The Authority’s long-term debt obligations are comprised of the long-term lease obligation with the City (see Waste-to-Energy Facility Lease Obligation, page 1-9) and two separate debt agreements with the County. Upon acquisition of the former County landfill in 1991, the Authority assumed payment of the remaining debt service on the \$1.7 million in general obligation bonds initially issued by the County to construct the landfill. The unpaid principal balance on the issue stood at \$115,000 at the end of 2000.

In 1992, the County issued, on behalf of the Authority, \$10.0 million in general obligation bond anticipation notes to fund the Authority’s capital improvements projects. The notes were renewed on an annual basis beginning in 1993. The County issued \$20.0 million in general obligation bonds in 1997 to permanently finance the notes and to provide an additional \$10.0 million in capital improvements funds for the Authority. The bonds have been secured by granting the County a mortgage on the landfill real property, a security interest in the landfill personal property, and an assignment of rents, permits, and licenses. At the end of 2000, all of the additional borrowing had been spent. The Authority began repaying principal in 1998 and at the end of 2000 the principal balance stood at \$18,295,000.

The Statistical Section, pages 3-29 through 3-31, provides debt service and lease payment schedules for the long-term obligations of the Authority.

Cash Management

With the exception of cash customers of the landfill, all payments of tipping fees and generation fees are directed to the Authority's bank lock-box. In addition to maximizing internal control over these receipts, this also ensures the immediate investment of the Authority's deposits. Authority staff located outside the Finance Department deposit cash sales and certain miscellaneous receipts (such as grant payments). The Finance Department audits these deposits and reconciles them to sales reports and other external documents. The Authority invests interim funds in the State Treasury Asset Reserve of Ohio ("STAR Ohio"). STAR Ohio is a local government investment pool administered by the State Treasurer, which offers professional investment management, safety, liquidity, and attractive interest rates with minimal staffing requirements and low administrative costs for the Authority.

Risk Management

The Authority has engaged a risk management consultant to evaluate the Authority's risk exposure and to obtain insurance coverage when this is deemed advisable. Insurance obtained by the Authority includes property and casualty, public officials liability, general liability and motor vehicle liability insurance. Page 3-32 of the Statistical Section provides a list of insurance coverage carried by the Authority at the end of 2000.

OTHER INFORMATION

Independent Audit

Included in Section 2 of the CAFR, is the report of the Authority's independent accountants, PricewaterhouseCoopers, L.L.P., on the Authority's financial statements for fiscal years 2000 and 1999. PricewaterhouseCoopers has audited the Authority's financial statements since 1993. The Auditor of State audited the Authority's financial statements for the period 1989 to 1992. Section 2 also includes the report of PricewaterhouseCoopers on compliance and internal control.

The Notes to Financial Statements beginning on page 2-7 are an integral part of the statements. The reader is encouraged to read them thoroughly.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Solid Waste Authority of Central Ohio for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 1999. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial reporting.

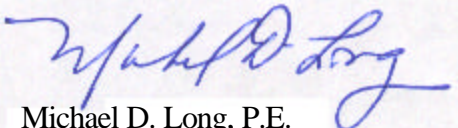
In order to be awarded a certificate of achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Authority has received the Certificate of Achievement for each of the fiscal years 1997 through 1999. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgements

The Executive Director wishes to thank the employees of the Authority for their dedication and hard work. On behalf of the citizens and staff of the Authority, the Executive Director also acknowledges the support and efforts of the Board of Trustees. These Board members, who serve without compensation, have provided valuable expertise and guidance to the Authority and staff, as well as a significant time commitment, helping the Authority to achieve its goals.

Sincerely,



Michael D. Long, P.E.
Executive Director



G. Paul Koehler, CPA
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Solid Waste Authority of Central Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 1999

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Anne Spray Kinney
President

Jeffrey L. Esser
Executive Director

Principal Officials

Board of Trustees

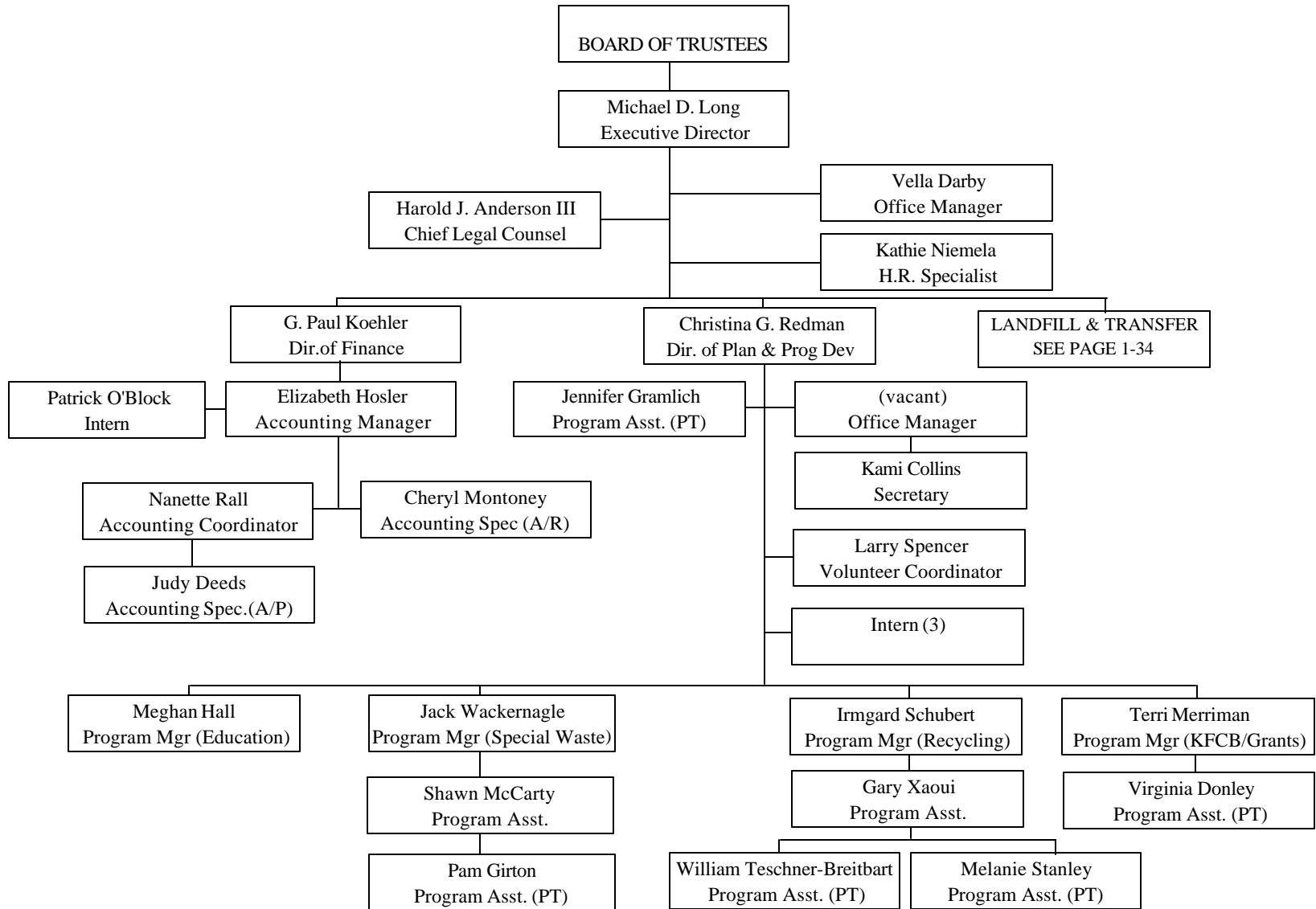
Ronald J. Mills, Chairman
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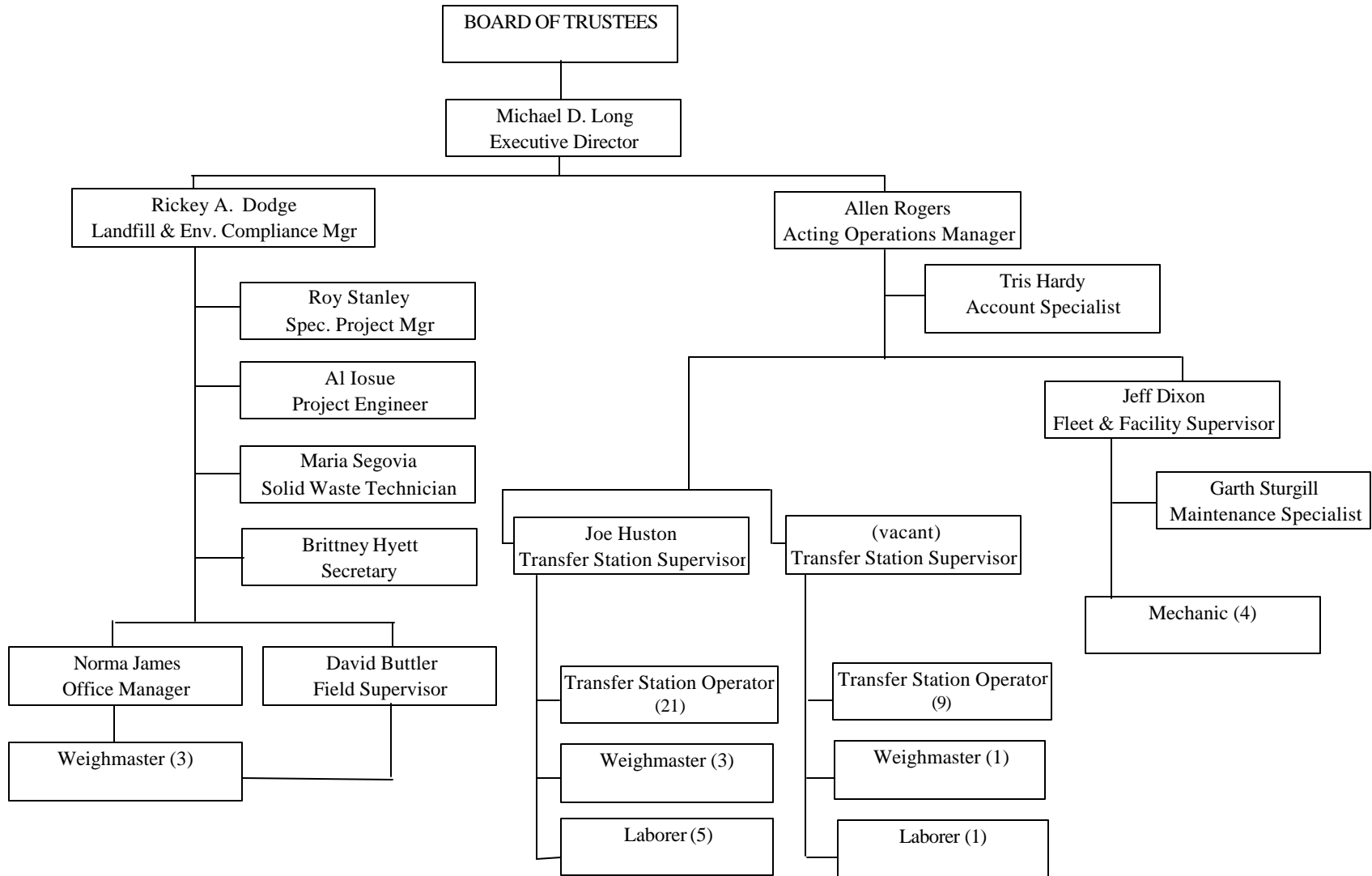
Staff

Michael D. Long, Executive Director
G. Paul Koehler, Director of Finance
Harold J. Anderson III, Chief Legal Counsel
Christina G. Redman, Director of Planning and Program Development
Rickey A. Dodge, Landfill & Environmental Compliance Manager
Allen Rogers, Acting Operations Manager
Elizabeth Hosler, Accounting Manager

Table of Organization
December 31, 2000



Landfill and Transfer Operations
December 31, 2000



FINANCIAL SECTION

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Report of Independent Accountants

The Board of Trustees
Solid Waste Authority of Central Ohio

In our opinion, the accompanying general-purpose financial statements present fairly, in all material respects, the financial position of the Solid Waste Authority of Central Ohio (the Authority) at December 31, 2000 and 1999 and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America. These general-purpose financial statements are the responsibility of the Authority's management; our responsibility is to express an opinion on these general-purpose financial statements based on our audits. We conducted our audits of these statements 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, which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental combining information included on pages 2-21 through 2-23 accompanying the financial statements are not necessary for fair presentation of the financial position, results of operations and cash flows of the Authority in conformity with accounting principles generally accepted in the United States of America. The supplemental schedules are presented only for purposes of additional analysis and are not a required part of the financial statements. Such schedules have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the financial statements taken as whole. We did not audit the introductory and statistical information listed in the table of contents and accordingly, we do not express an opinion on them.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2001 on our consideration of the Authority internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants for the year ended December 31, 2000. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

PriceWaterhouseCoopers LLP

May 24, 2001

Solid Waste Authority of Central Ohio
Balance Sheets
As of December 31, 2000 and 1999

	2000	1999
Assets		
Current assets:		
Cash and cash equivalents (Note 3)	\$ 19,134,166	\$ 17,040,011
Accounts receivable (net of allowance for bad debts of \$0 and \$3,127 respectively)	2,142,565	2,039,780
Other assets	<u>157,197</u>	<u>133,940</u>
Total current assets	<u>21,433,928</u>	<u>19,213,731</u>
Noncurrent assets:		
Cash held in escrow (Note 3)	40,538	66,607
Cash held for underground storage tank fund	66,000	55,000
Restricted cash (Note 3)	-	3,241,694
Notes receivable (net of allowance for bad debts of \$408,000 and \$408,000, respectively)	-	-
Closure/postclosure funds held by trustee:		
Investments (Note 4)	13,378,377	11,750,173
Landfill (net of accumulated depletion and depreciation of \$11,104,831 and \$11,173,569 respectively)	10,400,540	7,559,406
Property, plant and equipment (net of accumulated depreciation of \$4,546,739 and \$3,946,770 respectively)	7,819,673	7,360,559
Idle plant facilities (Note 9)	6,338,372	6,381,572
Other assets	<u>67,440</u>	<u>96,610</u>
Total noncurrent assets	<u>38,110,940</u>	<u>36,511,621</u>
Total assets	<u>\$ 59,544,868</u>	<u>\$ 55,725,352</u>

Continued

The accompanying notes are an integral part of these general purpose financial statements.

Solid Waste Authority of Central Ohio
Balance Sheets
As of December 31, 2000 and 1999

	2000	1999
Liabilities and Retained Deficit		
Current liabilities:		
Accounts payable	\$ 3,368,499	\$ 2,019,600
Accrued wages and benefits	674,901	625,221
Accrued interest	596,256	4,729,800
Current maturities of bonds payable (Notes 7 and 8)	790,000	755,000
Accrued plant closing expenses (Note 9)	291,679	336,686
Capital lease obligation (Note 10)	50,631,661	42,672,754
Postclosure liability--Model Landfill (Note 11)	250,000	156,166
Other	9,999	115,348
	<u>56,612,995</u>	<u>51,410,575</u>
Total current liabilities		
Noncurrent liabilities:		
Landfill purchase contract payable (Note 7)	-	115,000
Bonds payable (Note 8)	17,505,000	18,180,000
Capital lease obligation (Note 10)	85,921,350	97,602,273
Postclosure liability--Model Landfill (Note 11)	2,325,211	2,954,899
Closure and postclosure liability--Sanitary Landfill (Note 11)	11,391,173	10,313,504
Other payables	90,775	63,346
	<u>117,233,509</u>	<u>129,229,022</u>
Total noncurrent liabilities		
Total liabilities	173,846,504	180,639,597
Retained deficit	<u>(114,301,636)</u>	<u>(124,914,245)</u>
Total liabilities and retained deficit	<u>\$ 59,544,868</u>	<u>\$ 55,725,352</u>

The accompanying notes are an integral part of these general purpose financial statements.

Solid Waste Authority of Central Ohio
Statements of Revenues, Expenses and Changes in Retained Deficit
As of December 31, 2000 and 1999

	2000	1999
Revenues:		
Tipping and disposal fees	\$ 13,576,170	\$ 11,238,156
Waste transfer fees	3,805,732	3,471,442
Retired facility and waiver fees	7,488,116	5,149,331
Generation fees	5,780,094	5,734,921
Other	<u>686,864</u>	<u>244,826</u>
Operating revenues	<u>31,336,976</u>	<u>25,838,676</u>
Expenses:		
Salaries, wages and benefits	3,800,953	3,617,688
Contract, services and supplies	13,817,560	9,368,891
Depreciation and depletion	1,131,796	1,120,694
Landfill closing costs	1,077,669	707,400
Other	<u>52,510</u>	<u>4,542</u>
Operating expenses	<u>19,880,488</u>	<u>14,819,215</u>
Operating income	<u>11,456,488</u>	<u>11,019,461</u>
Nonoperating income (expenses):		
Gain on forgiveness of debt (Note 10)	3,722,017	27,725,490
Interest expense	(6,744,684)	(6,862,992)
Interest income	2,001,593	1,527,892
Grants	131,724	255,739
Gain on sale of assets	<u>45,471</u>	<u>10,050</u>
Total nonoperating income (expenses)	<u>(843,879)</u>	<u>22,656,179</u>
Net income	10,612,609	33,675,640
Retained deficit, beginning of year	<u>(124,914,245)</u>	<u>(158,589,885)</u>
Retained deficit, end of year	<u>\$(114,301,636)</u>	<u>\$(124,914,245)</u>

The accompanying notes are an integral part of these general purpose financial statements.

Solid Waste Authority of Central Ohio
Statements of Cash Flows
As of December 31, 2000 and 1999

	2000	1999
Cash flows from operating activities:		
Operating income	\$ 11,456,488	\$ 11,019,461
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and depletion	1,131,796	1,120,694
Decrease (increase) in allowance for bad debts	(3,127)	3,573
Decrease in accounts and notes receivable	(90,831)	(185,458)
Increase in accounts payable	1,329,596	274,535
Increase (decrease) in accrued wages and benefits	49,680	(18,846)
Decrease in accrued plant closing expenses	(45,007)	(372,921)
Increase in closure and postclosure liability - Sanitary Landfill	1,077,669	707,400
Decrease in postclosure liability - Model Landfill	(156,166)	(1,451,729)
Decrease (increase) in other assets	29,618	(83,553)
Net cash provided by operating activities:	<u>14,779,716</u>	<u>11,013,156</u>
Cash flows from noncapital financing activities:		
Grants	<u>131,724</u>	<u>255,739</u>
Net cash provided by noncapital financing activities	<u>131,724</u>	<u>255,739</u>
Cash flows from investing activities:		
Interest received	2,135,173	1,451,734
Increase in investments	<u>(1,760,792)</u>	<u>(1,343,077)</u>
Net cash provided by investing activities	<u>374,381</u>	<u>108,657</u>
Cash flows from capital and related financing activities:		
Landfill, property, plant and equipment additions	(4,988,087)	(1,319,559)
Proceeds from landfill, property, plant and equipment disposals	205,578	61,806
Principal paid on landfill purchase contract payable	(115,000)	(115,000)
Principal paid on bond payable	(640,000)	(605,000)
Increase in other payables	(78,282)	111,224
Interest paid	<u>(10,832,638)</u>	<u>(7,710,994)</u>
Net cash (used in) provided by capital and related financing activities	<u>(16,448,429)</u>	<u>(9,577,523)</u>
Net increase (decrease) in cash	(1,162,608)	1,800,029
Cash and cash equivalents, beginning of year	<u>20,403,312</u>	<u>18,603,283</u>
Cash and cash equivalents, end of year	<u>\$ 19,240,704</u>	<u>\$ 20,403,312</u>

Noncash capital and related financing activities

Reduction in capital lease obligation of \$3,722,017 in 2000 and \$27,725,490 in 1999 related to the modification of the lease described in Note 10.

Reduction in capital lease obligation of \$43,200 in 2000 related to a modification of the lease.

Exchange of property in 2000 for a \$379,688 reduction of postclosure liability - Model Landfill.

The accompanying notes are an integral part of these general purpose financial statements.

Solid Waste Authority of Central Ohio
Notes to Financial Statements
As of December 31, 2000 and 1999

1. Organization

In response to House Bill 592 of the 117th General Assembly, the Solid Waste Authority of Central Ohio (the "Authority") was established in 1989 to develop and implement a comprehensive solid waste management plan for the Franklin County Solid Waste Management District (the "District," principally Franklin County, but also including parts of five adjacent counties). The Authority is governed by a nine-member Board of Trustees appointed pursuant to statute. The Board consists of two members appointed by the Franklin County Board of County Commissioners (the "County"), two members appointed by the City of Columbus (the "City"), and additional members representing the County Board of Health, townships within the Authority, waste generators and the general public. As a governmental authority, the Authority is exempt from federal, state and local taxes. The Authority operates autonomously from the County and City, and the County and City have no financial responsibility for the operations of the Authority.

The Authority operates a sanitary landfill (the "Sanitary Landfill") and three solid waste transfer facilities supported by tipping fees charged for solid waste disposal and transfer services at these facilities. The Authority also operates programs to reduce the generation and disposal of solid waste within the Authority's jurisdiction. These programs include public education and awareness, yard waste composting and other waste-reduction activities supported by a five-dollar-per-ton waste generation fee levied on all solid waste generated within the District.

In May 1998, the Authority received a permit from the Ohio Environmental Protection Agency to expand the Sanitary Landfill. The expansion had been included in the Authority's solid waste plan. Management expects to operate the expanded landfill for a minimum of 20 years. The landfill is the former Franklin County Sanitary Landfill, purchased from the County in 1991.

In 1993, the Authority leased a 90-megawatt solid waste resource recovery facility (the Waste-to-Energy Facility or "WTEF") and three related waste transfer facilities from the City (see Note 9). Solid waste was incinerated at the WTEF with ash and additional raw solid waste disposed at the Sanitary Landfill. Operations were supported by tipping fees for solid waste disposal and from the sale of electricity generated by the WTEF from solid waste incineration. The WTEF was closed in November 1994 due to the Authority's inability to generate revenues sufficient to operate the facility. The Authority continues to operate two of the three waste transfer facilities and has converted a portion of the closed WTEF into an additional transfer facility.

As part of the purchase of the currently operating landfill, the Authority also acquired Model Landfill, the County's closed former landfill. The Model Landfill has been closed since 1985, and the Authority assumed ongoing monitoring and closure requirements for the landfill when it was transferred from the County.

Solid Waste Authority of Central Ohio
Notes to Financial Statements
As of December 31, 2000 and 1999

2. Summary of Significant Accounting Policies

Basis of presentation. The Authority is presented as one enterprise fund for external reporting purposes, and the accompanying financial statements include all subfunds, activities, and functions of the Authority. The individual subfunds, activities, and functions of the Authority are not deemed to be legally separate organizations requiring discrete presentation in separate columns. In accordance with Governmental Accounting Standards Board (the "GASB") Statement No. 14, *The Financial Reporting Entity*, the individual subfunds do not have separate financial accountability warranting inclusion as separate component units of the reporting entity.

Measurement focus and basis of accounting. The Authority's funds are accounted for on a flow of economic resources measurement focus, and the financial statements have been prepared on the accrual basis of accounting. Accordingly, revenue is recognized when earned, and expenses are recorded when incurred.

Supplemental schedules. Although the Authority's financial statements are presented as one enterprise fund, the Authority maintains two distinct subfunds to segregate revenues and expenses based on statutory or contractual restrictions as to the uses of the funds. The two subfunds, the Operating Fund and the Program Fund, are shown in the supplemental schedules included on pages 2-21 to 2-23. Within the Operating Fund, continuing operations are shown separate from discontinued operations (Model Landfill and the WTEF).

The Operating Fund receives all income derived from the operations of the Authority's landfill and waste transfer facilities including tipping fees, waste transfer fees, and certain other revenues. Revenues are used to support the operations of the Authority's solid waste facilities and to pay certain costs of discontinued operations of the Authority. Within the Operating Fund, discontinued operations receive revenue dedicated to the payment of WTEF lease obligation (Note 10). Interfund transfers shown in the supplemental schedule, under nonoperating expenses, are comprised of \$2,261,497 of capital lease payments for the WTEF and \$535,854 of closure costs for the Model Landfill.

The Program Fund receives generation fees paid on waste generated in Franklin County and disposed of at the Authority's landfill or out-of-county landfills. Revenues are used only to support solid waste recycling, reuse, and reduction programs operated by the Authority in implementation of the Authority's solid waste plan. The Program Fund also includes grant revenues and expenses for grants received from the Ohio Department of Natural Resources.

Interfund transfers shown in the supplemental schedule, under operating expenses, are comprised of charges to the Program Fund for administrative and operational support.

Cash and cash equivalents. The Authority considers all highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents.

Investments. The Authority follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, which requires the accounting for investments at fair value and that all investment income, including changes in the fair value of investments, should be reported as revenue in the operating statement. Investments at December 31, 2000 and 1999 were valued at quoted market prices.

Solid Waste Authority of Central Ohio
Notes to Financial Statements
As of December 31, 2000 and 1999

Property and equipment. The Authority records asset acquisitions at cost and provides for depreciation in amounts adequate to amortize cost over the estimated useful lives of the assets using a straight-line method for financial reporting purposes, except for its landfill, which is depleted using a units-of-production method.

Maintenance, repairs and minor renewals are charged to expense as incurred, while major renewals and betterments are capitalized. The cost and related accumulated depreciation of assets sold or otherwise disposed of are removed from the related accounts, and resulting gains or losses are reflected in income.

Vacation and sick leave. A liability for vacation and sick leave is included in accrued wages and benefits. In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, this liability includes accumulated vacation time and vested sick leave computed using employee wage rates in effect at December 31.

Application of financial accounting standards board ("FASB") statements and interpretations. In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Authority is required to apply FASB statements and interpretations issued on or before November 30, 1989, and has elected not to apply those issued after that date.

Reclassifications. Certain prior-year amounts have been reclassified to conform to the current-year financial statement presentation.

New accounting pronouncements. In December 1998, the GASB issued GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. This statement establishes accounting and reporting standards for nonexchange transactions involving financial or capital resources. The effective date of this statement is for periods beginning after June 15, 2000. In July 1999, the GASB issued GASB No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Government*. The effective date of the statement is for periods beginning after June 15, 2002. Management does not expect the impact of these pronouncements on the Authority's financial statements to be material.

Use of estimates. The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) 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 the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Solid Waste Authority of Central Ohio
Notes to Financial Statements
As of December 31, 2000 and 1999

3. Cash and Cash Equivalents

In accordance with the Ohio Revised Code and the investment policy adopted by the Authority, the Authority is authorized to invest in (1) bonds, notes, or other obligations of, or guaranteed by, the United States, or those for which the faith of the United States is pledged for the payment of principal and interest; (2) bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality; (3) certificates of deposit purchased from qualified banks and savings and loans; (4) bond and other obligations of the State of Ohio; (5) no-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and (6) the State Treasury Asset Reserve of Ohio (STAR Ohio, managed by the Treasurer of the State of Ohio).

Deposits. At December 31, 2000 and 1999, the carrying amount of the Authority's deposits was \$2,147,552 and \$508,098, respectively, while the bank balance was \$3,319,205 and \$1,314,839, respectively. Up to \$100,000 of these balances were insured by the Federal Depository Insurance Corporation, and remaining amounts were collateralized by collateral pools held by the financial institution and not in the name of the Authority.

Cash with STAR Ohio. At December 31, 2000 and 1999, the Authority had \$17,031,855 and \$16,440,502, respectively, invested with STAR Ohio. STAR Ohio is a highly liquid investment pool managed by the State Treasurer's Office with participation restricted to subdivisions of the State of Ohio. STAR Ohio is restricted to investing in securities authorized under Ohio Revised Code Section 135.143. STAR Ohio is not registered with the Securities Exchange Commission as an investment company, but does operate in a manner generally consistent with Rule 2a-7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is equal to the Authority's pro rata share of the fair value per share.

Restricted cash. On December 31, 1999, the Authority had \$3,241,694 in an interest-bearing demand deposit account in STAR Ohio. These funds were the unused proceeds from the general obligation bonds issued in March 1997 and restricted for the purpose of funding capital improvement projects of the Authority. There were no unused proceeds as of December 31, 2000.

Cash held in escrow. On March 15, 1995, the Authority entered into an escrow agreement with Fifth Third Bank. The escrow account was established to hold on deposit severance benefits for those employees selected to participate in the closure of the WTEF. At December 31, 2000 and 1999, the escrow account held a cash balance of \$40,538 and \$66,607, respectively. Up to \$100,000 of these balances was insured by the Federal Depository Insurance Corporation.

Solid Waste Authority of Central Ohio
Notes to Financial Statements
As of December 31, 2000 and 1999

4. Closure/Postclosure Funds Held by Trustee

In 1995, the Authority established a trust fund with Firststar Bank (formerly Star Bank) for the benefit of the Ohio Environmental Protection Agency (the "OEPA"), investing in cash equivalents and investments. The OEPA has certain rules applicable to the Authority, requiring that the owner or operator of a solid waste facility provide assurance that funds will be available when needed for final closure, postclosure care, and/or corrective measures of the facility. The amounts to be funded are determined by the closure and postclosure costs required to be funded divided by the pay-in period (remaining airspace divided by maximum annual receipts). The Authority is scheduled to have 100% of the estimated closure costs funded when the Sanitary Landfill stops accepting waste. The fund is restricted by the Director of the OEPA, and the Authority invests in those securities authorized by the Ohio Revised Code (see Note 3).

All amounts earned by the investments are reinvested in the fund and carried at fair value. Fair values generally represented quoted market value prices for investments traded in the market place. The Authority's investments are categorized to give an indication of risk assumed by the Authority as follows:

- The investments are assigned a risk category of one. Category one includes insured or registered, or securities held by the Authority or its agent in the Authority's name.

At December 31, 2000 the cost of investments in the fund was \$13,378,377, the approximate fair value of the investments. At December 31, 1999 the cost of investments in the fund was \$11,617,584 and the fair value was \$11,750,173. The Authority recorded \$132,589 in accrued interest at December 31, 1999, which represents the difference between fair value and cost as of that date. At December 31, 2000 the fund was invested in STAR Ohio (see Note 3). At December 31, 1999 investments consisted of government agency securities. Investment income, net of expenses, was \$780,203 and \$556,778 in 2000 and 1999, respectively.

5. Landfill and Property, Plant, and Equipment

Landfill and property, plant, and equipment are stated at cost and updated for the cost of additions and retirements during the year. As discussed in Note 11, the Authority received from the OEPA a permit for expansion of its currently operating Sanitary Landfill. Acquisition, engineering, legal and other direct costs associated with the permitting and development of this expansion are capitalized, and are being depleted based on usage of permitted capacity. The depletion of the landfill is assigned to fiscal years based on cubic yards of solid waste disposed and placed in the landfill during the year as a percentage of estimated capacity.

Depreciation has been provided on a straight-line basis over the following estimated useful lives:

Description	Estimated Life (Years)
Machinery, equipment, furniture and fixtures	5-10
Buildings and improvements	10-20

Solid Waste Authority of Central Ohio
Notes to Financial Statements
As of December 31, 2000 and 1999

A summary of property, plant and equipment at December 31, 2000 and 1999 is as follows:

	2000	1999
Transfer station assets	\$ 6,409,909	\$ 6,065,569
Motor vehicles and other equipment	4,495,757	3,739,629
Buildings and improvements	<u>1,460,746</u>	<u>1,502,131</u>
Total property plant and equipment	12,366,412	11,307,329
Accumulated depreciation	<u>(4,546,739)</u>	<u>(3,946,770)</u>
Property, plant and equipment at cost	<u>\$ 7,819,673</u>	<u>\$ 7,360,559</u>

6. Retirement Commitments

Plan description. The Authority contributes to the Public Employees Retirement System of Ohio (“PERS”), a cost-sharing multiple-employer defined benefit pension plan administered by the State. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute (Chapter 145 of the Ohio Revised Code). The PERS issues a stand-alone financial report that includes financial statements and required supplementary information. Interested parties may obtain a copy by making written requests to PERS at 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or (800) 222-7377.

Funding policy. The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5% for employees other than law enforcement. The employer contribution rate for local government employer units for the year ending December 31, 1999 was 13.55% of covered payroll. In 2000 the PERS instituted a temporary rollback of the employer contribution rate to 10.84% of covered payroll.

The Authority’s contribution to PERS, representing 100% of employer contributions, and amounts paid by employees or by the Authority on behalf of employees have been as follows for the years ended December 31, 2000, 1999 and 1998:

	<u>Employee share paid by employees</u>	<u>Employee share paid by Authority</u>	<u>Employer share paid by Authority</u>	<u>Total paid by Authority</u>
2000	\$ 9,004	\$ 223,327	\$ 287,219	\$ 510,546
1999	8,495	214,982	356,250	571,232
1998	7,704	226,489	373,331	599,819

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Other Postemployment benefits. The PERS provides postretirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is also available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (“OPEB”) as described in GASB Statement No. 12, *Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Government Employers*.

- A. A portion of each employer’s contribution to PERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The employer contribution rate was rolled back for the year 2000. For local government employers the rate was 10.84% of covered payroll; 4.30% was the portion that was used to fund health care for the year.
- B. The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to PERS.
- C. Summary of Assumptions:

Actuarial Review. The assumptions and calculations below were based on the System’s latest Actuarial Review performed as of December 31, 1999.

Funding Method. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfounded actuarial accrued liability.

Assets Valuation Method. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets.

Investment Return. The Investment assumption rate for 1999 was 7.75%.

Active Employee Total Payroll. An annual increase of 4.75% compounded annually is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.75% base increase, were assumed to range from 0.54% to 5.1%.

Health Care. Health care costs were assumed to increase 4.75% annually.

- D. OPEB’s are advance-funded on an actuarially determined basis. The following disclosures are required:
 - 1. The number of active contributing participants was 401,339.
 - 2. The portion of the Authority’s 2000 employer contributions that was used to fund OPEB was \$113,940, which is equal to the annual required contribution.

Solid Waste Authority of Central Ohio
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3. \$10,805 million represents the actuarial value of the retirement system's net assets available for OPEB at December 31, 1999.
 4. The actuarially accrued liability and the unfunded actuarial liability, based on the actuarial cost method used, were \$12,474 million and \$1,668 million, respectively.
- E. The Retirement Board initiated significant policy changes during 2000.

The Retirement Board enacted a temporary employer contribution rate rollback for calendar year 2000. The decision to rollback rates was based on the December 31, 1998 actuarial study, which indicated that actuarial assets exceeded actuarial liabilities. The temporary rate rollback was 20% for both the state and local government divisions and 6% for law enforcement divisions. The Board reallocated employer contributions from 4.20% to 4.30% at the beginning of the year to improve health care financing. The proportion of contributions dedicated to funding OPEB increased during the year for those reasons.

7. Landfill Purchase Contract Payable

As discussed in Note 1, the Authority purchased the former Franklin County Sanitary Landfill from Franklin County in 1991. In acquiring the landfill, the Authority agreed to pay the balance of the County's general obligation bond indebtedness on the landfill. The obligation to pay the County is a contractual obligation of the Authority, but the underlying bonds remain general obligations of the County backed by the County's full faith and credit. The general obligation bonds mature on September 1, 2001 and accrue interest at a rate of 6.5%. During 2001 the Authority will pay \$115,000 in principal and \$7,475 in interest on the obligation.

8. Bonds Payable

In March 1997, the Authority entered into a repayment agreement with the Franklin County Board of Commissioners, whereby the County issued \$20 million in general obligation bonds on behalf of the Authority. The proceeds of the bonds were used to fund the Authority's capital improvements program, including land acquisition and engineering for development of the expanded landfill, and other improvements to the landfill and transfer stations. To collateralize repayment, the Authority granted to the County a mortgage in the landfill real property, a security interest in the personal property associated with the landfill, and an assignment of rents, permits and licenses.

The general obligation bonds mature on various dates with a final maturity on December 1, 2017. Interest accrues at fixed rates ranging from 4.3% to 5.50% and payable semiannually on June 1 and December 1. In addition, the Authority has accrued a payable at December 31, 2000 and 1999, of \$90,775 and \$63,346, respectively, which represents the difference between the interest rate that the Authority is paying on the bonds (as defined under Internal Revenue Service regulations) and the earnings rate that the Authority received from investing the bonds proceeds.

Future payments of the general obligation bonds are as follows:

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<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2001	\$ 675,000	\$ 890,635	5.0%
2002	710,000	856,885	5.0%
2003	750,000	821,385	4.5%
2004	790,000	787,635	4.3%
2005	835,000	753,665	5.5%
2006-2010	4,915,000	3,055,840	4.7-5.5%
2011-2017	9,505,000	1,975,980	4.75-5.0%
	<u>\$ 18,180,000</u>	<u>\$ 9,142,025</u>	

9. Waste-to-Energy Facility

On April 1, 1993, the City of Columbus leased its solid waste resource recovery plant, named the Waste-to-Energy Facility, and related waste transfer stations to the Authority. The Authority is required to make lease payments to the City in amounts equal to the debt service requirements on general obligation and revenue bonds the City issued for WTEF construction. The Authority recorded an asset and capital lease obligation liability for the WTEF. The assets acquired were recorded at an estimated market value equal to the liabilities assumed.

On November 1, 1994, the Authority authorized the closure of the WTEF as a solid waste incinerator due to the Authority's inability to control the flow of solid waste within its jurisdiction and consequently raise the necessary revenues to meet the cost of managing, operating and leasing the WTEF from the City. Management determined that the Authority would be unable to recover the carrying value of the WTEF at the date of closure and the WTEF was written down to \$36,594,000, and a loss of \$126,248,335 was recognized.

Since closure, management, in conjunction with the City of Columbus, has solicited proposals for either the sale or lease of WTEF for purposes other than waste disposal. Based upon the estimated fair value determined by discounting the expected cash flows of lease proposals received in 1996, management determined that the Authority would be unable to recover the carrying value of the WTEF as estimated in 1994. Consequently, in 1997 management further reduced the carrying value of the WTEF to an estimated fair value of \$6,500,000 and a loss of \$30,034,000 was recognized. Management continues to negotiate sale or lease of the facility. Any plan authorized by the Authority is subject to approval by the City as owner of the facility.

During 1994, the Authority expensed \$3,220,042 representing the estimated costs to close the WTEF. For the year ended December 31, 1998, the Authority recognized additional expenses of \$250,000 related to the remediation activities discussed in the next paragraph. Of these estimated costs \$3,178,363 and \$3,133,356 have been paid through 2000 and 1999, leaving a liability of \$291,679 and \$336,686 at December 31, 2000 and 1999, respectively.

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In November 1998, the Authority and the City of Columbus were notified by the OEPA, based upon a one-time sampling event, that remediation activities must be carried out on a retention basin located at the facility. The Authority and City, prior to any communication with OEPA, had begun the process to remediate any contaminates which may exist in the retention basin including the constituent of OEPA's concern. During 2000 the Authority and the City awarded a \$2,339,000 contract for remediation of the basin. The Authority's share of the cost of the project will be approximately \$195,000 with the City responsible for the balance.

10. Capital Lease Obligation

As described in Note 9, the Authority is required to make lease payments to the City in amounts equal to the debt service requirements on general obligation and revenue bonds the City issued to construct the WTEF. In March 2001 the City issued fixed-rate general obligation bonds to refund the revenue bonds, which were subject to a monthly-adjustable rate of interest. The interest cost on the refunding bonds is less than the estimated interest cost on the revenue bonds as stated on December 31, 1999. The following is a schedule of the required minimum lease payments reflecting the refunding issue, and the modification to the lease described below:

<u>Year Ending December 31,</u>	
2001	\$ 55,813,521
2002	16,168,780
2003	15,801,671
2004	15,047,951
2005	14,476,401
Later years	<u>43,175,129</u>
Total minimum lease payments	160,483,453
Less: Amount representing interest	<u>23,930,442</u>
Present value of minimum lease payments	<u>\$ 136,553,011</u>

With the closure of the facility in 1994, the Authority was no longer able to meet 100% of its lease obligation to the City. The Authority began negotiating with the City to modify the lease agreement, including the determination of a revised lease payment schedule agreeable to both parties. Two interim agreements were negotiated with the City, which included revised terms through the end of 1997. During 1998, the Authority and the City reached agreement on a modification to the lease (the "Third Modification"), which is applicable until the lease is paid in full. Basic elements of the Third Modification are:

1. Implementation of a new revenue source by the Authority applied to all solid waste generated within the Authority's jurisdiction (the "New Revenue");
2. An immediate reduction to the original lease obligation of four and one-half percent retroactive to January 1, 1995 (reflected in minimum lease payments above);
3. Future reductions to the lease obligation of an additional thirty and one-half percent retroactive to January 1, 1995 (for a total of thirty-five percent) upon enactment and successful implementation of the New Revenue;

Solid Waste Authority of Central Ohio
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As of December 31, 2000 and 1999

4. Reinstatement of the thirty and one-half percent obligation upon repeal or removal of the New Revenue (prospectively from the date of repeal or removal);
5. Payment to the City of 100% of the net income from any sublease of the facility by the Authority;
6. Payment to the City for 100% of the net proceeds from the sale and disposition of surplus equipment and spare parts from the facility;
7. Payment to the City of 100% of the amount collected from the New Revenue;
8. Annual payment to the City of the Authority's prior-year net income in excess of specified working capital limits; and
9. Deferral of any amounts not paid when due under the amended lease schedule at an annual interest rate of 4.5% until paid.

Pursuant to the Third Modification, and under authority granted by the Ohio Revised Code, the Authority adopted a rule in 1998, effective April 1, 1999, requiring that all waste generated within the Authority jurisdiction be delivered only to an Authority facility, unless a waiver has been granted to another facility or the waste is disposed at a facility outside the State of Ohio (Rule 1-98). The Board of Trustees authorized waivers for any landfill in Ohio provided the landfill executes a waiver agreement with the Authority and agrees to pay a waiver fee as proscribed in the agreement (the "Waiver Fee"). During 1999 and 2000 waiver agreements were in place for all private landfills that accepted SWACO waste.

Also in 1998, the Board of Trustees established a new fee, the Retired Facility Fee, which was assessed at Authority Facilities effective April 1, 1999. Under the Rule 1-98 waiver agreements, the Waiver Fee is set equal to the Retired facility fee (initially \$7.00 per ton). Taken together, the Retired Facility Fee and the Waiver Fee comprise the New Revenue called for in the Third Modification. The Authority recognized total revenue of \$7,488,116 and \$5,149,331 from the New Revenue during 2000 and 1999.

As the result of the Third Modification, the Authority recognized a gain of \$7,236,400 in 1998, representing the 4.5% reduction in the lease obligation under the modified lease. With implementation of the New Revenue in 1999, the Authority recognized a gain of \$27,725,490 relating to the additional 30.5% reduction in the lease liability for the period 1995-1999. In 2000 the Authority recognized a gain of \$3,722,017 representing the 30.5% reduction in the lease obligation for 2000. The Authority will recognize future reductions in the lease obligation of \$31,171,407 if the New Revenue remains in place through the end of the lease term. The Authority has unpaid principal and interest payments relating to 1995 through 2000 of \$39,470,282 as of December 31, 2000, and unpaid principal and interest payments relating to 1995 through 1999 of \$35,666,501 as of December 31, 1999.

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Notes to Financial Statements
As of December 31, 2000 and 1999

11. Closure and Postclosure Care Costs

State and federal laws and regulations require the Authority to place a final cover on its Sanitary Landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only when portions of the landfill reach final waste elevation (not expected to occur before 2004), the Authority reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. In August 1995, the Authority submitted an application to the OEPA for a permit for expansion of its currently operating Sanitary Landfill. The OEPA awarded the permit to the Authority in May 1997. The expansion increased the Sanitary Landfill waste disposal capacity by approximately 50.3 million cubic yards and increased the costs of closure and postclosure care to an estimated \$40.2 million. These amounts are estimated based on the costs to perform all closure and postclosure care in 2000. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Currently, the Authority expects to operate the landfill at a minimum of 20 years. The amounts reported as Sanitary Landfill closure and postclosure care liability of \$11.4 million and \$10.3 million, respectively, represent the cumulative amount reported at December 31, 2000 and 1999, based on the use of 100% of the estimated capacity of the landfill before expansion and 8.5% and 5.1% of the estimated capacity of the expanded landfill, respectively. The Authority will recognize the remaining estimated cost of closure and postclosure care costs of approximately \$30 million as the remaining estimated capacity is filled.

The Authority also maintains and monitors the Model Landfill, which has been closed since 1985. The Model Landfill is not subject to the same state and federal laws and regulations as the current operating landfill.

During 1998, the Authority contracted to upgrade and maintain the Model Landfill cap and cover and to improve surface water drainage. In related agreements, during 1999 the Authority leased the Model Landfill site to private sector entities to develop a public golf course on the site, and leased the landfill gas collection system and sold the gas rights for the purpose of generating electricity.

As a result of these events, and the additional information provided to management regarding the cost of maintaining and remediating the site, management revised its estimates of the future remediation, maintenance and monitoring costs for the site. Based on these estimates, management revised its postclosure liability to \$4,562,792. in 1998 and recognized a \$13,870,072 reduction in the liability as an increase in 1998 net income. The amounts reported as Model Landfill postclosure care liability at December 31, 2000 and 1999 represent the total estimated remaining cost of the current remediation project plus estimated future remediation, maintenance and monitoring costs.

Solid Waste Authority of Central Ohio
Notes to Financial Statements
As of December 31, 2000 and 1999

12. Service Agreements

On November 1, 1996, the Authority entered into a five-year yard waste compost facility service agreement, expiring on October 30, 2001. Under the agreement, the Authority pays a service fee for each ton of yard waste delivered to the facility. The agreement contains a guaranteed minimum annual payment to the facility operator based on the delivery of up to 50,000 tons per year. In addition, the Authority is required to pay for any yard waste in excess of 50,000 tons per year at a rate determined by the agreement. In March 2001, the Board of Trustees approved a contract modification extending the agreement through March 31, 2007 and reducing the guaranteed minimum tonnage to 40,000 during the extension period. The future minimum service payments under the amended agreement are as follows:

<u>Year Ending December 31,</u>	
2001	\$ 1,017,500
2002	864,875
2003	814,000
2004	814,000
2005	814,000
2006	814,000
2007	203,500

Operating expenses under the service agreement were approximately \$1,824,000 and \$1,510,000 in 2000 and 1999, respectively.

In April 1997, the Authority entered into a landfill service operations agreement with a contractor to oversee the Sanitary Landfill operations through the first two vertical phases of the landfill expansion. Under the agreement, the contractor furnishes all labor, materials, tools and equipment for the landfill operations and the Authority pays the contractor for each ton of waste received at the landfill. During 2000 and 1999 the Authority paid the contractor an average rate per ton of \$5.15 and \$4.52, respectively. The rate per ton is subject to quarterly incentive increases or decreases related to the compaction rate of solid waste placed in the landfill during the preceding quarter and an annual CPI adjustment on May 1 each year of the agreement. Incentive payments earned by the contractor for improved performance during 2000 and the May 1, 2000 CPI adjustment were the reasons for the increase in the per ton rate during 2000. Operating expenses under the contract were \$4,426,030 in 2000 and \$3,225,360 in 1999. The rate increase, combined with a 20% increase in the amount of waste placed in the landfill, contributed to the increase in the total expense.

Solid Waste Authority of Central Ohio
Notes to Financial Statements
As of December 31, 2000 and 1999

13. Commitments and Contingencies

As the operator of solid waste disposal and transfer facilities, the Authority is subject to environmental regulation by federal, state and local governmental authorities. These authorities have the power to enforce compliance with environmental laws and regulations and to obtain injunctions or impose fines in the case of violations. In addition, the Authority's operation of landfills subjects it to certain operational, monitoring, site maintenance, closure and postclosure obligations. As the result of this extensive regulation, the Authority may become subject to various judicial and administrative proceedings involving federal, state or local regulatory agencies. If these agencies find that the Authority's operations or facilities are not in compliance with applicable environmental regulations or operating permits, they could seek to impose fines on the Authority or to revoke or deny renewal of an operating permit held by the Authority. Failure to correct the problems to the satisfaction of the authorities could lead to curtailed operations or closure of the landfill or transfer stations.

Certain federal and state environmental laws impose strict liability on the Authority for such matters as contamination of water supplies or other environmental damage associated with its operation of solid waste facilities. If such contamination or environmental damage were to occur, the resulting cost to the Authority of corrective measures and cleanup could adversely affect the Authority's financial condition.

On July 21, 1998, the Authority settled a lawsuit filed against the Authority, the State of Ohio and the Coshocton, Licking, Fairfield, Perry Joint Solid Waste District in federal court challenging the constitutionality of generation fees, including the Authority's five-dollar per ton generation fee enacted on November 1, 1994. Under the terms of the dismissal agreement, the generation fee was left intact, the Authority was permitted to implement the New Revenue discussed in Note 10, the plaintiff dismissed its claims against the Authority, and the Authority dismissed its claims against the plaintiff. The Authority also agreed to limit the amount of waste it would accept at its landfill to 650,000 tons annually for a period of five years ending in July, 2003. In 2000, the Authority and plaintiff agreed to a modification to the settlement agreement permitting the Authority to exceed the 650,000-ton waste limit provided the Authority pay a fee of \$6.50 for every ton received in excess of the limit. During 2000 the Authority recognized a liability of \$863,090 for exceeding the landfill waste limit.

14. Risks and Uncertainties

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The Authority purchases commercial insurance for claims in excess of deductibles. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. Self-insurance claims and accruals were not significant for any period presented.

Solid Waste Authority of Central Ohio
Supplemental Schedule—Balance Sheet Information
As of December 31, 2000

	<u>Operating Fund</u>		<u>Program Fund</u>	<u>Total</u>
	<u>Continuing Operations</u>	<u>Discontinued Operations</u>		
Assets				
Current assets:				
Cash and cash equivalents	\$ 10,979,705	\$ 611,654	\$ 7,542,807	\$ 19,134,166
Accounts receivable (net)	1,971,678	86,414	84,473	2,142,565
Other assets	97,038	-	60,159	157,197
	<u>13,048,421</u>	<u>698,068</u>	<u>7,687,439</u>	<u>21,433,928</u>
Total current assets				
Noncurrent assets				
Cash held in escrow (Note 3)	40,538	-	-	40,538
Cash held-underground storage tank fund	66,000	-	-	66,000
Closure/postclosure funds held by trustee:				
Investments (Note 4)	13,378,377	-	-	13,378,377
Landfill (net of accumulated depletion and depreciation of \$11,104,831)	10,400,540	-	-	10,400,540
Property, plant and equipment (net of accumulated depreciation of \$4,546,739):				
Transfer stations	3,909,467	-	-	3,909,467
Motor vehicles and other equipment	2,485,873	-	123,254	2,609,127
Buildings and improvements	1,185,727	-	115,352	1,301,079
Idle plant facilities (Note 9)	-	6,338,372	-	6,338,372
Other assets	41,867	-	25,573	67,440
	<u>31,508,389</u>	<u>6,338,372</u>	<u>264,179</u>	<u>38,110,940</u>
Total noncurrent assets				
	<u>\$ 44,556,810</u>	<u>\$ 7,036,440</u>	<u>\$ 7,951,618</u>	<u>\$ 59,544,868</u>
Total assets				

Solid Waste Authority of Central Ohio
Supplemental Schedule—Balance Sheet Information, Continued
As of December 31, 2000

	<u>Operating Fund</u>		<u>Program Fund</u>	<u>Totals</u>
	<u>Continuing Operations</u>	<u>Discontinued Operations</u>		
Liabilities and Retained Balance (Deficit)				
Current liabilities:				
Accounts payable	\$ 2,972,147	\$ -	\$ 396,352	\$ 3,368,499
Accrued wages and benefits	646,964	-	27,937	674,901
Accrued interest	76,711	519,545	-	596,256
Current maturities long-term payables (Notes 7 and 8)	790,000	-	-	790,000
Accrued plant closing expenses (Note 9)	-	291,679	-	291,679
Capital lease obligation (Note 10)	-	50,631,661	-	50,631,661
Postclosure liability-Model Landfill (Note 11)	-	250,000	-	250,000
Other payables	-	-	9,999	9,999
	<u>4,485,822</u>	<u>51,692,885</u>	<u>434,288</u>	<u>56,612,995</u>
Noncurrent liabilities:				
Bonds payable (Note 8)	17,505,000	-	-	17,505,000
Capital lease obligation (Note 10)	-	85,921,350	-	85,921,350
Closure and postclosure liability— Sanitary Landfill (Note 11)	11,391,173	-	-	11,391,173
Postclosure liability— Model Landfill (Note 11)	-	2,325,211	-	2,325,211
Other payable	90,775	-	-	90,775
	<u>28,986,948</u>	<u>88,246,561</u>	<u>-</u>	<u>117,233,509</u>
Total liabilities	<u>33,472,770</u>	<u>139,939,446</u>	<u>434,288</u>	<u>173,846,504</u>
Retained balance (deficit)	<u>11,084,040</u>	<u>(132,903,006)</u>	<u>7,517,330</u>	<u>(114,301,636)</u>
Total liabilities and retained balance (deficit)	<u>\$ 44,556,810</u>	<u>\$ 7,036,440</u>	<u>\$ 7,951,618</u>	<u>\$ 59,544,868</u>

Solid Waste Authority of Central Ohio
Supplemental Schedule—Revenues, Expenses and Changes in
Retained Balance (Deficit)
As of December 31, 2000

	<u>Operating Fund</u>			<u>Totals</u>
	<u>Continuing Operations</u>	<u>Discontinued Operations</u>	<u>Program Fund</u>	
Revenues:				
Tipping and disposal fees	\$ 13,576,170	\$ -	\$ -	\$ 13,576,170
Waste transfer fees	3,732,254	-	73,478	3,805,732
Retired facility and waiver fees	-	7,488,116	-	7,488,116
Generation fees	-	-	5,780,094	5,780,094
Other	267,128	363,438	56,298	686,864
	<u>17,575,552</u>	<u>7,851,554</u>	<u>5,909,870</u>	<u>31,336,976</u>
Operating revenues				
	<u>17,575,552</u>	<u>7,851,554</u>	<u>5,909,870</u>	<u>31,336,976</u>
Expenses:				
Salaries, wages and benefits	3,104,063	145,388	551,502	3,800,953
Contract, services and supplies	9,302,973	164,228	4,350,359	13,817,560
Depreciation and depletion	1,098,083	-	33,713	1,131,796
Landfill closing costs	1,077,669	-	-	1,077,669
Other	52,510	-	-	52,510
Interfund transfers	(386,805)	829	385,976	-
	<u>14,248,493</u>	<u>310,445</u>	<u>5,321,550</u>	<u>19,880,488</u>
Operating expenses				
	<u>14,248,493</u>	<u>310,445</u>	<u>5,321,550</u>	<u>19,880,488</u>
Operating income	<u>3,327,059</u>	<u>7,541,109</u>	<u>588,320</u>	<u>11,456,488</u>
Nonoperating income (expenses) :				
Gain on forgiveness of debt (Note 10)	-	3,722,017	-	3,722,017
Interest expense	(934,816)	(5,809,868)	-	(6,744,684)
Interest income	2,001,593	-	-	2,001,593
Grants	-	-	131,724	131,724
Gain on sale of assets	45,471	-	-	45,471
Interfund transfers	(2,797,351)	2,797,351	-	-
	<u>(1,685,103)</u>	<u>709,500</u>	<u>131,724</u>	<u>(843,879)</u>
Total nonoperating income (expense)				
	<u>(1,685,103)</u>	<u>709,500</u>	<u>131,724</u>	<u>(843,879)</u>
Net income	1,641,956	8,250,609	720,044	10,612,609
Retained balance (deficit), beginning of year	<u>9,442,084</u>	<u>(141,153,615)</u>	<u>6,797,286</u>	<u>(124,914,245)</u>
Retained balance (deficit), end of year	<u>\$ 11,084,040</u>	<u>\$ (132,903,006)</u>	<u>\$ 7,517,330</u>	<u>\$ (114,301,636)</u>

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**Report of Independent Accountants on Compliance and on Internal Control Over
Financial Reporting Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards**

Board of Trustees
Solid Waste Authority of Central Ohio

We have audited the financial statements of the Solid Waste Authority of Central Ohio (the Authority) as of and for the year ended December 31, 2000, and have issued our report thereon dated May 24, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Authority's audit committee, management, and the Auditor of State of Ohio and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

PricewaterhouseCoopers LLP

May 24, 2001

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STATISTICAL SECTION

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STATISTICAL SECTION

The following statistical tables provide selected information on the Authority's revenues and expenses, waste receipts, waste reduction activities and long-term obligations. The intention is to provide ten years of data. However, the facilities or programs for which statistics are being reported have not been owned or operated by the Authority for a full ten years and ten years of data is not available.

The Authority's initial audit was for the period January 1, 1989 through December 31, 1992 and fiscal year 1992. Fiscal years 1989 through 1991 are not included in the financial information in Tables 1 and 2 because annual audited information was not prepared for those years.

Tables 3 through 7 present data on solid waste deliveries and tipping fees at Authority facilities. The generation fees reported on Table 8 provides generation fees reported by solid waste facilities receiving waste generated from within the Franklin County Solid Waste Management District (the "District") and disposed in an Ohio landfill.

Tables 9 and 10 report recycling data for the Franklin County Solid Waste Management District for the years 1996 – 2000. This information, which updates data included in the Authority's Amended Solid Waste Management Plan, was obtained through voluntary responses to Authority surveys from municipal, commercial and industrial sources. Accordingly, the information is an estimate and may understate the actual level of recycling achieved. Additionally, because the reporting is voluntary, there may be reporting inconsistencies between years regarding the categorization of the waste. However, it is believed that the information is representative of the actual trends in recycling and waste generation. The Authority is exploring methods for enhancing its ability to collect recycling data for the district in the future.

The amounts reported as "generation" on Table 10 and the related exhibits is total waste *recycled and disposed*. The amount reported on Table 8 as waste generated and subject to the generation fee is waste *disposed only* and excludes material recycled. Additionally, certain waste, such as asbestos, are exempt from the generation fee and are not included in Table 8. Consequently, waste tonnage subject to generation fees is not the same as generation reported in Table 10 for purposes of determining recycling rates within the district.

Demographic information is presented for Franklin County, Ohio to give an indication of the economic environment for the community in which the Authority is located.

Solid Waste Authority of Central Ohio

Table 1

Balance Sheets
For Years Ended December 31, 1992 through 2000¹
(in thousands)

ASSETS	1992	1993	1994	1995	1996	1997	1998	1999	2000
Current assets:									
Cash and cash equivalents (Note 3) ²	\$ 98	\$ 11,422	\$ 11,324	\$ 7,324	\$ 3,245	\$ 6,082	\$ 13,053	\$ 17,040	\$ 19,134
Cash held by fiscal agent/in escrow	18,739	8,686	3,001	1,742	23	-	-	-	-
Accounts receivable (net of allowances)	696	5,634	2,572	2,659	2,079	2,173	1,872	2,040	2,143
Other assets	-	4,154	50	49	126	101	58	134	157
Total current assets	19,533	29,896	16,947	11,774	5,473	8,356	14,983	19,214	21,434
Noncurrent Assets									
Cash held in escrow (Note 3)	-	-	-	-	140	2,752	89	67	41
Restricted cash (Note 3)	-	-	-	-	197	8,160	5,407	3,242	-
Closure Trust Fund (Note 4)	-	-	-	4,386	8,320	8,943	10,338	11,750	13,378
Sanitary landfill (net of accumulated deprec.) ³	-	5,475	5,883	7,437	5,844	6,010	7,737	7,559	10,401
Property, plant & equipment (net of deprec.)	7,631	5,644	7,424	7,271	7,027	7,017	6,984	7,360	7,820
Waste-to-Energy Facility (Note 9)	-	162,105	36,594	36,594	36,594	6,500	6,433	6,381	6,338
Accounts receivable - restricted	-	-	-	-	1,576	112	-	-	-
Funds on deposit with public employees deferred compensation programs	-	-	896	701	790	883	-	-	-
Other assets	-	-	43	35	5	45	125	152	133
Total noncurrent assets	7,631	173,224	50,840	56,424	60,493	40,422	37,113	36,511	38,111
Total Assets	\$ 27,164	\$ 203,120	\$ 67,787	\$ 68,198	\$ 65,966	\$ 48,778	\$ 52,096	\$ 55,725	\$ 59,545

continued

LIABILITIES & RETAINED DEFICIT

Table 1 (continued)

Current Liabilities:

Accounts payable	\$ 940	\$ 2,550	\$ 2,178	\$ 1,051	\$ 1,472	\$ 1,375	\$ 1,755	\$ 2,020	\$ 3,368
Accrued wages and benefits	160	1,544	1,267	621	587	483	644	625	675
Accrued interest	34	45	154	2,338	3,076	7,438	15,445	4,730	596
Current maturities of bonds payable(Notes 7,8)	115	115	115	115	115	690	720	755	790
Notes payable	5,002	10,023	10,003	10,011	10,001	-	-	-	-
Accrued plant closing expenses (Note 9)	-	-	2,566	1,227	1,021	1,015	710	336	292
Capital lease obligation (Note 10)	-	7,881	8,583	18,094	27,713	38,950	48,879	42,673	50,632
Postclosure liability - Model Landfill (Note 11)	-	-	-	-	-	-	-	156	250
Other	-	-	-	1,958	949	-	-	115	10
Total current liabilities	6,251	22,158	24,866	35,415	44,934	49,951	68,153	51,410	56,613

Noncurrent liabilities:

Landfill purchase contract payable (Note 7)	920	805	690	575	460	345	230	115	-
Bonds payable (Note 8)	-	-	-	-	-	19,425	18,820	18,180	17,505
Capital lease obligation (Note 10)	-	165,372	156,789	147,278	137,659	126,422	109,256	97,602	85,921
Postclosure liability - Model Landfill (Note 11)	18,608	20,408	19,940	19,647	19,508	19,128	4,563	2,955	2,325
Closure and postclosure liability - Sanitary landfill (Note 11)	5,234	5,106	5,705	7,034	8,096	8,849	9,606	10,314	11,391
Other payables	-	-	-	-	96	23	58	63	91
Due to others	-	-	896	701	790	883	-	-	-
Total noncurrent liabilities	24,762	191,691	184,020	175,235	166,609	175,075	142,533	129,229	117,233

Total liabilities	31,013	213,849	208,886	210,650	211,543	225,026	210,686	180,639	173,846
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Retained deficit	(3,849)	(10,729)	(141,099)	(142,452)	(145,577)	(176,248)	(158,590)	(124,914)	(114,301)
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Total liabilities and retained deficit	\$ 27,164	\$ 203,120	\$ 67,787	\$ 68,198	\$ 65,966	\$ 48,778	\$ 52,096	\$ 55,725	\$ 59,545
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¹ The Authority's initial audit was for the period January 1, 1989 through December 31, 1992 and fiscal year 1992. Fiscal years 1989 through 1991 are not included in this table because annual audited information was not presented for those years.

² All references to Notes are to the Notes to Financial Statements, pages 2-7 to 2-20.

³ Included in Property, plant and equipment in 1992.

Source: Solid Waste Authority of Central Ohio audited financial statements.

Solid Waste Authority of Central Ohio

Table 2

**Revenues, Expenses, and Changes in Retained Deficit
For Years Ended December 31, 1992 through 2000¹**

(in thousands)²

	1992	1993	1994	1995	1996	1997	1998	1999	2000
Revenues:³									
Tipping and disposal fees	\$ 9,880	\$ 29,867	\$ 35,588	\$ 19,378	\$ 15,450	\$ 14,944	\$ 11,105	\$ 11,238	\$ 13,576
Waste transfer fees ⁴	-	-	-	-	2,717	2,855	3,686	3,471	3,806
Retired facility and waiver fees	-	-	-	-	-	-	-	5,149	7,488
Generation fees ⁵	-	-	720	4,837	5,296	5,479	5,679	5,735	5,780
Electricity sales	-	6,676	7,339	-	-	-	-	-	-
Other	16	89	211	600	160	206	312	245	686
Operating revenues	9,896	36,632	43,858	24,815	23,623	23,484	20,782	25,839	31,337
Expenses:³									
Salaries, wages and benefits	1,000	9,654	11,904	3,525	3,648	3,588	3,763	3,618	3,801
Contracts, services and supplies	7,744	13,357	16,491	8,977	9,972	8,715	9,238	9,369	13,817
Depreciation and depletion	479	10,547	9,472	3,090	3,178	2,262	1,068	1,121	1,132
Landfill closing expenses	614	1,672	929	1,329	1,063	753	757	707	1,078
Reduction of liability ⁶	-	-	-	-	-	-	(13,870)	-	-
Impairment loss ⁷	-	-	123,028	-	-	30,034	-	-	-
Plant closing costs	-	-	3,220	-	-	-	-	-	-
Other	119	321	178	14	6	-	-	4	52
Operating expenses	9,956	35,551	165,222	16,935	17,867	45,352	956	14,819	19,880
Operating income (loss)	(60)	1,081	(121,364)	7,880	5,756	(21,868)	19,826	11,020	11,457

continued

Table 2 (continued)

Nonoperating income (expenses):									
Gain on forgiveness of debt ⁸	-	-	-	-	-	-	7,236	27,725	3,722
Interest expense	(103)	(8,334)	(9,459)	(9,858)	(9,602)	(9,861)	(11,052)	(6,863)	(6,745)
Interest income	1	255	315	479	599	972	1,408	1,528	2,002
Grants	139	118	138	146	122	86	96	256	132
Gain on sale of assets	-	-	-	-	-	-	144	10	45
Total nonoperating expenses	37	(7,961)	(9,006)	(9,233)	(8,881)	(8,803)	(2,168)	22,656	(844)
Net income (loss)	(23)	(6,880)	(130,370)	(1,353)	(3,125)	(30,671)	17,658	33,676	10,613
Retained deficit, beginning of year	(3,826)	(3,849)	(10,729)	(141,099)	(142,452)	(145,577)	(176,248)	(158,590)	(124,914)
Retained deficit, end of year	\$ (3,849)	\$ (10,729)	\$ (141,099)	\$ (142,452)	\$ (145,577)	\$ (176,248)	\$ (158,590)	\$ (124,914)	\$ (114,301)

¹ The Authority's initial audit was for the period January 1, 1989 through December 31, 1992 and fiscal year 1992. Fiscal years 1990 and 1991 are not included in this table because annual audited information was not presented for those years.

² Totals may not add due to rounding.

³ Revenues and expenses reflect operation of the landfill in 1992, operation of the landfill and WTEF in 1993 and 1994, and operation of the landfill and transfer stations since 1994.

⁴ Included in tipping fees for 1993-1995; established as a separate fee in 1996.

⁵ Current \$5/ton fee effective 11/1/94; excludes the \$49/ton fee in effect from June 1 to August 31, 1994 (included in tipping fees).

⁶ See note 11 to financial statements, page 2-18 (Model Landfill closure cost).

⁷ Reflects write down of WTEF. See note 9 to financial statements, page 2-15.

⁸ See note 10 to financial statements, page 2-16 (WTEF lease).

Source: Solid Waste Authority of Central Ohio audited financial statements.

Solid Waste Authority of Central Ohio

Table 3

**Solid Waste Received 1991-2000
(in tons)**

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Total solid waste received ¹	403,742	438,831	672,158	798,328	597,853	640,580	663,443	634,831	714,791	880,867
Solid waste burned at WTEF ²	0	0	(376,484)	(478,853)	0	0	0	0	0	0
Ash disposed	0	0	165,395	130,289	0	0	0	0	0	0
Net WTEF Reduction ³	0	0	(211,089)	(348,564)	0	0	0	0	0	0
Scrap metal, tires, white goods & other	0	0	(30,610)	(43,821)	(646)	(966)	(1,487)	(714)	(913)	(453)
Carryover/shrinkage	0	0	0	0	5,040	1,260	(9,337)	(6,280)	114	(1,930)
Total reduction	0	0	(30,610)	(43,821)	4,394	294	(10,824)	(6,994)	(799)	(2,383)
Total solid waste landfilled	403,742	438,831	430,459	405,943	602,247	640,874	652,619	627,837	713,992	878,484
Solid waste transferred out-of-county ⁴	0	0	0	0	0	0	0	0	0	(24,811)
Solid waste landfilled - Franklin County Sanitary Landfill	403,742	438,831	430,459	405,943	602,247	640,874	652,619	627,837	713,992	853,673

¹ The Franklin County Sanitary Landfill was acquired in February, 1991.

² The Waste-to-Energy Facility was leased beginning April 1, 1993 and closed in December 1994. Tonnage burned is an estimate.

³ Carryover related to end of year inventory at satellite shredder/transfer stations or closure of WTEF and shrinkage due to loss of water.

⁴ Waste disposed at Pine Grove Landfill pursuant to contract with Republic Waste Services.

Source: Solid Waste Authority of Central Ohio

Waste Receipts by Location¹
(in tons)

<u>Location</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Jackson Pike Transfer Station	244,558	242,243	271,999	205,177	144,768	140,152
Morse Road Transfer Station	122,297	140,731	119,008	119,008	111,205	128,337
Georgesville Road Transfer Station	29,800	65,274	66,248	66,248	72,627	83,471
Total Transfer Station	396,655	448,248	457,255	390,433	328,600	351,960
Sanitary Landfill	201,198	192,332	206,188	244,398	386,191	528,907
Total Received	597,853	640,580	663,443	634,831	714,791	880,867

¹The Authority's waste transfer operation began in late 1994 following the closure of the Waste-to-Energy Facility. 1995 represents the first full year of transfer operations. Prior to that time the transfer facilities served as satellite shredder stations for the Waste-to-Energy Facility.

Source: Solid Waste Authority of Central Ohio

Solid Waste Authority of Central Ohio

Table 5

Largest Customers 1994-2000¹
(in tons)

Customer	1994	1995	1996	1997	1998	1999	2000
City of Columbus ²	305,625	318,573	327,030	326,647	328,671	330,451	339,189
Republic Waste Systems ^{3, 7}	76,947	54,809	69,645	86,824	81,096	111,477	222,290
Rumpke Waste/Rumpke Container	52,911	17,350	19,043	52,917	49,365	105,509	157,769
Waste Management of Ohio (post-merger) ⁵	117,681	100,132	103,447	77,199	19,711	72,354	76,667
Local Waste Services LLC	n/a	n/a	n/a	n/a	n/a	n/a	9,241
City of Upper Arlington	8,159	7,744	7,412	7,887	8,372	8,780	8,523
Southwest Waste ⁶	10,347	10,520	11,594	11,871	11,749	11,364	7,067
Adept, Inc.	2,341	2,122	2,592	4,706	7,780	8,262	6,384
B & D Hauling	9,753	9,604	13,761	18,668	16,240	16,282	5,166
Central Ohio Contractors	2,610	2,636	1,688	2,532	5,447	3,946	3,861
City of Grandview Heights	3,627	3,571	3,677	3,619	3,597	3,485	3,729
Waste Management of Ohio (pre-merger) ⁴	146,446	41,657	48,852	40,351	50,485	n/a	n/a
Total Largest Customers	736,447	568,718	608,741	633,221	582,512	671,910	839,885
Total tons received by SWACO ⁸	798,328	597,853	640,580	663,443	634,831	714,791	880,867
Largest customer % of total received	92%	95%	95%	95%	92%	94%	95%
Total tons generated ⁹	n/a	967,308	1,059,142	1,095,838	1,135,812	1,146,993	1,156,019
Largest customer % of total waste generation	n/a	59%	57%	58%	51%	59%	73%

————— *Solid Waste Authority of Central Ohio* —————

Notes to Table 5

Largest Customers 1994 - 2000

¹ 1994 represents the first full year of the Authority operation of the Waste-to-Energy Facility. Data prior to 1994 was maintained on a cubic yard basis.

² City of Columbus includes the following:

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
City of Columbus Division of Sanitation	293,886	308,258	314,803	318,273	322,142	318,236	336,395
Other City of Columbus Departments	11,738	10,315	12,227	8,374	6,529	12,215	10,174

³ Republic Waste Systems acquired Superior Services September 1, 2000. Superior Services acquired B.F.I. Waste Systems and Ohio Disposal Systems in 1997. The above data include the following:

B.F.I. Waste Systems	47,044	43,773	43,661	17,283	n/a	n/a	n/a
Ohio Disposal Systems	29,903	11,036	25,984	12,205	n/a	n/a	n/a
Superior Services	n/a	n/a	n/a	57,336	81,096	95,867	81,344
Republic Waste Systems	n/a	n/a	n/a	n/a	n/a	15,610	140,946

⁴ Waste Management of Ohio through 11/6/98, the effective date of the divestiture (see note 5).

⁵ U.S.A. Waste acquired Johnson Disposal and Laidlaw Waste Systems in 1997, and Waste Management in 1998. The new company kept the name Waste Management but was required to divest a portion of the previous Waste Management business effective 11/6/98.

The above data include the following:

Johnson Disposal	1,382	n/a	4,042	n/a	n/a	n/a	n/a
Laidlaw Waste Systems	116,299	100,132	99,405	77,199	1,475	n/a	n/a
U.S.A. Waste	n/a	n/a	n/a	n/a	13,316	n/a	n/a
Waste Management of Ohio	n/a	n/a	n/a	n/a	4,920	72,354	76,667

⁶ Southwest Waste acquired Larry's Trucking in 1997.

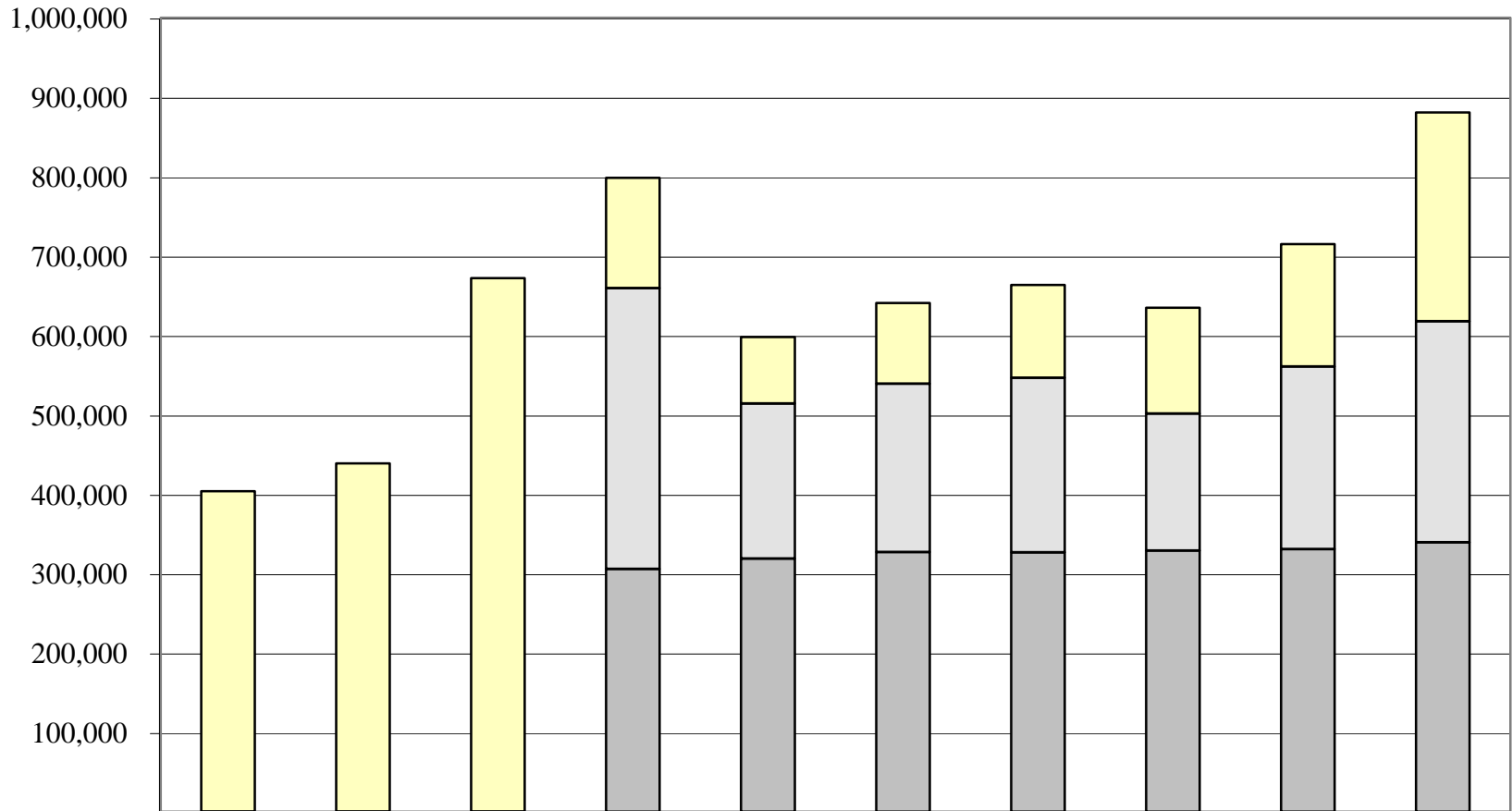
⁷ Republic Waste Systems entered the market as part of the Waste Management divestiture.

⁸ Total solid waste disposed at Solid Waste Authority facilities.

⁹ Total solid waste disposed at Solid Waste Authority facilities and out of county facilities.

Source: Solid Waste Authority of Central Ohio

SWACO Waste Receipts 1991 - 2000



	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
All others	403,742	438,831	672,158	138,828	83,946	101,484	117,047	133,414	154,358	263,272
Rest of Top Ten*	-	-	-	353,875	195,334	212,066	219,749	172,746	229,982	278,406
City of Columbus*	-	-	-	305,625	318,573	327,030	326,647	328,671	330,451	339,189

*Customer data not available prior to 1994.

Table 6

Tires and White Goods Received 1991-2000¹

	Tires (each)	Tires (tons)	White goods ² (each)	White goods (tons)
1991	1,245	92	n/a	n/a
1992	2,894	117	835	18
1993	18,194	45	3,605	51
1994	43,376	209	7,689	98
1995	38,078	355	5,043	228
1996	48,390	497	6,071	294
1997	45,774	457	5,403	376
1998	36,738	312	4,548	314
1999	27,186	212	4,957	293
2000	22,881	112	6,596	340
Total	284,756	2,409	44,747	2,012

¹ Tires and white goods are removed from the waste stream and recycled. White goods are large appliances such as refrigerators, washing machines and clothes dryers.

² White good program began July 1, 1992.

Source: Solid Waste Authority of Central Ohio

Authority Disposal Rates 1991-2001

Effective Date	Franklin County Landfill	Jackson Pike Transfer ²	Morse Road Transfer	Georgesville Rd. Transfer	Alum Creek Transfer	Holbrook Compost Facility	Charge Unit
2/1/1991 ¹	\$4.90	----	----	----	----	----	Cu. Yard
4/1/1991	7.50	----	----	----	----	----	Cu. Yard
4/1/1993	7.50	\$7.50	\$7.50	\$7.50	\$7.50	----	Cu. Yard
7/1/1993	13.25	13.00	13.50	13.00	13.00	----	Cu. Yard
6/1/1994	49.00	49.00	49.00	49.00	49.00	----	Ton
9/1/1994	32.00	32.00	32.00	32.00	32.00	----	Ton
11/1/1994 ³	37.00	37.00	37.00	37.00	Closed	----	Ton
2/7/1996	33.00	37.00	44.00	40.00	----	----	Ton
3/11/1996	30.00	34.00	41.00	37.00	----	----	Ton
5/8/1996	27.00	31.00	38.00	34.00	----	----	Ton
4/8/1998 ⁴	22.25	32.25	33.25	33.25	----	----	Ton
⁵	20.00	30.00	31.00	31.00	----	----	Ton
4/1/1999 ⁶	29.25	39.25	40.25	40.25	----	----	Ton
⁷	27.00	37.00	38.00	38.00	----	----	Ton
10/4/1999 ⁸		----- No Change -----			----	\$6.00	Ton

¹Prior to 2/1/91 the Authority operated no facilities and was funded by a \$.40/cubic yard district fee levied at all landfills located within the District (the County landfill and one private landfill).

² Prior to November 1, 1994, this was the Waste-to-Energy Facility.

³ Beginning November 1, 1994, all rates include a \$5.00/ton generation fee.

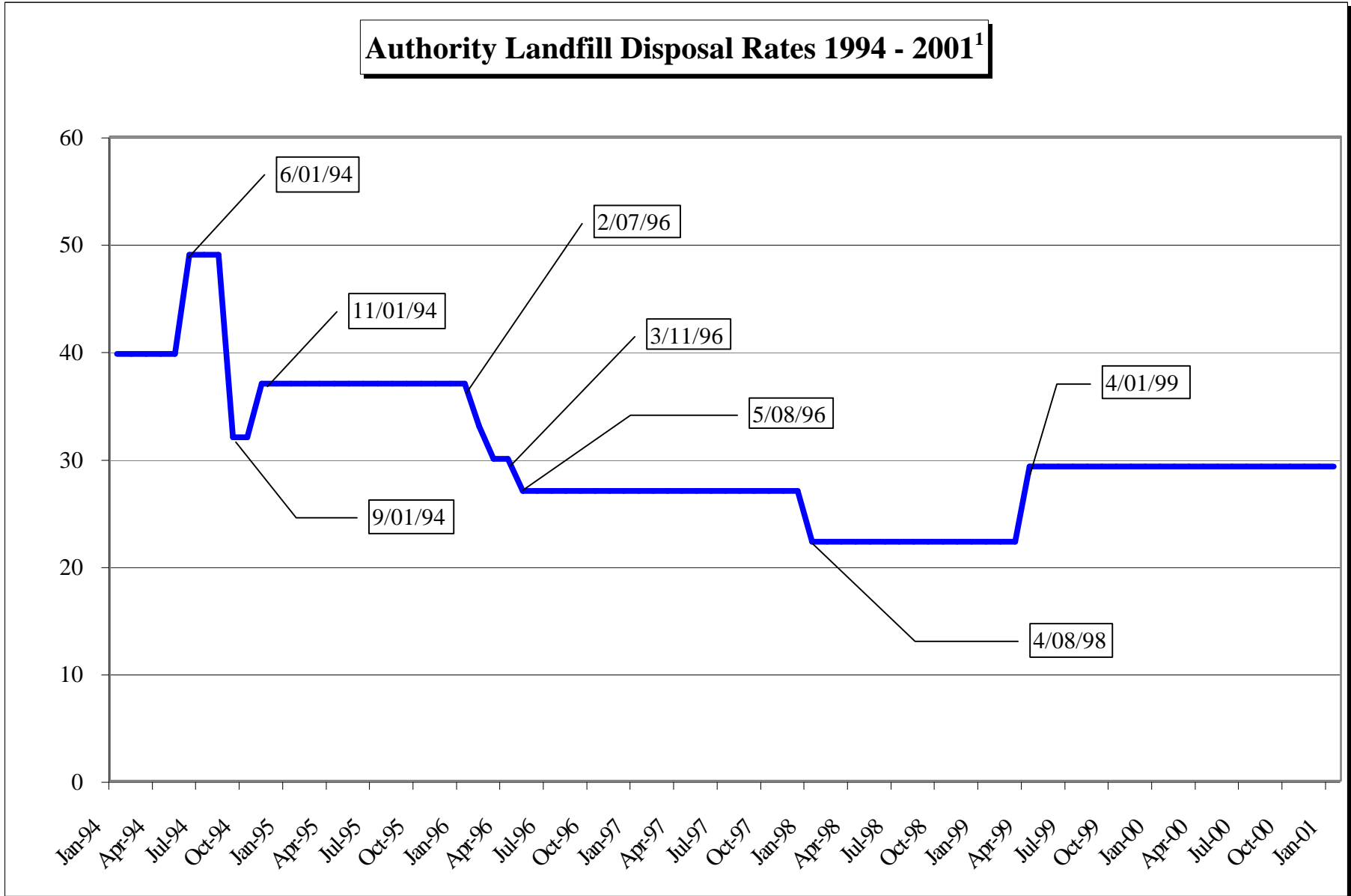
⁴ Non-contract rate.

⁵ Reduced contract rate for put-or-pay customers meeting certain requirements.

⁶ Non-contract rate, includes Retired Facility fee of \$7/ton.

⁷ Reduced contract rate for put-or-pay customers meeting certain requirements. Includes Retired Facility fee of \$7.00 per ton.

⁸ Transfer fee for commercial loads delivered to Bill R. Holbrook Compost Facility.



¹Prior to 06/01/94, fees were charged on a cubic yard basis. This chart is based on a conversion rate of 3 yards per ton for the period 01/01/94 to 5/31/94 (see Table 7).

Source: Solid Waste Authority of Central Ohio

Solid Waste Authority of Central Ohio

Table 8

Generation Fee Tonnage Reported 1994 - 2000¹

	1994	1995	1996	1997	1998	1999	2000
Solid Waste Authority (4 facilities)	101,806	597,853	640,580	663,443	634,831	714,791	880,867
Waste Management (post-merger) ²	14,942	187,419	205,518	226,072	305,949	289,587	223,356
Rumpke Waste (4 facilities)	5,107	35,860	70,772	46,095	68,960	33,665	16,098
Waste Management (pre-merger) ³	21,814	144,747	140,193	156,116	121,779	n/a	n/a
Republic Waste Services	n/a	n/a	n/a	n/a	n/a	108,120	35,594
Other (14 facilities)	291	1,429	2,070	4,125	4,299	830	105
Total	143,960	967,308	1,059,133	1,095,851	1,135,818	1,146,993	1,156,019

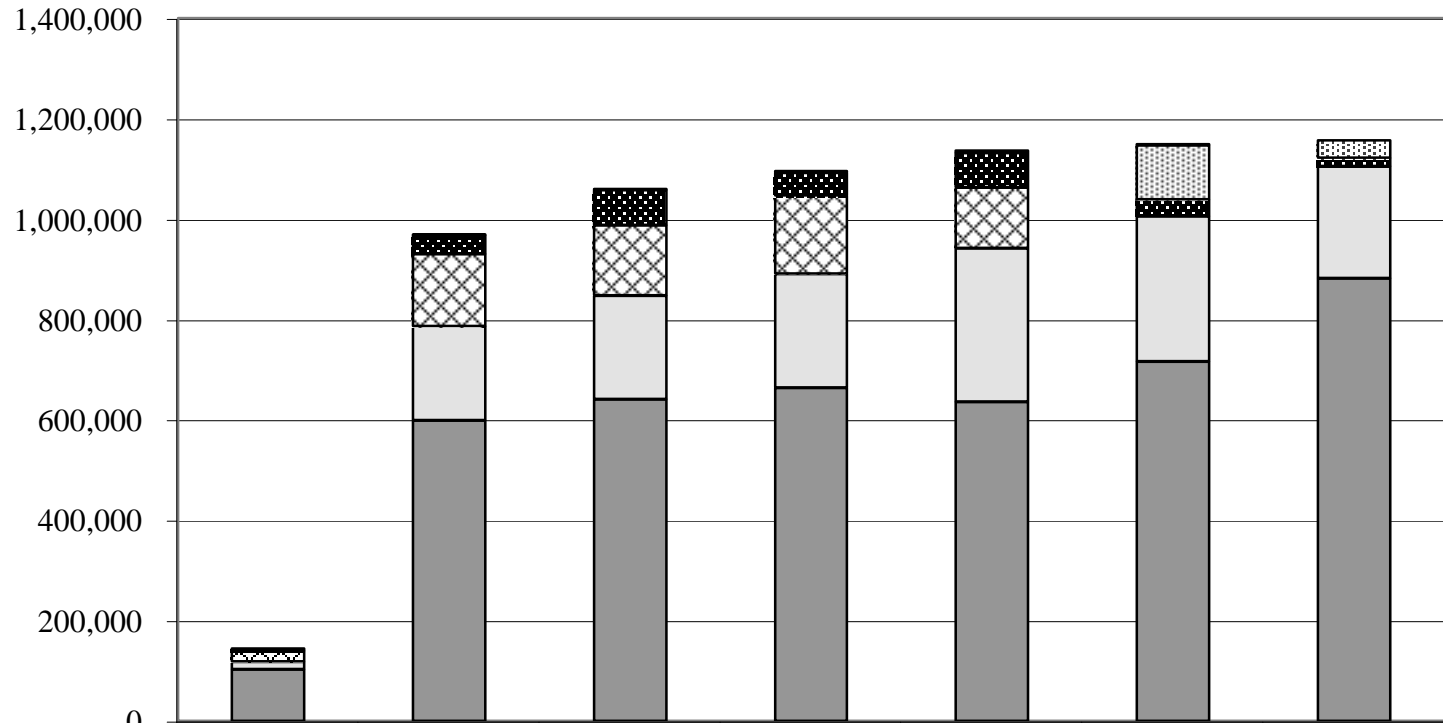
¹ Current \$5 per ton generation fee enacted effective November 1, 1994; excludes the \$49 per ton generation fee in effect from June 1 to August 31, 1994.

² Includes Johnson Disposal Transfer/Recycling (USA Waste) up to date of acquisition of Waste Management and Suburban South Landfill and Reynolds Avenue Transfer Station after acquisition (see note 5 to Table 5).

³ Includes Suburban South Landfill and Reynolds Avenue Transfer Station up to date of acquisition of Waste Management by USA Waste.

Source: Solid Waste Authority of Central Ohio

Generation Fee Tonnage Reported 1994 - 2000



	1994	1995	1996	1997	1998	1999	2000
■ Other (14 facilities)	291	1,429	2,070	4,125	4,299	830	105
▨ Republic	0	0	0	0	0	108,120	35,594
▩ Rumpke (4 facilities)	5,107	35,860	70,772	46,095	68,960	33,665	16,098
▧ Waste Management (pre-merger)	21,814	144,747	140,193	156,116	121,779	0	0
□ Waste Management (post-merger)	14,942	187,419	205,518	226,072	305,949	289,587	223,356
■ SWACO (4 facilities)	101,806	597,853	640,580	663,443	634,831	714,791	880,867

Source: Solid Waste Authority of Central Ohio
See notes to Table 5.

Residential, Commercial and Industrial Recycling Reported 1996-2000¹
(in tons)

Material	Residential and Commercial Tons Recycled					Industrial Tons Recycled				
	1996	1997	1998	1999	2000	1996	1997	1998	1999	2000
Ferrous Metals	9,295	12,063	25,431	31,557	56,178	125,328	175,812	160,990	161,695	161,136
Yard Waste ²	77,138	93,207	83,020	74,236	89,451	-	-	-	-	-
Cardboard	75,954	70,779	66,947	80,256	45,632	5,848	516	8,808	6,104	41,284
Other Paper	57,379	39,566	47,262	54,165	48,157	712	13,980	25,042	20,934	41,261
Wood	1,560	17,534	13,590	47,871	63,724	10,809	-	7,059	11,014	19,813
Tires	398	8,020	20,055	20,053	24,119	-	300	-	-	3
NonFerrous Metals	5,881	9,390	8,043	3,593	14,474	8,249	5,625	7,283	5,936	7,036
Other Recyclables	-	-	11,122	14,025	135	30,597	-	-	-	35
Source reduction	7,000	10,676	10,430	10,211	-	-	-	-	-	-
Appliances	11,556	9,400	7,200	2,461	6,202	-	4,000	-	-	1,000
Batteries	586	92	3,552	7,213	584	-	2	-	443	62
Plastics	1,881	1,425	1,928	2,836	1,496	-	139	926	-	2,515
Glass	3,468	2,816	2,648	1,383	1,764	-	104	-	-	725
HHW ³	-	-	251	100	182	-	-	-	-	-
Food ⁴	-	-	-	1,411	-	-	-	-	1,753	-
Oil ⁴	-	-	-	7,723	12,240	-	-	-	-	-
Fabric	-	425	-	2,474	1,700	-	-	-	-	-
Total	252,096	275,393	301,479	361,568	366,038	181,543	200,478	210,108	207,879	274,870

continued

Residential, Commercial and Industrial Recycling Reported 1996-2000¹
(in tons)

Material	Total Tons Recycled				
	1996	1997	1998	1999	2000
Ferrous Metals	134,623	187,875	186,421	193,252	217,314
Yard Waste ²	77,138	93,207	83,020	74,236	89,451
Cardboard	81,802	71,295	75,755	86,360	86,916
Other Paper	58,091	53,546	72,304	75,099	89,418
Wood	12,369	17,534	20,649	58,885	83,537
Tires	398	8,320	20,055	20,053	24,122
NonFerrous Metals	14,130	15,015	15,326	9,529	21,510
Other Recyclables	30,597	-	11,122	14,025	170
Source reduction	7,000	10,676	10,430	10,211	-
Appliances	11,556	13,400	7,200	2,461	7,202
Batteries	586	94	3,552	7,656	646
Plastics	1,881	1,564	2,854	2,836	4,011
Glass	3,468	2,920	2,648	1,383	2,489
HHW ³	-	-	251	100	182
Food ⁴	-	-	-	3,164	-
Oil ⁴	-	-	-	7,723	12,240
Fabric	-	425	-	2,474	1,700
Total	433,639	475,871	511,587	569,447	640,908

¹1996 is the first year this data is available. This data is obtained through voluntary responses to surveys and may be over or understated in certain categories.

²The amount reported for 1996 excludes wood and is less than the amount reported on Table 9 (only leaves, grass and trimmings were reportable as yard waste in 1996).

³Household Hazardous Waste was not an allowable recycling credit in 1996 and material collected in 1996 is not included on this table.

⁴Data for these categories was not recorded prior to 1999. Therefore, recycling totals for 1996-1998 may be understated.

Source: Solid Waste Authority of Central Ohio and Solid Waste Authority of Central Ohio Solid Waste Management Plan.

----- *Solid Waste Authority of Central Ohio* -----

Table 10

Waste Generation and Recycling Rates 1996-2000

Material	1996	Residential/Commercial				2000	Industrial				2000
		1997	1998	1999	1996		1997	1998	1999		
Waste Generated (tons)	1,339,262	1,350,588	1,467,461	1,514,274	1,574,702	265,315	325,039	326,246	312,866	401,565	
Waste Reduced (tons)	252,096	275,393	301,479	361,568	366,038	181,543	200,478	210,108	207,879	274,870	
Waste Disposed in Landfills (tons)	1,087,166	1,075,195	1,165,982	1,152,706	1,208,664	83,772	124,561	116,138	104,987	126,695	
Waste reduction rate (percent of generation)	18.8%	20.4%	20.5%	23.9%	23.2%	68.4%	61.7%	64.4%	66.4%	68.4%	
Population ¹	1,041,493	1,051,900	1,062,400	1,073,000	1,098,341	1,041,493	1,051,900	1,062,400	1,073,000	1,098,341	
Per capita daily waste generation rate (lbs.)	7.05	7.04	7.57	7.73	7.86	1.40	1.69	1.68	1.60	2.00	
Per capita daily waste reduction rate (lbs.)	1.33	1.43	1.55	1.85	1.83	0.96	1.04	1.08	1.06	1.37	
Per capita daily waste disposal rate (lbs.)	5.72	5.60	6.01	5.89	6.03	0.44	0.65	0.60	0.54	0.63	

continued

----- *Solid Waste Authority of Central Ohio* -----

Table 10 (continued)

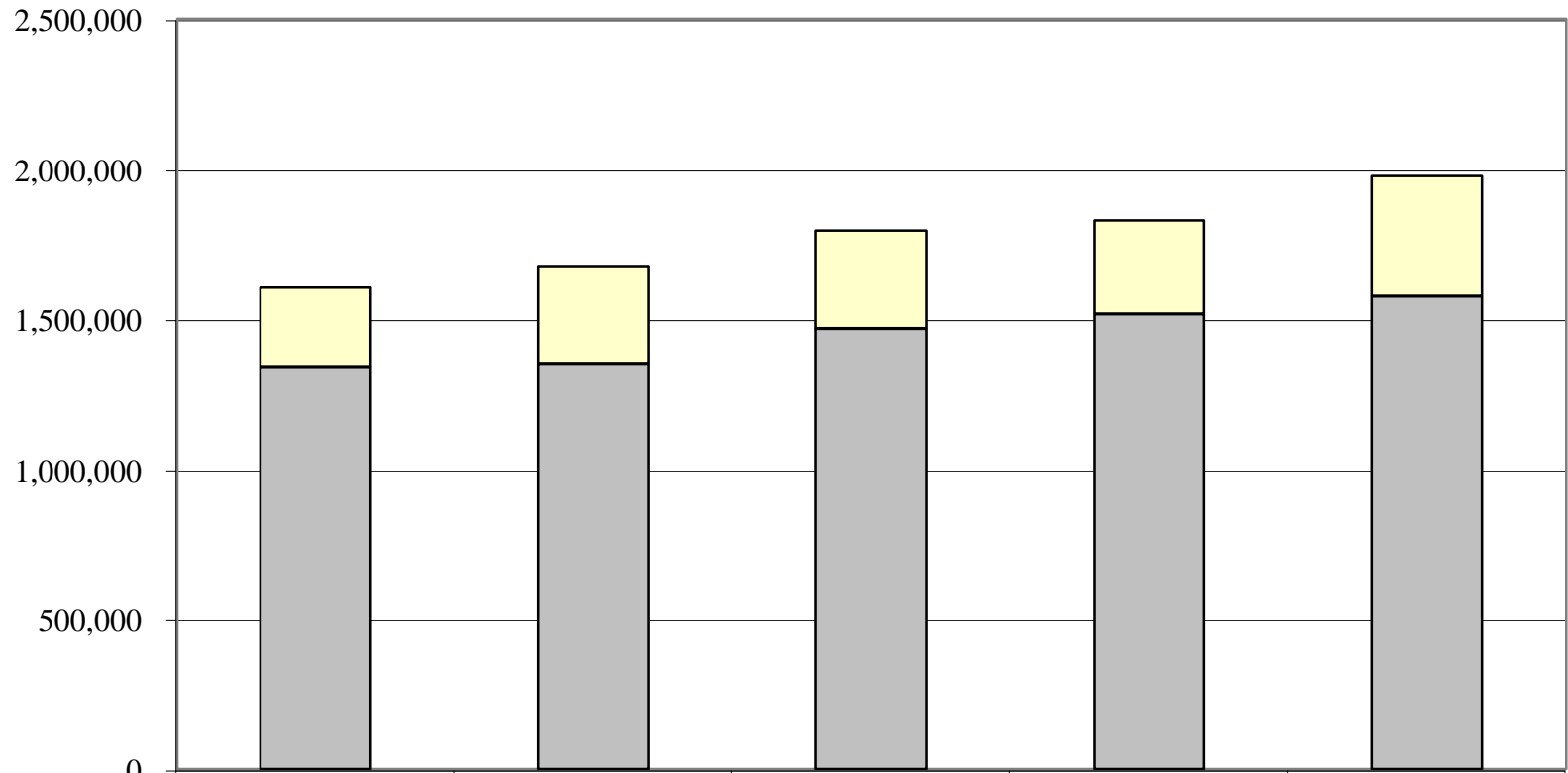
Waste Generation and Recycling Rates 1996-2000

Material	1996	Total			2000
		1997	1998	1999	
Waste Generated (tons)	1,604,577	1,675,627	1,793,707	1,827,140	1,976,267
Waste Reduced (tons)	433,639	475,871	511,587	569,447	640,908
Waste Disposed in Landfills (tons)	-	-	-	-	-
Waste reduction rate (percent of generation)	27.0%	28.4%	28.5%	31.2%	32.4%
Population ¹	1,041,493	1,051,900	1,062,400	1,073,000	1,098,341
Per capita daily waste generation rate (lbs.)	8.44	8.73	9.25	9.33	9.86
Per capita daily waste reduction rate (lbs.)	2.28	2.48	2.64	2.91	3.20
Per capita daily waste disposal rate (lbs.)	6.16	6.25	6.61	6.42	6.66

¹Estimated population for Franklin County Solid Waste Management District, principally Franklin County but including parts of five adjacent counties. The 1996-1999 population data are from the Solid Waste Plan; the 2000 estimate is from the State of Ohio Office of Strategic Research (note: the population data shown on Table 18 is for Franklin County only).

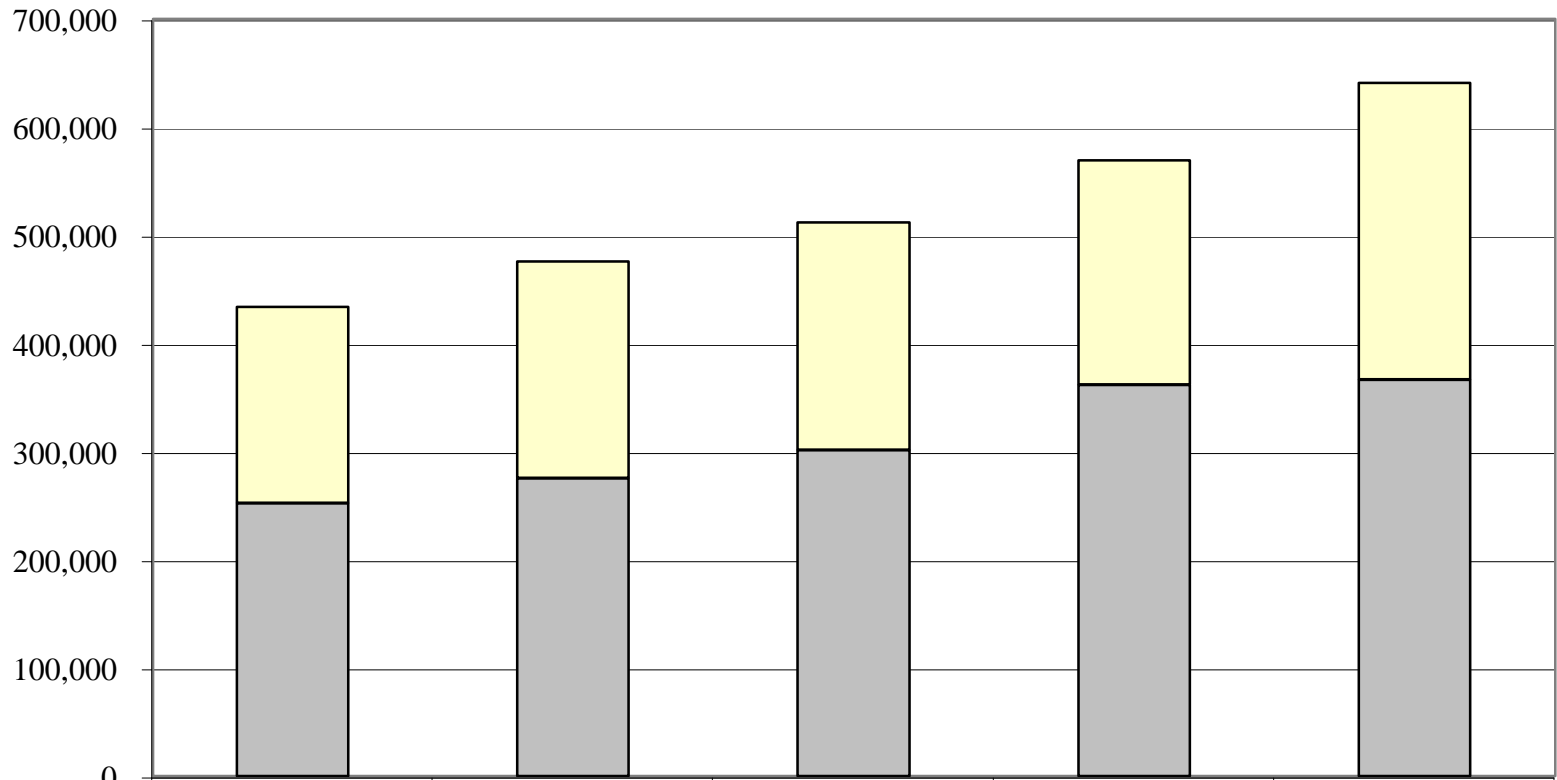
Source: Solid Waste Authority of Central Ohio Solid Waste Management Plan and the Ohio Environmental Protection Agency.

**District Solid Waste Generation
1995 - 2000
(annual tons)**



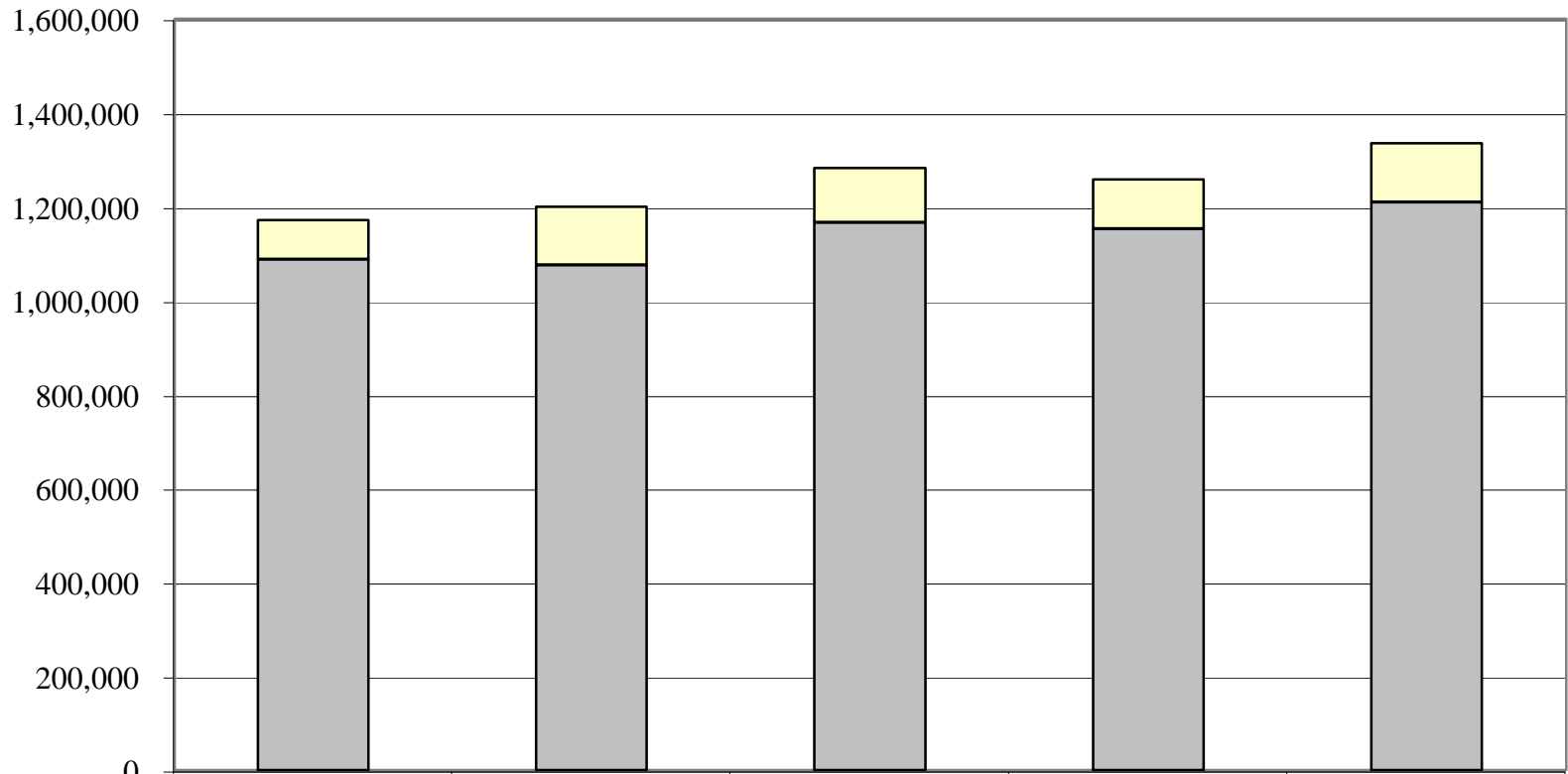
Industrial	265,315	325,039	326,246	312,866	401,565
Residential/Commercial	1,339,262	1,350,588	1,467,461	1,514,274	1,574,702

**District Solid Waste Recycling
1996 - 2000
(annual tons)**



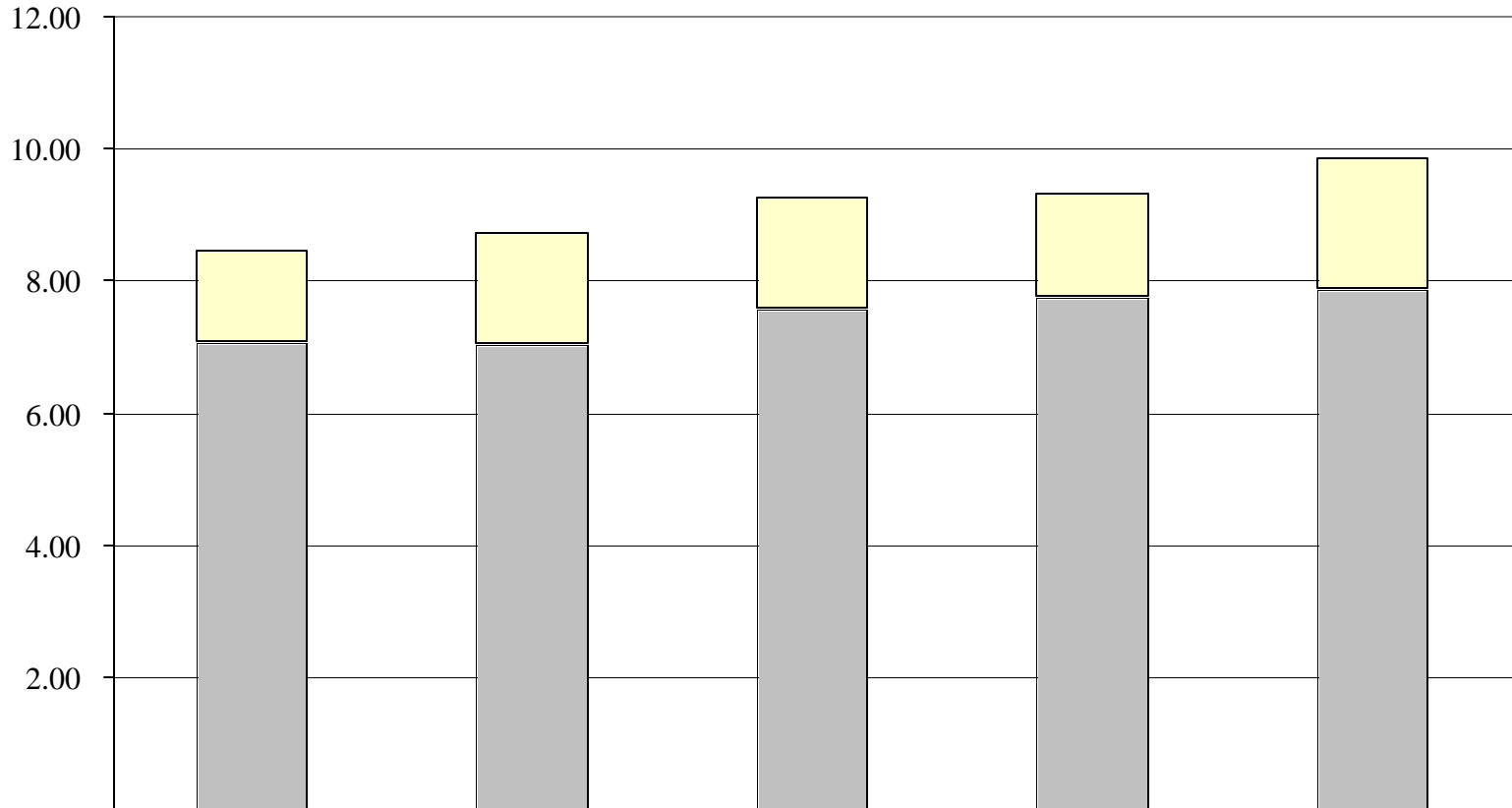
	1996	1997	1998	1999	2000
Industrial	181,543	200,478	210,108	207,879	274,870
Residential/Commercial	252,096	275,393	301,479	361,568	366,038

**District Solid Waste Disposal
1996 - 2000
(annual tons)**



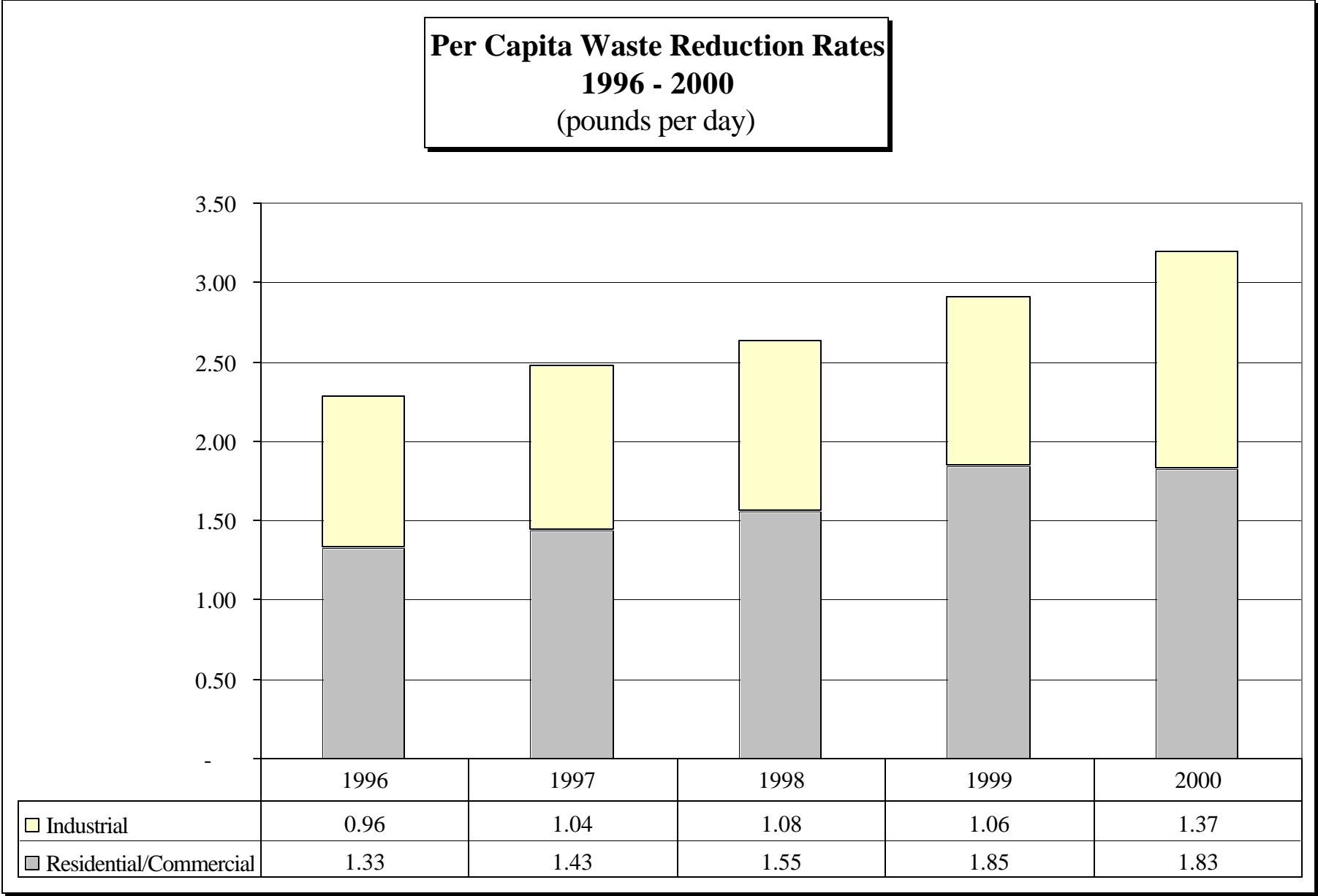
	1996	1997	1998	1999	2000
Industrial	83,772	124,561	116,138	104,987	126,695
Residential/Commercial	1,087,166	1,075,195	1,165,982	1,152,706	1,208,664

**Per Capita Waste Generation Rates
1996 - 2000
(pounds per day)**

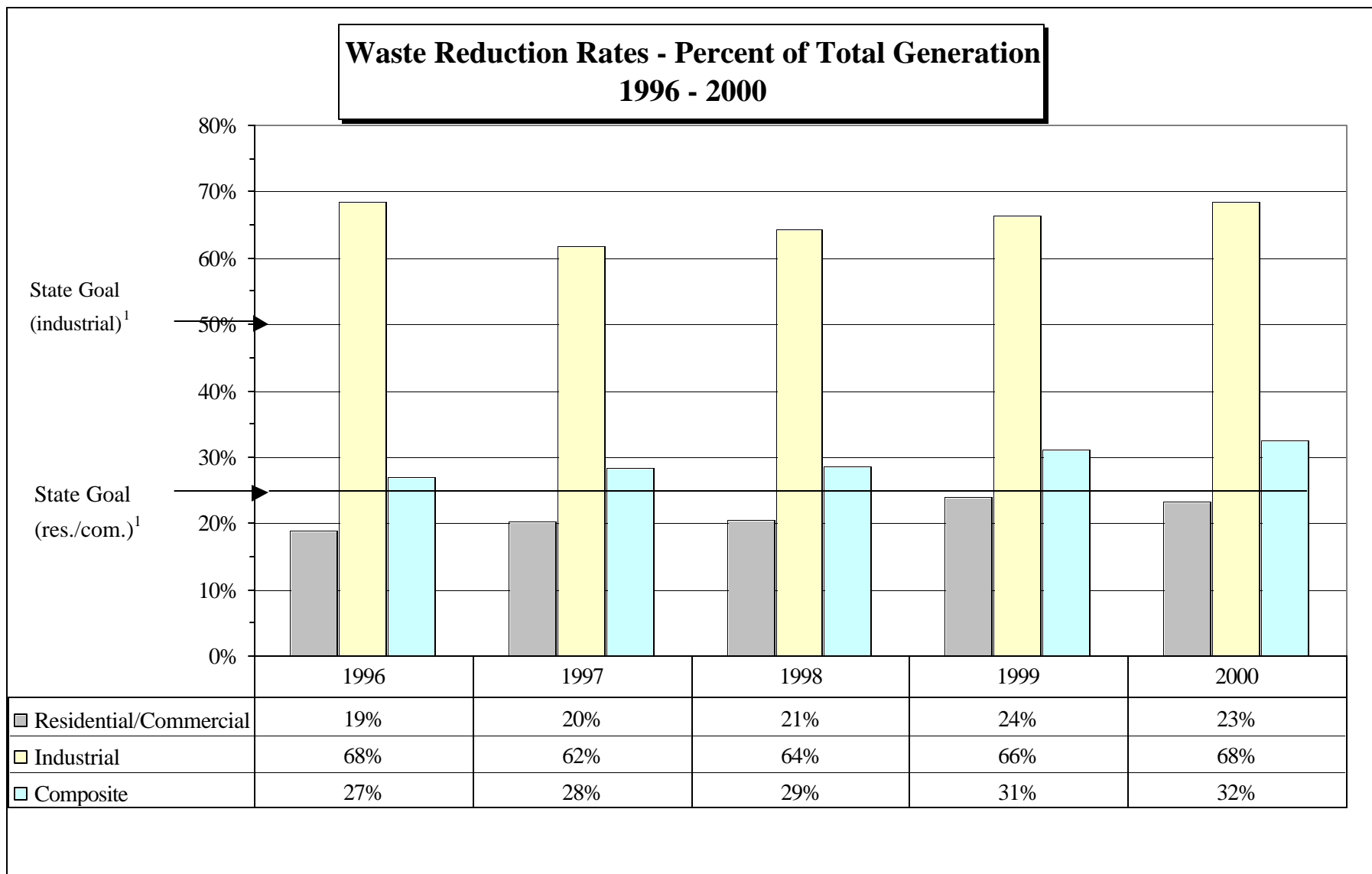


	1996	1997	1998	1999	2000
Industrial	1.40	1.69	1.68	1.60	2.00
Residential/Commercial	7.05	7.04	7.57	7.73	7.86

Source: Solid Waste Authority of Central Ohio
and Solid Waste Management Plan



Source: Solid Waste Authority of Central Ohio
 and Solid Waste Management Plan



¹The State goal is a recycling rate of 25 percent for the residential/commercial sector and 50% for the industrial sector.

————— *Solid Waste Authority of Central Ohio* —————

Table 11

**Yard Waste Composting 1991-2000
(in tons)**

Year	Yard Waste Composted ¹	% of Waste Generated ²
1991	5,033	n/a
1992	23,644	n/a
1993	38,479	n/a
1994	57,368	n/a
1995	63,371	n/a
1996	88,964	7%
1997	92,207	7%
1998	83,020	6%
1999	74,224	5%
2000	<u>89,589</u>	6%
Total	<u><u>615,899</u></u>	

¹ Yard waste composting contracts were first awarded in 1991 with operations beginning in late 1991.

² Generation data is not available prior to 1996 (see Table 10).

Source: Solid Waste Authority of Central Ohio.

Solid Waste Authority of Central Ohio

Table 12

Battery Buy-Back Program 1993-2000¹

Year	Alum Creek Transfer	Jackson Pike Transfer	Morse Rd. Transfer	Georgesville Transfer	Sanitary Landfill	Total Batteries	Total Weight	Lead recovery in pounds ²
1993	238	1,545	686	217	459	3,145	110,075	44,030
1994	78	1,042	717	263	245	2,345	82,075	32,830
1995	n/a	505	493	64	242	1,304	45,640	18,256
1996	n/a	693	593	243	234	1,763	61,705	24,682
1997	n/a	644	380	237	212	1,473	51,555	20,622
1998	n/a	461	515	151	225	1,352	47,320	18,928
1999	n/a	340	288	86	181	895	31,325	12,530
2000	n/a	216	220	99	303	838	29,330	11,732
Total	316	5,230	3,672	1,261	1,798	12,277	429,695	171,878

¹ The Authority purchases lead acid batteries from waste haulers for a price of \$1 each to remove batteries from the waste stream.

² The program began January 1, 1993. Total lead recovered since program inception is 85.94 tons.

Source: Solid Waste Authority of Central Ohio.

Household Hazardous Waste Collection 1991 - 2000
(in pounds)¹

Material Classification	1991	1992	1994	1995	1996	1998	1999	2000	Total
Alkaline Batteries	5,000	5,000	6,344	4,291	7,768	8,171	1,614	5,135	43,323
Loosepack Fuels	195,800	198,210	195,215	144,328	180,508	138,975	94,287	171,388	1,318,711
Aerosol-Flammable	17,550	45,000	33,148	17,741	23,224	12,626	5,307	9,997	164,593
Aerosol-Pesticides	3,510	4,500	5,781	2,752	9,025	4,734	2,573	6,268	39,143
Bulked Flammables	11,600	105,000	162,112	108,582	131,048	126,297	73,021	124,557	842,217
Latex Paint	160,200	205,153	165,378	62,600	103,699	113,253	65,206	98,629	974,118
Lab Pack A	99,550	85,100	79,363	29,521	145,206	3,820	1,676	10,715	454,951
Lab Pack B	20,088	38,520	54,142	32,643	53,468	37,787	21,014	46,397	304,059
Propane Cylinders	1,102	1,667	16,085	2,816	3,785	5,731	3,448	8,839	43,473
Lead/Acid Batteries	40,600	58,730	40,361	8,903	34,589	16,423	1,805	9,845	211,256
Acids/Bases	4,200	11,000	14,992	8,903	9,410	6,396	4,103	-	59,004
Used Oil /Antifreeze	40,800	72,120	63,276	30,536	26,633	27,437	9,935	28,606	299,343
Total	600,000	830,000	836,197	453,616	728,363	501,650	283,990	520,376	4,754,191
Collection events	3	9	21	12	14	7	7	10	83
Collection days	1	3	53	26	28	14	14	20	159
Vehicles	6,000	7,381	13,519	8,556	10,825	9,014	3,441	7,562	66,298
Households Served	6,900	8,488	15,547	9,483	12,482	9,960	3,887	8,436	75,183
Pounds per vehicle	100	112	62	53	67	56	83	69	534

¹The program began in 1991. There was no collection in 1993 and 1997.

Source: Solid Waste Authority of Central Ohio

Solid Waste Authority of Central Ohio

Table 14

Debt Service Schedule
Franklin County Series 1986 Bonds¹

Year	Principal	Interest ²	Total
1991	\$110,000	\$81,900	\$191,900
1992	115,000	74,750	189,750
1993	115,000	67,275	182,275
1994	115,000	59,800	174,800
1995	115,000	52,325	167,325
1996	115,000	44,850	159,850
1997	115,000	37,375	152,375
1998	115,000	29,900	144,900
1999	115,000	22,425	137,425
2000	115,000	14,950	129,950
2001	115,000	7,475	122,475
Total	<u>\$1,260,000</u>	<u>\$493,025</u>	<u>\$1,753,025</u>

¹ Upon acquisition of the Landfill, the Authority assumed the balance of the \$1.7 million bonds issued by the County to build the original landfill. See note 7 to financial statements, page 2-14.

² Bonds were issued with a single coupon rate of 6.5%.

Source: Solid Waste Authority of Central Ohio.

Solid Waste Authority of Central Ohio

Table 15

Debt Service Schedule
Franklin County Series 1997 Bonds¹

Year	Principal	Coupon	Interest	Total
1997	-	-	\$329,938 ²	\$329,938
1998	\$575,000	5.00%	981,635	1,556,635
1999	605,000	5.00%	952,885	1,557,885
2000	640,000	5.00%	922,635	1,562,635
2001	675,000	5.00%	890,635	1,565,635
2002	710,000	5.00%	856,885	1,566,885
2003	750,000	4.50%	821,385	1,571,385
2004	790,000	4.30%	787,635	1,577,635
2005	835,000	5.50%	753,665	1,588,665
2006	880,000	5.50%	707,740	1,587,740
2007	930,000	5.50%	659,340	1,589,340
2008	980,000	4.50%	608,190	1,588,190
2009	1,035,000	4.60%	564,090	1,599,090
2010	1,090,000	4.70%	516,480	1,606,480
2011	1,150,000	4.75%	465,250	1,615,250
2012	1,215,000	4.80%	410,625	1,625,625
2013	1,280,000	4.85%	352,305	1,632,305
2014	1,350,000	4.90%	290,225	1,640,225
2015	1,425,000	4.90%	224,075	1,649,075
2016	1,500,000	5.00%	154,250	1,654,250
2017	1,585,000	5.00%	79,250	1,664,250
Total	\$20,000,000		\$12,329,118	\$32,329,118

Net interest cost (%) 4.864%

¹ Bonds were issued in 1997 by Franklin County on behalf of the Authority to fund the expansion of the landfill and other projects. The Authority secured the bonds by granting the County a mortgage of the landfill property and a security interest in the landfill personal property and assignment of rents, permits, and licenses. See note 8 to financial statements, page 2-14.

² Net of accrued interest of \$40,899.

Source: Solid Waste Authority of Central Ohio

Solid Waste Authority of Central Ohio

Table 16

Waste-to-Energy Facility Lease Payment Schedule¹
(in thousands)

Year	Principal	Interest & Associated Bond Costs ²	Total Lease Obligation	Amount Paid or Credited	Accrued Interest on Deferred Balance ³	Deferred Balance
1993	\$ 4,991	\$ 8,099	\$ 13,090	\$ 13,090	\$ -	\$ -
1994	7,881	9,042	16,923	16,923	-	-
1995	5,579	5,853	11,432	6,000	153	5,585
1996	6,229	5,341	11,570	8,000	402	3,972
1997	6,299	4,991	11,290	4,055	746	7,981
1998	7,258	4,664	11,922	2,002	1,178	11,098
1999	7,904	4,220	12,124	6,764	1,670	7,030
2000	7,932	3,969	11,901	9,938	1,841	3,804
Subtotal 1993-2000	54,073	46,179	100,252	66,772	5,990	39,470
2001	8,373	2,751	11,124			
2002	7,807	3,198	11,005			
2003	8,008	2,747	10,755			
2004	7,935	2,307	10,242			
2005	8,002	1,851	9,853			
2006	8,225	1,392	9,617			
2007	8,442	922	9,364			
2008	5,057	471	5,528			
2009	2,344	222	2,566			
2010	2,239	73	2,312			
Subtotal 2001-10	66,432	15,934	82,366			
Total 1993-2010	\$ 120,505	\$ 62,113	182,618			

1. WTEF lease obligation under the Third Modification. This includes a 35 percent reduction in the lease for the years 1995-2000 and a 4.5 percent reduction for the years 2001-2010. An additional 30.5 percent reduction after 2000 is not shown since it is contingent on continued collection of the new revenue in future years (see Note 10 to the Financial Statements, Page 2-16).

2. Associated bond costs include letter of credit, remarketing and trustee fees on variable rate bonds issued by the City. The variable rate bonds were refinanced with fixed rate bonds in early 2001.

3. Interest accrues at an annual rate of 4.5% on the deferred balance pursuant to the Third Modification.

Source: Solid Waste Authority of Central Ohio

Schedule of Insurance in Force at December 31, 2000

Coverage	Carrier	Amount		Exp. Date
Public Officials' Errors and Omissions	First Reinsurance Company of Hartford	\$2,000,000	each claim and annual aggregate	11/4/2001
Crime Coverage	Federal Insurance Company			7/10/2001
Blanket Employee Dishonesty		\$1,000,000	each occurrence	
Forgery and Alteration		1,000,000	actual loss	
Inside/Outside		2,500	actual loss	
Motor Vehicle Insurance	Wausau Insurance Companies			8/1/2001
Combined Liability		\$1,000,000	each accident	
Auto Medical Payment		10,000		
Uninsured/Underinsured Motorist		1 million/bodily injury 7,500/property damage	each accident each accident	
Physical Damage Comprehensive & Collision		Cash value less deductible		
Commercial Property Coverage ¹	Corejus	\$9,476,660	value excludes non-scheduled contents	4/1/2001
Volunteer Insurance	The Cima Companies, Inc.	\$1,000,000 3,000,000	each occurrence annual aggregate	7/1/2001
Special Risk Property Policy	Indemnity Insurance Company of North America	\$10,000,000	replacement cost	3/4/2001
General Liability Insurance	Essex Insurance Company	\$2,000,000 1,000,000 1,000,000 1,000,000 50,000 1,000	general aggregate products-comp/op agg personal & adv injury each occurrence fire damage med exp (any 1 person)	8/1/2001

Table 18

Franklin County Demographic Statistics 1991-2000¹

Fiscal Year	Population ²	Per Capita Income ³	Median Age ³	Total Assessed Value Taxable Property ⁴ (in thousands)
1991	976,872	20,458	31	13,723,614
1992	988,783	21,555	31	14,060,576
1993	1,001,072	22,464	32	15,374,618
1994	1,014,465	23,787	32	15,672,486
1995	1,016,094	25,193	32	16,055,248
1996	1,027,599	26,347	32	17,356,432
1997	1,042,111	27,169	33	17,916,289
1998	1,056,863	28,166	33	18,607,705
1999	1,079,204	29,321	33	21,032,111
2000	1,068,978	31,527	33	21,698,652

¹The solid waste district is principally within Franklin County but also includes parts of five adjacent counties.

²Mid-Ohio Regional Planning Commission.

³Woods & Poole Economics, Inc.

⁴Comprehensive Annual Financial Report Franklin County Ohio.

Source: Auditor's Office - Franklin County, Ohio

Table 19

Average Unemployment Rates 1991-2000¹

Fiscal Year	Franklin County	State of Ohio	United States
1991	4.2%	6.4%	6.7%
1992	5.0%	7.1%	7.0%
1993	4.6%	6.5%	6.8%
1994	3.9%	5.5%	6.1%
1995	2.9%	4.8%	5.6%
1996	2.9%	4.9%	5.6%
1997	2.7%	4.6%	4.9%
1998	2.5%	4.3%	4.5%
1999	2.5%	4.3%	4.2%
2000	2.4%	4.1%	4.0%

¹Ohio Bureau of Employment Services, Division of Research and Statistics.

Source: Auditor's Office - Franklin County, Ohio



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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800-282-0370
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SOLID WASTE AUTHORITY OF CENTRAL OHIO

FRANKLIN 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
AUGUST 9, 2001**