

**SUMMIT/AKRON SOLID WASTE  
MANAGEMENT AUTHORITY**

**FINANCIAL STATEMENTS**

**YEARS ENDED  
DECEMBER 31, 2000 AND 1999**

This audit report is subject to review and acceptance by the Auditor of State's office, and the requirements of ORC 117.25 are not met until the Auditor of State certifies this report. This process takes approximately two weeks and reports are subject to change if the Auditor of State determines that modification of a report is necessary to comply with required accounting or auditing standards.



**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**  

---

**JIM PETRO, AUDITOR OF STATE**

35 North Fourth Street, 1<sup>st</sup> Floor  
Columbus, Ohio 43215  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-728-7398

Board of Trustees  
Summit / Akron Solid Waste Management Authority  
Akron, Ohio

We have reviewed the Independent Auditor's Report of the Summit / Akron Solid Waste Management Authority, Summit County, prepared by Brott Mardis & Co., 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 Summit / Akron Solid Waste Management Authority is responsible for compliance with these laws and regulations.

**JIM PETRO**  
Auditor of State

February 28, 2001

SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2000 AND 1999

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS:	
Statements of Assets, Liabilities, and Retained Earnings - Modified Cash Basis	3
Statements of Cash Receipts, Disbursements, and Changes in Retained Earnings - Modified Cash Basis	4
Statements of Cash Flows - Modified Cash Basis	5
Statements of Cash Receipts, Disbursements, and Encumbrances - Budget and Actual - Modified Cash Basis	6
Notes to Financial Statements - Modified Cash Basis	7 - 15



**BROTT MARDIS & CO.**

Certified Public Accountants

106 South Main St., Suite 1306, Akron, Ohio 44308-1418  
330-762-5022 fax: 330-762-2727 www.brottmardis.com

---

## INDEPENDENT AUDITOR'S REPORT

Summit/Akron Solid Waste Management Authority  
Akron, Ohio

We have audited the modified cash basis financial statements of the Summit/Akron Solid Waste Management Authority as of December 31, 2000 and 1999. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

As described in Note 1 to the financial statements, the Authority prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and retained earnings - modified cash basis of the Summit/Akron Solid Waste Management Authority as of December 31, 2000 and 1999, and the related statements of cash receipts, disbursements and changes in retained earnings - modified cash basis, the statements of cash flows - modified cash basis and the statements of cash receipts, disbursements, and encumbrances - budget and actual - modified cash basis for the years then ended on the basis of accounting as described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 12, 2001 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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 audits.

*Brott Mardis & Co.*

Certified Public Accountants  
January 12, 2001

**SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY**

**STATEMENTS OF ASSETS, LIABILITIES, AND RETAINED EARNINGS-MODIFIED**  
**CASH BASIS AS OF DECEMBER 31, 2000 AND 1999**

**ASSETS**

**ENTERPRISE FUND**

	December 31,	
	2000	1999
<b>CURRENT ASSETS:</b>		
Cash	\$3,558	\$5,390
Investments	638,061	486,230
OWDA Grant receivable	4,237	3,773
Summit County Health District Grant receivable	9,430	-
Total current assets	<u>655,286</u>	<u>495,393</u>
<b>FIXED ASSETS:</b>		
Land and land improvements	176,201	171,227
Vehicles	18,514	18,514
Equipment	82,756	72,917
Furniture and fixtures	24,157	22,290
Leasehold improvements	17,610	3,158
Building and improvements	<u>225,359</u>	<u>225,359</u>
	544,597	513,465
Less accumulated depreciation	<u>121,550</u>	<u>95,081</u>
	423,047	418,384
<b>OTHER ASSETS:</b>		
Deposits	566	566
<b>TOTAL ASSETS</b>	<u><u>\$1,078,899</u></u>	<u><u>\$914,343</u></u>

**LIABILITIES AND RETAINED EARNINGS**

<b>LIABILITIES:</b>		
Withholdings due other governments	\$710	\$604
<b>EQUITY:</b>		
Retained earnings	918,328	753,878
Contributed capital	<u>159,861</u>	<u>159,861</u>
	1,078,189	913,739
<b>TOTAL LIABILITIES AND RETAINED EARNINGS</b>	<u><u>\$1,078,899</u></u>	<u><u>\$914,343</u></u>

See notes to financial statements.

**SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY**

**STATEMENTS OF CASH RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN RETAINED EARNINGS - MODIFIED CASH BASIS**

**ENTERPRISE FUND**

	<b><u>Years ended December 31,</u></b>	
	<b><u>2000</u></b>	<b><u>1999</u></b>
<b>OPERATING REVENUES:</b>		
Generation fees	\$1,587,600	\$1,578,162
Household Hazardous Waste contributions and tire fees	8,293	4,000
<b>Total Operating Revenue</b>	<b>1,595,893</b>	<b>1,582,162</b>
<b>OPERATING EXPENSES:</b>		
Household Hazardous Waste Recycling Center expenses	485,481	521,635
Health Department contracts	338,360	302,029
Personnel	260,440	251,702
Occupancy	49,183	45,607
Office	18,290	17,226
Professional	70,577	81,776
Depreciation	26,470	26,992
Vehicle	2,422	1,125
Annual report	9,260	18,332
Newsletter	-	5,000
Brochures	3,774	17,559
Postage	100	1,623
Newsletter-development	-	1,223
Directors and Officers insurance	2,770	2,770
Miscellaneous	48	144
<b>Total Operating Expenses</b>	<b>1,267,175</b>	<b>1,294,743</b>
<b>OPERATING INCOME</b>	<b>328,718</b>	<b>287,419</b>
<b>NONOPERATING REVENUE (EXPENSES):</b>		
Reduce, Reuse, Recycle	(25,536)	(28,258)
Community Reduce, Reuse, Recycle Program Support	(12,750)	(99,064)
Ohio Water Development Authority grant receipts	17,094	112,330
Ohio Water Development Authority grant expenditures	(17,094)	(112,330)
Grants	(167,312)	(185,915)
Coventry - Buckley Abatement	-	(75,000)
Interest income	41,330	29,160
Loss on disposal of fixed assets	-	(2,074)
<b>Total Net Nonoperating Expenses</b>	<b>(164,268)</b>	<b>(361,151)</b>
<b>NET INCOME (LOSS)</b>	<b>164,450</b>	<b>(73,732)</b>
<b>RETAINED EARNINGS, BEGINNING OF THE PERIOD</b>	<b>753,878</b>	<b>827,610</b>
<b>RETAINED EARNINGS, END OF THE PERIOD</b>	<b>\$918,328</b>	<b>\$753,878</b>

See notes to financial statements.

**SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY**

**STATEMENTS OF CASH FLOWS - MODIFIED CASH BASIS**

**ENTERPRISE FUND**

	Years Ended December 31, 2000	1999
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Operating income	\$328,718	\$287,419
Adjustments to reconcile operating income to net cash provided by operations:		
Loss on disposal of fixed asset	-	2,074
Depreciation	26,470	26,992
(Increase) decrease in OWDA Grant receivable	(464)	34,217
Increase in Summit County Health District Grant receivable	(9,430)	-
Cash receipts (payments) for Withholding - Liability		
Retirement	106	(30)
Increase in deposits	-	(566)
Net cash provided by operating activities	345,400	350,106
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Net nonoperating expense	(164,268)	(361,151)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Cash payments for capital acquisitions	(31,133)	(45,261)
Net cash used in capital and related financing activities	(31,133)	(45,261)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Net (increase) decrease in investments	(151,831)	54,341
Net cash (used in) provided by investing activities	(151,831)	54,341
<b>NET DECREASE IN CASH</b>	(1,832)	(1,965)
<b>CASH AT BEGINNING OF PERIOD</b>	5,390	7,355
<b>CASH AT END OF PERIOD</b>	\$3,558	\$5,390

See notes to financial statements.



**SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY**

**STATEMENTS OF CASH RECEIPTS, DISBURSEMENTS,  
AND ENCUMBRANCES - BUDGET AND ACTUAL - MODIFIED CASH BASIS**

**ENTERPRISE FUND**

**YEAR ENDED DECEMBER 31, 2000**

	<u>1999</u>	<u>2000</u>	<u>TOTAL</u>
	<u>ENCUMBRANCES</u>	<u>CASH BASIS</u>	<u>BUDGET</u>
		<u>BUDGET</u>	<u>BUDGET</u>
<b>OPERATING REVENUES:</b>			
<b>Generation fees</b>	-	\$1,500,000	\$1,500,000
<b>Household Hazardous Waste     contributions and tire fees</b>	-	-	-
<b>Total Operating Revenues</b>	-	1,500,000	1,500,000
<b>OPERATING EXPENSES:</b>			
<b>Household Hazardous Waste     Recycling Center expenses</b>	760	538,650	539,410
<b>Health department contracts</b>	31,449	338,529	369,978
<b>Personnel</b>	1,590	273,703	275,293
<b>Occupancy</b>	105	55,549	55,654
<b>Office</b>	-	31,500	31,500
<b>Professional</b>	1,201	76,034	77,235
<b>Depreciation</b>	-	-	-
<b>Vehicle</b>	-	3,500	3,500
<b>Annual report</b>	-	9,260	9,260
<b>Brochures</b>	-	20,275	20,275
<b>Postage</b>	75	2,000	2,075
<b>Directors and Officers insurance</b>	-	3,000	3,000
<b>Miscellaneous</b>	-	5,000	5,000
<b>Total Operating Expenses</b>	35,180	1,357,000	1,392,180
<b>OPERATING (LOSS) INCOME</b>	(35,180)	143,000	107,820
<b>NONOPERATING REVENUE (EXPENSES):</b>			
<b>Reduce, Reuse, Recycle</b>	(2,400)	(143,000)	(145,400)
<b>Community Reduce, Reuse,     Recycle Program Support</b>	(21,500)	-	(21,500)
<b>Ohio Water Development Authority     grant receipts</b>	-	-	-
<b>Ohio Water Development Authority     grant expenditures</b>	-	-	-
<b>Grants</b>	(42,512)	-	(42,512)
<b>Interest income</b>	-	-	-
<b>Total Net Nonoperating     (Expenses) Revenue</b>	(66,412)	(143,000)	(209,412)
<b>NET (LOSS) INCOME</b>	(\$101,592)	-	(\$101,592)

See notes to financial statements.

<b>2000 CASH BASIS ACTUAL</b>	<b>2000 ENCUMBRANCES</b>	<b>TOTAL MEMORANDUM ONLY</b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
\$1,587,600	-	\$1,587,600	\$87,600
8,293	-	8,293	8,293
<u>1,595,893</u>	<u>-</u>	<u>1,595,893</u>	<u>95,893</u>
485,481	-	485,481	53,929
338,360	25,351	363,711	6,267
260,440	-	260,440	14,853
49,183	-	49,183	6,471
18,290	607	18,897	12,603
70,577	-	70,577	6,658
26,470	-	26,470	(26,470)
2,422	-	2,422	1,078
9,260	-	9,260	-
3,774	-	3,774	16,501
100	-	100	1,975
2,770	-	2,770	230
48	-	48	4,952
<u>1,267,175</u>	<u>25,958</u>	<u>1,293,133</u>	<u>99,047</u>
328,718	(25,958)	302,760	194,940
(25,536)	-	(25,536)	119,864
(12,750)	-	(12,750)	8,750
17,094	-	17,094	17,094
(17,094)	-	(17,094)	(17,094)
(167,312)	(2,940)	(170,252)	(127,740)
<u>41,330</u>	<u>-</u>	<u>41,330</u>	<u>41,330</u>
<u>(164,268)</u>	<u>(2,940)</u>	<u>(167,208)</u>	<u>42,204</u>
<u><u>\$164,450</u></u>	<u><u>(\$28,898)</u></u>	<u><u>\$135,552</u></u>	<u><u>\$237,144</u></u>

SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS

YEARS ENDED DECEMBER 31, 2000 AND 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Reporting Entity

The Authority is a political subdivision created by citizens in Summit County. The concept of such an entity was created by the State of Ohio. The Authority was established for the purpose of managing the flow of solid waste in, through, and out of the entire area of Summit County. The Authority operates under a 13 member Board of Trustees which oversees and governs its operations.

In accordance with the Statements of the Governmental Accounting Standards Board (GASB), including GASB No. 14, the Authority's financial statements include all funds and activities over which the Authority's Board of Trustees and Executive Director exercise primary oversight responsibility. Oversight responsibility was evaluated on the basis of financial interdependency, selection of governing board, contracting authority, designation of management and the ability to influence operations.

Based on the foregoing criteria, the financial statements only include the activities of the Authority.

b) Basis of Presentation

The Authority's financial statements are organized on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equity or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The Enterprise Fund accounts for activities that are financed by generation fees, interest income, and grants. The measurement focus is based upon determination of net income, financial position, and cash flows.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Effective September 1, 1998, the Authority adopted Statement of GASB No. 32 and all Agency Fund assets were transferred to a trust held by the Ohio Public Employees Deferred Compensation Program. Accordingly the assets and related liabilities are not recorded on the Authority's balance sheet at December 31, 2000 and 1999.

c) Basis of Accounting

The accompanying financial statements of the Authority are prepared on the modified cash basis of accounting. Assets and liabilities are recorded and revenues and expenses are recognized on the cash-basis, modified for the capitalization of fixed assets and their depreciation and grant receivables and related accrued revenues. Except for the noted modification, this practice differs from generally accepted accounting principles in that revenues and the related assets are recognized when received rather than when earned; expenses or expenditures are recognized when paid rather than when a liability is incurred.

d) Budgetary Data

The Authority adopts an annual budget which is approved by its Board of Trustees. The budget includes estimates for all anticipated sources of revenue and anticipated expenses or expenditures for the year. The budgetary process may not provide for grants which are received during the year. The budget is prepared on the cash basis. The Authority's budgetary process does recognize encumbrances for expenses incurred and approved on the current year budget but not paid by year end.

e) Cash and Cash Equivalents

The Enterprise Funds consider all cash and investments with a maturity of three months or less when deposited or purchased to be cash and cash equivalents.

f) Investments

Investments are stated at cost, which approximates market.

g) Fixed Assets

Fixed assets are stated at historical cost. Depreciation is provided on a straight-line basis over the assets' estimated useful lives. The estimated useful lives range from 5 to 40 years.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Use of Estimates

The preparation of the financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

2. DEPOSITS AND INVESTMENTS

The investment and deposit of monies are governed by provisions of the Ohio Revised Code and the Board of Trustees' Finance Committee. In accordance with these provisions, only banks located in Ohio and domestic building and loan associations are eligible to hold public deposits. The provisions also permit the Authority to invest its money in Certificates of Deposit, Savings Accounts, Money Market Accounts, the State Treasurer's Investment Pool (STAR Ohio) and obligations of the United States Government or certain agencies thereof. The Authority may also enter into Repurchase Agreements with any eligible depository for a period not exceeding 30 days.

Public Depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Company (FDIC) or may pledge a pool of government securities the statutory value of which will range from 100% to 120% of the total value of public monies on deposit at the institutions. Repurchase Agreements must be secured by the specific government securities upon which the Repurchase Agreements are based. These securities must be obligations of or guaranteed by the United States. Ohio state law does not require security for public deposits and investments to be maintained in the Authority's name.

During 2000 and 1999, the Authority complied with the provisions of these statutes pertaining to the types of investments held and institutions in which deposits were made. The Authority was also in compliance with the provisions of the statutes concerning security requirements. The Authority will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

Deposits

At December 31, 2000, the carrying amount of the Authority's deposits was \$3,558 and the bank balance was \$79,933. The difference between the carrying amount and bank balance were items in transit. The entire balance was covered by federal depository insurance.

2. DEPOSITS AND INVESTMENTS (Continued)

Investments

The Authority's investments may be categorized to give an indication of the level of risk assumed at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the Authority or its agent in the Authority's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Authority's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by their trust department or agent, but not in the Authority's name.

The Authority's investments at December 31, 2000, consist of the following:

	<u>Carrying Value</u>	<u>Market</u>
Unclassified Investments:		
Investment in State Treasurer's Investment Pool (STAR Ohio)	<u>\$638,061</u>	<u>\$638,061</u>

The Authority's investments at December 31, 1999, consist of the following:

	<u>Carrying Value</u>	<u>Market</u>
Unclassified Investments:		
Investment in State Treasurer's Investment Pool (STAR Ohio)	<u>\$486,230</u>	<u>\$486,230</u>

3. COMPENSATED ABSENCES PAYABLE

Employees accrue vacation hours as hours are worked. Unused vacation cannot be carried over, it must be used in the calendar year earned.

The Authority's sick leave policy requires all leave to be supported by a letter or other medical support unless it is related to a death in the immediate family. Employees are allowed 4.62 hours of sick leave per 80 hours worked or 120 hours per year. The hours may be carried over but cannot be used as early retirement or time off. The policy does not provide for paying terminated employees for unused sick leave.

4. PENSIONS

Full time permanent employees of the Authority participate in the Public Employees Retirement System of Ohio (PERS). PERS is a state operated cost sharing multi-employer pension plan. The total payroll and the payroll for employees covered by PERS for the years ended December 31, 2000 and 1999, was approximately \$194,720 and \$197,000, respectively.

Eligible employees are entitled to an annual retirement benefit, payable monthly for life, equal to 2.2 percent of their final average salary for each year of credited service up to 30 years. The percentage increases to 2.5 percent of final average salary for each year of service in excess of 30 years. Final average salary is the employee's average salary over the highest three years of earnings. Benefits fully vest upon reaching five years of Ohio credited service and are established by state statute. Employees may retire at any age with 30 years of service, at age 55 with a minimum of 25 years of service and at age 60 with a minimum of five years of credited service. PERS also provides survivor, disability and health care benefits.

The Ohio Revised Code provides statutory authority for employee and employer contributions. Contributions to the plans for the year ended December 31, 2000, are summarized as follows:

Plan - Contributor	<u>Statutorily Determined</u> Contribution		<u>Actuarially Determined</u> Contribution	
	<u>Rate</u>	<u>Contributions</u>	<u>Rate</u>	<u>Contributions</u>
By Authority	13.55%	\$12,300	13.55%	\$12,300
By Authority	8.13%	8,500	8.13%	8,500
By Employees	8.50%	<u>16,600</u>	8.50%	<u>16,600</u>
Total		<u>\$37,400</u>		<u>\$37,400</u>

Contributions to the plans for the year ended December 31, 1999, are summarized as follows:

Plan - Contributor	<u>Statutorily Determined</u> Contribution		<u>Actuarially Determined</u> Contribution	
	<u>Rate</u>	<u>Contributions</u>	<u>Rate</u>	<u>Contributions</u>
By Authority	13.55%	\$27,000	13.55%	\$27,000
By Employees	8.50%	<u>17,000</u>	8.50%	<u>17,000</u>
Total		<u>\$44,000</u>		<u>\$44,000</u>

The contribution rate includes 5.11% for Health Care. The liability for past service costs at the time PERS was established was assumed by the State.

4. PENSIONS (Continued)

Funded Status

The "Pension benefit obligation" is a standardized measure of the actuarial present value of credited projected benefits, adjusted for the effects of projected salary increases and any step rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess each system's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among plans and employers. The PERS of Ohio does not make separate measurements of assets and pension benefit obligations for individual Ohio subdivisions.

Information showing historical trend data in accumulating sufficient assets to pay benefits when due is presented in PERS' Comprehensive Annual Financial Report to the membership. Trend information by individual participant employer is not available. PERS does not hold any securities in the form of notes, bonds, or other instruments issued by the entities contributing to the plans.

5. DEFERRED COMPENSATION PLAN

The Authority offers its employees a deferred compensation plan, Ohio Public Employees Deferred Compensation Program, created in accordance with Internal Revenue Code Section 457. The plan, available to all Authority employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The deferred wages and any earned income are not subject to taxes until actually received by the employees.

As described in Note 1, all plan assets and income were transferred to a trust held by the Board of the Ohio Public Employees Deferred Compensation Program. The plan assets and income are held for the exclusive benefit of eligible employees and their beneficiaries. All assets whenever contributed to the plan are assigned to the trust established by the Board.

6. OPERATING LEASE

The Authority leases its facility under a three-year operating lease agreement. The lease term is from June 1, 1999 to May 31, 2002 and requires monthly lease payments of \$2,831 plus a monthly fee for parking, janitorial services, and heating. The lease contains a renewal option for an additional three years at \$3,398 per month. Total rent expense for the years ended December 31, 2000 and 1999, was approximately \$36,835 and \$33,000, respectively.



6. OPERATING LEASE (Continued)

The Authority leases a copier under a five-year operating lease agreement. The lease term is from August 1996 to July 2001 and requires monthly lease payments of \$398. Copier lease expense for the years ended December 31, 2000 and 1999, was approximately \$4,800, annually.

The Authority renewed their postage-meter lease under a three and one-half-year operating lease agreement. The new lease term is from December 2000 to June 2004 and requires quarterly lease payments of \$549. Postage meter lease expense for the years ended December 31, 2000 and 1999, was \$2,165 and \$2,121, respectively.

7. OPTION ON SALE OF REAL ESTATE

The Authority owns a parcel of real estate in Cuyahoga Falls, Ohio. The Household Hazardous Waste Recycling Center is operated at this location. The Carter Jones Lumber Company has an option to purchase the property for one dollar if the Authority closes the Center.

8. REDUCE, REUSE, RECYCLE PROGRAM

The Authority made grants to various municipalities and organizations under its education/awareness grant programs, special community programs, and request for recycling programs. Grants made under these programs consist of the following:

	<u>2000</u>	<u>1999</u>
Reduce, Reuse, Recycle Grants:		
Cuyahoga Falls - Ecology Center	\$ -	\$ 233
Copley Township - Cleanup	-	3,128
Special Community Programs	23,582	21,787
Van - Mobile Education Unit	<u>-</u>	<u>3,110</u>
	23,582	28,258
SASWMA Grants:		
University of Akron	1,299	-
Archbishop Hoban Recycling Club	-	319
Richfield Township	15,513	-
Twinsburg Recycling Center	3,522	312
Twinsburg Township	14,925	-
Cuyahoga Falls Schools/Recycling	-	865
City of Munroe Falls/Digs Science	-	2,497
Crouse Elementary School	-	1,538
Keep Akron Beautiful	11,826	-
Summit County Clean Communities	-	4,374

8. REDUCE, REUSE, RECYCLE PROGRAM (Continued)

	<u>2000</u>	<u>1999</u>
City of Barberton/Health District	-	5,249
Village of Boston Heights	-	20,400
Goodrich Middle School	-	1,399
Nordonia Hills Middle School	-	97
Nordonia Hills High School	-	412
Schrop Elementary	1,018	-
Springfield Township	436	-
Sagamore Hills Township	19,100	-
City of Tallmadge	41,213	5,718
School Board of Mental Retardation	-	1,170
City of Akron - Public Works	-	12,000
City of Stow	-	22,396
Barberton Health District	13,278	7,192
Boston Township	-	20,400
City of Cuyahoga Falls	24,245	9,892
City of Munroe Falls	-	20,400
Village of Peninsula	2,400	43,400
Turkeyfoot Elementary School	-	425
Young Elementary School	-	5,460
Barberton Litter Control	13,061	-
City of Green	<u>5,476</u>	<u>-</u>
	167,312	185,915
Community and Program Support:		
Community Support	-	14,500
Barberton	-	1,393
Cuyahoga Falls	-	6,177
Keep Akron Beautiful	-	22,012
City of Stow	-	3,243
Summit County Clean Communities	5,000	17,250
Communities Combined	<u>7,750</u>	<u>34,489</u>
	<u>12,750</u>	<u>99,064</u>
<b>Total Reduce, Reuse, Recycle Program</b>	<b><u>\$203,644</u></b>	<b><u>\$313,237</u></b>

9. OHIO WATER DEVELOPMENT AUTHORITY GRANT AGREEMENT

During 1998 the Authority received a \$310,000 research and development grant from the Ohio Water Development Authority (OWDA). The grant proceeds are to be used to study and develop the concept of a business chemical/hazardous waste recycling center. The funds are to be used solely for the research and development project and are payable by OWDA as 100% reimbursement of eligible costs as incurred. As of December 31, 2000, the Authority had expended \$302,830 of the grant funds.

10. OFF-BUDGET EXPENDITURES

Although not formally implemented into the 2000 budget, two categories of expenditures were planned by the Authority and approved by the Board of Trustees to be funded out of prior year retained earnings. The following summary illustrates the amounts approved and the amounts expended during 2000:

	<u>Approved</u>	<u>Expended</u>	<u>Encumbered</u>	Total Memorandum <u>Only</u>	<u>Variance</u>
Public Awareness/Waste Reduction/Education Grants	<u>191,021</u>	<u>167,312</u>	<u>2,940</u>	<u>170,252</u>	<u>20,769</u>
Lobby Enclosure Project	<u>15,000</u>	<u>14,452</u>	<u>-</u>	<u>14,452</u>	<u>548</u>



BROTT MARDIS & CO.

Certified Public Accountants

106 South Main St., Suite 1306, Akron, Ohio 44308-1418  
330-762-5022 fax: 330-762-2727 www.brottmardis.com

---

**Report on Compliance and Internal Control  
Required by Government Auditing Standards**

Board of Trustees  
Summit/Akron Solid Waste  
Management Authority

We have audited the modified cash basis financial statements of the Summit/Akron Solid Waste Management Authority (the Authority) as of and for the year ended December 31, 2000, and have issued our report thereon dated January 12, 2001. We conducted our audit in accordance with generally accepted auditing standards 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 test 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 modified cash basis 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. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report that we have reported to management of the Authority in a separate letter dated January 12, 2001.

This report is intended solely for the information and use of the management of the Authority, and is not intended to be and should not be used by anyone other than these specified parties.

*Brett Mardis & Co.*

Certified Public Accountants  
January 12, 2001



STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**SUMMIT / AKRON SOLID WASTE MANAGEMENT AUTHORITY**

**SUMMIT 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  
MARCH 8, 2001**