# *SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY*

**SUMMIT COUNTY, OHIO**

**REGULAR AUDIT**

**For the Year Ended December 31, 2023**

Charles E. Harris & Associates, Inc.
CPAs and Government Consultants

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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Board of Trustees
Summit/Akron Solid Waste Management Authority
2711 West Market Street, Unit #13620
Fairlawn, Ohio 44333

We have reviewed the *Independent Auditor's Report* of the Summit/Akron Solid Waste Management Authority, Summit County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2023 through December 31, 2023. 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.

Keith Faber
Auditor of State
Columbus, Ohio

**August 20, 2024**

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***SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY***
**SUMMIT COUNTY, OHIO**
**Regular Audit**
**For the Year Ended December 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

Summit/Akron Solid Waste Management Authority
Summit County
2711 W Market St,
Unit #13620
Fairlawn, Ohio 44333

To the Board of Trustees:

### *Report on the Audit of the Financial Statements*

### *Opinions*

We have audited the financial statements of the Summit/Akron Solid Waste Management Authority, Summit County, Ohio (the Authority), as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of December 31, 2023 and 2022 and the changes in financial position and its cash flows, thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and schedules of net pension and other post-employment benefit assets/liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2024, 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 grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

***Charles E. Harris & Associates, Inc.***
June 14, 2024

Our discussion and analysis of the Summit/Akron Solid Waste Management Authority's (the Authority) financial performance provides an overview of the Authority's financial activities for the year ended December 31, 2023. Please read it in conjunction with the Authority's financial statements.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The Authority's financial statements are prepared on the accrual basis in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). The Authority is structured as a single enterprise fund with revenues recognized when earned, not when received. Expenses are recognized when incurred, not when they are paid. Capital assets greater than or equal to $5,000 are capitalized and are depreciated (except land and construction-in-progress) over their useful lives. A summary of the Authority's significant accounting policies are included in the notes to the financial statements.

Following this MD&A are the basic financial statements of the Authority together with the related notes, which are essential to a full understanding of the data contained in the financial statements. The Authority's basic financial statements are designed to provide readers with a broad overview of the Authority's finances.

The *Statement of Net Position* presents information on all the Authority's assets and liabilities and deferred inflows and outflows, with the difference between the two reported as net positions. Over time, increases or decreases in net positions may serve as a useful indicator of the Authority's financial position.

The *Statement of Revenues, Expenses, and Changes in Net Positions* presents information showing how the Authority's net position changed during the most recent years. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future periods.

The *Statement of Cash Flows* relates to the flow of cash and cash equivalents. Consequently, only transactions that affect the Authority's cash accounts are recorded in this statement. A reconciliation is provided at the bottom of the Statement of Cash Flows to assist in the understanding of the difference between cash flows from operating activities and operating income.

## FINANCIAL HIGHLIGHTS

- The Authority's financial statements are comprised of a single enterprise fund. Enterprise funds are used to account for business-like activities provided to the general public.

- The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by $4,849,058 (net position). Of this amount, $4,264,163 may be used to meet the Authority's ongoing obligations to Summit County citizens and to creditors in accordance with the Authority's fiscal policies. However, of the $4,264,163, the Board of Trustees (the "Board") has designated $135,331 for community recycling assistance grants.

- The Authority's unrestricted net position includes the unrestricted net position and the board restricted net position for community recycling grants in the comparative Statements of Net Position. Board restricted monies are restricted at a certain point in time for a certain purpose(s) by the Board. Because they are restricted by the Board, the Board may at a future date change the purpose of the restriction, therefore, those monies are considered unrestricted. The total net position increased $513,270 from 2022. This net increase was $226,403 more than the previous year's net increase primarily due to an increase in interest income of $148,714 and OEPA pass-through grant revenue of $106,915 and, a decrease in the following expenses; landfill closure expenses of $224,705; and education, branding and marketing of $20,121. These decreases in expenses were offset by certain increases in expenses such as reduce, reuse and recycle programs of $35,811; personnel of $162,973.

- The Hardy Road Landfill Closure Program was established to assist the City of Akron with funding the closure and post-closure operations of the Hardy Road Landfill. Whatever dollar amount is collected in one year is paid out in the following year and recorded as an intergovernmental liability at December 31.

- The community recycling assistance grant program was established to provide grants to Summit County communities that are helping the Authority reach its State EPA Plan goal by providing a minimum of 80 percent of the residential population of Summit County with the opportunity to recycle single stream recyclables through curbside or drop off services. Not all communities in Summit County participate in this program; therefore, they do not receive grant monies. During 2013, the Authority switched from a bestowment-based approach to a reimbursement-based approach with the Summit County communities. The Authority used these dollars to open and operate community recycling drop-offs in Summit County from January 2012 to July 2013 and to fund countywide document shredding events from May 2013 to June 2015. Beginning in 2013, per the approved Solid Waste Plan, the Authority also funded an extensive countywide education and outreach program to reduce contamination for curbside recycling programs and increase overall waste diversion.

**FINANCIAL POSITION**

The following represents the Authority's financial position for the years ended December 31:

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| ASSETS: | | | |
| Current assets-unrestricted | $ 4,947,970 | $ 4,988,261 | $ 4,803,152 |
| Current assets-board restricted | 135,331 | 164,747 | 171,109 |
| Capital assets | 557,829 | 151,154 | 162,181 |
| Other noncurrent assets | 27,066 | 98,997 | 74,693 |
| TOTAL ASSETS | $ 5,668,196 | $ 5,403,159 | $ 5,211,135 |
| DEFERRED OUTFLOWS OF RESOURCES: | | | |
| Pension | $ 191,850 | $ 54,304 | $ 33,615 |
| OPEB | 27,255 | - | 16,092 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | $ 5,887,301 | $ 5,457,463 | $ 5,260,842 |

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| LIABILITIES: | | | |
| Current liabilities | $ 562,401 | $ 775,039 | $ 785,283 |
| Noncurrent liabilities | 470,476 | 146,558 | 239,288 |
| TOTAL LIABILITIES | 1,032,877 | 921,597 | 1,024,571 |
| DEFERRED INFLOWS OF RESOURCES: | | | |
| Pension | $ 817 | $ 145,026 | $ 88,061 |
| OPEB | 4,549 | 55,052 | 99,289 |
| NET POSITION: | | | |
| Net investment in capital and intangible assets | 584,895 | 186,070 | 204,948 |
| Board-restricted net position | 135,331 | 164,747 | 171,109 |
| Unrestricted net position | 4,128,832 | 3,984,971 | 3,672,864 |
| TOTAL NET POSITION | 4,849,058 | 4,335,788 | 4,048,921 |
| TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION | $ 5,887,301, | $ 5,457,463 | $ 5,260,842 |

The Authority's investment in their capital and intangible assets is represented by the portion of the Authority's net position of $584,895 or 12.1 percent, $186,070 or 4.3 percent, and, $204,948 or 5.1 percent at December 31, 2023, 2022, and, 2021, respectively. The increase in 2023 relates to the purchase of land in the amount of $304,872. The decrease in 2022 and 2021 relates to depreciation expense of $18,878 and $16,294, respectively. This net position may not be used to meet the Authority's ongoing obligations.

Net position is currently not available for new spending because they are currently committed by the Board as follows:

| | | 2023 | | 2022 | | 2021 |
|---|---|---|---|---|---|---|
| Community recycling grants and programs | $ | 135,331 | $ | 164,747 | $ | 171,109 |

The remaining unrestricted net position of $4,128,832, $3,984,971, and, $3,672,864 at December 31, 2032, 2022 and 2021, respectively, may be used to meet any of the Authority's ongoing obligations. The Authority anticipates these funds will be needed to pay future operational expenditures and to maintain adequate levels of working capital.

The following represents the Authority's summary of operating revenues by source for the years ended December 31:

| | | 2023 | | 2022 | | 2021 |
|---|---|---|---|---|---|---|
| Generation fees-operations | $ | 1,521,037 | $ | 1,339,878 | $ | 1,372,823 |
| Generation fees-landfill closure fund | | 349,528 | | 574,233 | | 588,353 |
| Generation fees-community recycling grants | | 467,641 | | 478,528 | | 490,294 |
| OEPA pass through grant revenue | | 200,000 | | 93,085 | | - |
| Service and other revenue | | 3,243 | | 3,671 | | 4,719 |
| TOTAL OPERATING REVENUES | $ | 2,541,449 | $ | 2,489,395 | $ | 2,456,189 |

Generation fees comprised 92 percent, 96 percent, and 99 percent of total operating revenues for 2023, 2022, and 2021, respectively. Of that 92.0 percent, 96.0 percent, and 99.0 percent, 15 percent, 24 percent, and 24 percent is restricted for the Hardy Road Landfill for 2023, 2022, and 2021 and 20.0 percent is board-restricted for community recycling grants and programs.

The following represents the Authority's summary of operating expenses by source for the years ended December 31:

| | | 2023 | | 2022 | | 2021 |
|---|---|---|---|---|---|---|
| Community recycling grants and programs | $ | 490,627 | $ | 476,224 | $ | 485,594 |
| Landfill closure expenses | | 349,528 | | 574,233 | | 582,256 |
| Household hazardous waste recycling center | | 338,805 | | 339,117 | | 351,748 |
| Health department contracts | | 155,000 | | 150,000 | | 150,000 |
| Reduce, reuse, recycle programs | | 130,916 | | 95,105 | | 102,297 |
| Personnel – salaries and benefits | | 374,605 | | 211,632 | | 125,067 |
| Occupancy | | 2,400 | | 2,400 | | 2,400 |
| Office and equipment | | 23,276 | | 18,610 | | 17,319 |
| Professional fees | | 101,100 | | 111,306 | | 65,840 |
| Depreciation and amortization | | 18,878 | | 18,878 | | 16,294 |
| Vehicles and travel expense | | 2,774 | | 2,833 | | 3,053 |
| Education, branding and marketing | | 60,446 | | 80,567 | | 110,413 |
| OEPA pass-through grant | | 200,000 | | 193,085 | | - |
| TOTAL OPERATING EXPENSES | $ | 2,248,355 | $ | 2,273,990 | $ | 2,012,281 |

The following represents the Authority's summary of nonoperating revenues for the years ended December 31:

| | | 2023 | | 2022 | | 2021 |
|---|---|---|---|---|---|---|
| Interest income | $ | 200,176 | $ | 71,462 | $ | 3,276 |

The following represents the Authority's summary of changes in net position for the years ended December 31:

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Total operating revenues | $ 2,541,449 | $ 2,489,395 | $ 2,456,189 |
| Total operating expenses before depreciation and amortization | 2,229,477 | 2,255,112 | 1,995,987 |
| Operating income before depreciation and amortization | 311,972 | 234,283 | 460,202 |
| Depreciation and amortization | (18,878) | (18,878) | (16,294) |
| Operating income/(loss) | 293,094 | 215,405 | 443,908 |
| Nonoperating revenues/(losses) | 220,176 | 71,462 | (7,671) |
| Increase/(decrease) in net position | 513,270 | 286,867 | 436,237 |
| Net position, beginning of year | 4,335,788 | 4,048,921 | 3,612,684 |
| NET POSITION, END OF YEAR | $ 4,849,058 | $ 4,335,788 | $ 4,048,921 |

**CAPITAL ASSETS**

The Authority's capital assets as of December 31, 2023 and 2022 totaled $557,829 and $151,154, respectively, which include land, land improvements, building and building improvements, a vehicle, equipment, and leasehold improvements. See Note E for additional information.

**INTANGIBLE ASSETS**

The Authority's intangible assets as of December 31, 2023 and 2022 totaled $27,066 and $34,916, respectively and consisted of database and website development costs. See note F for additional information.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Authority and its Finance Committee reviewed various factors when setting the calendar year 2023 budget. Recommendations were then presented to the Board for their approval. Historical factors and waste generation information were reviewed and considered.

Factors that affect the amount of waste generated and reported:

- Economic/Weather conditions
- Changing composition of waste
- Accurate designation of waste at landfills/transfer stations
- Opportunities to recycle and divert waste
- Changing markets for recyclables

The objectives in the development of the 2024 budget (cash basis):

- Maintain Programs and Services
- Expenses for proposed construction of collection center and administration building were not included in 2024 budget and will require Board approval and budget revisions.
    - Revenue:
        - Project 480,000 tons of solid waste in 2024 (no change from 2023 budget)
        - Investment income from Star Ohio 2024 budget conservatively projected to increase by $30,000 from the 2023 budget

- Expenses:
  - Decrease of 1% in Recycling Programs and Education Services
    - No reduction in services
    - Projected 6% increased contract service fees for HHW programs
    - Projected 13% Decrease in education budget due to loss of print media
    - Branding & marketing contracted service fees-no change
    - Increase budget for target material (Styrofoam™, glass, campaign signs, etc) collection and education promotion
  - No change in Health Department Service Contract Fee
  - Community Recycling Assistance Grant (Board Designated Funds)
    - Use reserve CRAG funds to maintain full payout on grant as it has been in place from 2017-2024
    - Maintain funding of countywide recycling education with a portion of CRAG funds

**CONTACTING FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens and grantors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have any questions regarding this report or need additional financial information, please contact: **Marcie Kress, Executive Director at 2711 West Market Street, Unit #13620, Fairlawn, OH 44333.**

Summit/Akron Solid Waste Management Authority
STATEMENTS OF NET POSITION
December 31, 2023 and 2022

| ASSETS | 2023 | 2022 |
|---|---|---|
| CURRENT ASSETS | | |
| Cash | $ 271,915 | $ 659,067 |
| Cash and cash equivalents-unrestricted | 4,448,001 | 4,098,409 |
| Cash and cash equivalents-Board restricted | 135,331 | 164,747 |
| Total cash and cash equivalents | 4,855,247 | 4,922,223 |
| Accounts/grants receivable | 217,979 | 216,040 |
| Prepaid expenses | 10,075 | 14,745 |
| TOTAL CURRENT ASSETS | 5,083,301 | 5,153,008 |
| | | |
| NONCURRENT ASSETS | | |
| Capital assets, net of accumulated depreciation | 557,829 | 151,154 |
| Intangible assets, net of amortization | 27,066 | 34,916 |
| Net OPEB asset | - | 49,081 |
| Deposits | - | 15,000 |
| TOTAL ASSETS | 5,668,196 | 5,403,159 |
| | | |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Pension related | 191,850 | 54,304 |
| OPEB related | 27,255 | - |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 219,105 | 54,304 |
| | | |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | $ 5,887,301 | $ 5,457,463 |
| | | |
| LIABILITIES AND NET POSITION | | |
| CURRENT LIABILITIES | | |
| Accounts payable | $ 64,214 | $ 16,649 |
| Accrued payroll and payroll withholdings | - | 10,018 |
| Intergovernmental payable | 498,187 | 748,372 |
| TOTAL CURRENT LIABILITIES | 562,401 | 775,039 |
| | | |
| NONCURRENT LIABILITIES | | |
| Due in more than one year: | | |
| Compensated absences | 31,765 | 29,190 |
| Net pension liability | 429,512 | 117,368 |
| Net OPEB liability | 9,199 | - |
| TOTAL LIABILITIES | 1,032,877 | 921,597 |
| | | |
| DEFERRED INFLOWS OF RESOURCES | | |
| Pension related | 817 | 145,026 |
| OPEB related | 4,549 | 55,052 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 5,366 | 200,078 |
| | | |
| NET POSITION | | |
| Net investment in capital and intangible assets | 584,895 | 186,070 |
| Board restricted for community recycling assistance grants | 135,331 | 164,747 |
| Unrestricted | 4,128,832 | 3,984,971 |
| TOTAL NET POSITION | 4,849,058 | 4,335,788 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | $ 5,887,301 | $ 5,457,463 |

See accompanying notes to the financial statements.

Summit/Akron Solid Waste Management Authority
STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
For the Years Ended December 31, 2023 and 2022

| | 2023 | 2022 |
|---|---|---|
| OPERATING REVENUES | | |
| Generation fees | $ 2,338,206 | $ 2,392,639 |
| OEPA pass-through grant | 200,000 | 93,085 |
| Service and other revenue | 3,243 | 3,671 |
| TOTAL OPERATING REVENUES | 2,541,449 | 2,489,395 |
| | | |
| OPERATING EXPENSES | | |
| Community recycling assistance grants | 490,627 | 476,224 |
| Landfill closure expenses | 349,528 | 574,233 |
| Household hazardous waste recycling center | 338,805 | 339,117 |
| Health department contracts | 155,000 | 150,000 |
| Reduce, reuse, recycle programs | 130,916 | 95,105 |
| Personnel – salaries and benefits | 374,605 | 211,632 |
| Occupancy | 2,400 | 2,400 |
| Office and equipment | 23,276 | 18,610 |
| Professional fees | 101,100 | 111,306 |
| Depreciation and amortization | 18,878 | 18,878 |
| Vehicles and travel expense | 2,774 | 2,833 |
| Education, branding and marketing | 60,446 | 80,567 |
| OEPA pass-through grant | 200,000 | 193,085 |
| TOTAL OPERATING EXPENSES | 2,248,355 | 2,273,990 |
| | | |
| OPERATING INCOME/(LOSS) | 293,094 | 215,405 |
| | | |
| NONOPERATING REVENUES/(LOSSES) | | |
| Interest income | 220,176 | 71,462 |
| TOTAL NONOPERATING REVENUES/(LOSSES) | 220,176 | 71,462 |
| | | |
| CHANGE IN NET POSITION | 513,270 | 286,867 |
| | | |
| NET POSITION, BEGINNING OF YEAR | 4,335,788 | 4,048,921 |
| | | |
| NET POSITION, END OF YEAR | $ 4,849,058 | 4,335,788 |

See accompanying notes to the financial statements.

Summit/Akron Solid Waste Management Authority
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2023 and 2022

| | 2023 | 2022 |
|---|---|---|
| CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES | | |
| Generation fee receipts | $ 2,336,267 | $ 2,420,531 |
| OEPA pass-through grant | 200,000 | 93,085 |
| Service and other revenue | 3,243 | 3,671 |
| | 2,539,510 | 2,517,287 |
| Health department contracts | (155,000) | (150,000) |
| Payments to suppliers | (592,482) | (536,229) |
| Payments to employees | (371,137) | (277,581) |
| Other payments | (1,290,340) | (1,418,575) |
| | (2,408,959) | (2,382,385) |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | 130,551 | 134,902 |
| CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES | | |
| Interest received | 220,176 | 71,462 |
| Purchase of capital assets | (417,703) | - |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | (197,527) | 71,462 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (66,976) | 206,364 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 4,922,223 | 4,715,859 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | $ 4,855,247 | $ 4,922,223 |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES: | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Operating income/(loss) | $ 293,094 | $ 215,405 |
| Adjustments to reconcile increase in net position to net cash provided by/(used by) operating activities | | |
| Depreciation and amortization | 18,878 | 18,878 |
| Change in assets and liabilities and deferred inflows/outflows | | |
| Accounts/grants receivable | (1,939) | 27,892 |
| Prepaid expenses | 4,670 | (275) |
| Net pension/OPEB asset | 49,081 | (17,155) |
| Deposits | 15,000 | (15,000) |
| Accounts payable | 47,565 | (169) |
| Compensated absences payable | 2,575 | (6,935) |
| Accrued payroll and payroll withholdings | (10,018) | 1,810 |
| Intergovernmental payable | (250,185) | (11,885) |
| Net pension/OPEB liability | 321,343 | (85,795) |
| Decrease in deferred outflows of resources-pension | (281,755) | 12,728 |
| Increase in deferred inflows of resources-pension | (77,758) | (4,597) |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | $ 130,551 | $ 134,902 |

See accompanying notes to the financial statements.

## NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Nature of Activities

Summit/Akron Solid Waste Management Authority (the "Authority"), a political subdivision of Summit County, was established pursuant to Chapters 343 and 3734 of the Ohio Revised Code to develop a long-term solution to the management of solid waste (trash and garbage) in Summit County, Ohio, while also protecting the environment. The Authority supports and implements programs that increase recycling, sustainability, conservation of natural resources, waste minimization and preservation of the environment. The Authority operates under a 15 member Board of Trustees (the "Board") that oversees and governs its operations.

In evaluating the Authority as a primary government, management has addressed all potential component units. Component units are to be included within the financial reporting entity of the Authority based upon the significance of their operational or financial relationships with the Authority. No potential component units meet the criteria for inclusion in the Authority's reporting entity.

### Basis of Accounting

The Authority's financial statements are comprised of a single enterprise fund. Enterprise funds are used to account for business-like activities provided to the general public.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues for the Authority primarily result from generation fees, grants, and miscellaneous income. Operating expenses for the Authority primarily include the costs of personnel, contracted services, OEPA pass-through grants, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Authority's enterprise fund is reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the Statements of Net Position and the Revenue and Expense Statements present increases (revenues) and decreases (expenses) in net total positions. Under the accrual basis of accounting, revenues are recognized when earned, including generation fees which are accrued. Expenses are recognized at the time the liability is incurred.

### Budgeted Revenues and Expenses

Expenses may not exceed the Authority's Board approved annual budget plus any amounts reserved by purchase orders at the end of the prior year, and, consequently estimated resources. The Board approves the annual budget and all subsequent budget amendments. The budget is prepared on the cash basis of accounting.

Net Position

Accounting standards require the classification of net position into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- Net investment in capital assets – This component of net position consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any accounts payable, bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- Restricted – This component of net position consists of constraints placed on asset use through external restrictions. The Authority had no restricted assets at December 31, 2023 and 2022.

- Unrestricted – This component of net position consists of assets that do not meet the definition of "restricted" or "net investment in capital assets.

Cash and Cash Equivalents

The Authority considers all cash and cash equivalents with an original maturity of three months or less when deposited or purchased to be cash equivalents.

Investments

The Authority's investment in the State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the Authority. The Authority measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

Per the STAR Ohio 2023 Annual Report: "For the fiscal year ended June 30, 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice to PFA is appreciated for deposits and withdrawals of $100 million or more. STAR Ohio reserves the right to limit the transaction to $250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the $250 million limit. All accounts of the participant will be combined for these purposes."

Receivables

Material receivables consist of all revenues earned at year-end and not yet received. Generation fee accounts receivable compose the majority of the receivables. Based on historical trends no allowance for uncollectible accounts and grants receivable is required.

Capital Assets

Capital 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 3 to 40 years.

The Authority has elected to capitalize assets with an original cost of $5,000 or more.

Pension and Other Postemployment Benefits (OPERS)

For purposes of measuring the net pension/OPEB liability, net OPEB asset, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

The current accounting standards require the Authority to report their proportionate share of the net pension/OPEB liability or OPEB asset using the earnings approach to pension and OPEB accounting instead of the funding approach as previously used. The funding approach limited pension and post employment costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension/OPEB liability or OPEB asset. Under the new standards, the net pension/OPEB liability or OPEB asset equals the Authority's proportionate share of the pension plan's collective present value of estimated future pension/OPEB benefits attributed to active and inactive employees' past service minus plan assets available to pay these benefits.

Pension and OPEB obligations, whether funded or unfunded, are part of the employment exchange. The employee is trading his or her labor in exchange for wages, benefits, and the promise of future pension and other post employment benefits. The unfunded portion of this benefit and exchange is a liability of the Authority. However, the Authority is not responsible for key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Benefit provisions and both employer and employee contribution rates are determined by State statute. The employee and employer enter the employment exchange with the knowledge that the exchange is limited by law. The pension system is responsible for the administration of the pension and OPEB plans.

There is no repayment schedule for the net pension liability or the net OPEB liability. The Authority has no control over the changes in the benefits, contribution rates, and return on investments affecting the balance of these liabilities. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not identify the responsible party for the unfunded portion. Due to the unique nature of how the pension liability and the OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statements of net position.

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the financial statements. In general, payables and accrued liabilities that once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the Authority. However, claims and judgments, compensated absences and net pension liability that will be paid from the Authority's funds are reported as a liability in the Authority's financial statements only to the extent that they are due for payment during the current year.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amount reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

Adopted Pronouncements

The following GASB Statements were adopted for the year ended December 31, 2023: Statement Nos. 94 (Public-Private and Public-Public Partnerships and Availability Payment Arrangements) and 96 (Subscription-Based Information Technology Arrangements). These statements had no significant impact on the Authority's financial statements for the year ended December 31, 2023.

Pending Pronouncements

GASB has issued statements that will become effective in future years including 100 (Accounting Changes and Error Corrections), 101 (Compensated Absences), and 102 (Certain Risk Disclosures). Management has not yet determined the impact of these statements on the financial statements.

## NOTE B – DEPOSITS AND INVESTMENTS

The investment and deposit of monies are governed by provisions of the Ohio Revised Code and the Board's 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 deposit or invest its money in certificates of deposit, savings accounts, money market accounts, the State Treasury Asset Reserve of Ohio (STAR Ohio) and obligations of the United States Treasury 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 provide 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 Corporation (FDIC) or may pledge a pool of accounts for 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 2023 and 2022, 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 applicable statutes pertaining to the public deposits and investments.

Cash on Hand

At December 31, 2023 and 2022, the Authority had $100 in undeposited cash on hand which is included in the financial statements as part of "Cash".

Deposits

At December 31, 2023 and 2022, the carrying amount of all Authority deposits was $271,815 and $658,967, respectively and the bank balance of all Authority deposits was $354,994 and $698,187, respectively. Of the bank balance, $250,000 was covered by the FDIC.

At December 31, 2023 and 2022 $104,994 and $448,187 was covered by the Ohio Pooled Collateral System (OPCS), respectively. Custodial credit risk is the risk that, in the event of bank failure, the Authority will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Authority has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the Authority and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. The Authority's financial institution was approved for a reduced collateral rate of 50% through the OPCS, therefore, $52,497 and $224,094 for the period December 31, 2023 and 2022, respectively, was uncollateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Authority to a successful claim by the FDIC.

Investments

The Authority's investments at December 31, 2023 and 2022 consisted of the following:

| Investments: | Carrying Value: | Net Asset Value: |
|---|---|---|
| 2023 STAR Ohio | $ 4,583,332 | $ 4,583,332 |
| 2022 STAR Ohio | $ 4,263,156 | $ 4,263,156 |

As of December 31, 2023, and 2022, the Authority had the following investments and maturities.

| | | | Investment Maturities (In Years) | | |
|---|---|---|---|---|---|
| Investment Type | Fair Value | Credit Rating (*) | <1 | 1-2 | 2-3 |
| 2023 STAR Ohio | $ 4,583,332 | AAAm | $ 4,583,332 | $ 0 | $ 0 |
| 2022 STAR Ohio | $ 4,263,156 | AAAm | $ 4,263,156 | $ 0 | $ 0 |

**Credit rating was obtained from Standard & Poor's for all investments.*

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs, Level 3 inputs are significant unobservable inputs. The above chart identifies the Authority's recurring fair value measurements as of December 31, 2023 and 2022.

All of the Authority's investments measured at fair value are valued using quoted market prices (Level 1 inputs).

*Interest Rate Risk*. Interest rate risk is the possibility that changes in interest rates will adversely affect the fair value of an investment. The Authority's investment policy does not address limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk.* Credit risk is the possibility that an issuer or other counterparty to an investment will not fulfill its obligation. The credit risk of the Authority's investment in STAR Ohio is above. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The Authority has no investment policy that would further limit its investment choices.

*Concentration of Credit Risk.* The Authority places no limit on the amount it may invest in any one issuer. The Authority's investment in STAR Ohio represents 100 percent of the Authority's total investments.

*Custodial Credit Risk.* The Authority's investments in STAR Ohio are not exposed to custodial credit risk. Securities in Star Ohio are either insured, registered or are held by STAR Ohio or by its agent in the name of Star Ohio.

## NOTE C – 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 of 3 consecutive working days or longer to be supported by a certificate from a licensed physician stating that the employee was under said physician's care. Sick leave of less than 3 days is submitted and approved using the prescribed Authority sick leave form. All full-time employees earn 4.6 hours of sick leave per 80 hours of service or 120 hours per year. Part-time employees shall receive credit pro-rated based on hours worked. Employees who retire in accordance with any retirement plan offered by the State of Ohio or who die shall be paid one-half of the value of their accrued but unused sick leave credit at the time of retirement or death; however the maximum accrual for which the employee shall be paid shall not exceed forty-five days. To qualify for such payment, employees shall have had prior to the date of retirement or death, ten or more years of combined service with the Authority, the State, or any of its political subdivisions and met all retirement criteria as established by the Public Employees Retirement System of the State of Ohio.

The effects of this policy resulted in a liability of $31,765 and $29,190 for compensated absences as of December 31, 2023 and 2022, respectively.

Employees may take up to 24 hours of personal leave annually. Personal leave is subtracted from accumulated sick leave balances and may not be carried from one year to the next.

## NOTE D – 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 employee.

## NOTE E – CAPITAL ASSETS AND ACCUMULATED DEPRECIATION

| Description | 2022 Beginning Balances | 2022 Additions | 2022 Dispositions | 2022 Ending Balances | 2023 Additions | 2023 Dispositions | 2023 Ending Balances |
|---|---|---|---|---|---|---|---|
| Capital assets not being depreciated | | | | | | | |
| Land | $ 18,748 | $ - | $ - | $ 18,748 | $304,872 | $ - | $ 323,620 |
| Construction in process | - | - | | - | 112,830 | - | 112,830 |
| Total capital assets not being depreciated | 18,748 | - | - | 18,748 | 417,702 | - | 436,450 |
| Capital assets being depreciated | | | | | | | |
| Land improvements | 131,692 | - | - | 131,692 | - | | 131,692 |
| Building and building improvements | 217,525 | - | - | 217,525 | - | - | 217,525 |
| Vehicles | 21,621 | - | - | 21,621 | - | - | 21,621 |
| Equipment | 62,429 | - | - | 62,429 | - | - | 62,429 |
| Total capital assets being depreciated | 433,267 | - | - | 433,267 | - | - | 433,267 |
| Less: Accumulated depreciation | (289,834) | (11,207) | - | (300,861) | (11,027) | - | (311,888) |
| Net capital assets being depreciated | 143,433 | (11,207) | - | 132,406 | (11,027) | - | 121,379 |
| Net capital assets | $ 162,181 | $(11,207) | $ - | $151,154 | $(11,027) | $ - | $557,829 |

## NOTE F – INTANGIBLE ASSETS

Intangible assets at December 31, 2023 and 2022 consisted of a database in the amount of $20,150 and website development costs of $26,916. The database had not been placed in service at December 31, 2023, and thus no amortization expense was recognized in the financial statements for either year. However, the website was placed in service in 2020 and amortization expense in the amount of $7,851 was recognized in the 2023 and 2022 financial statements.

## NOTE G - DEFINED BENEFIT PENSION AND OPEB PLANS

Pensions and OPEB are a component of exchange transactions between an employer and its employees of salaries and benefits for employee services. Pensions/OPEB are provided to an employee on a deferred-payment basis as part of the total compensation package offered by an employer for employee services each financial period.

The net pension/OPEB liability (asset) represents the Authority's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

The Ohio Revised Code limits the Authority's obligation for this liability to annually required payments. The Authority cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the Authority does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from the employer. All pension contributions to date have come solely from the employer (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

*Defined Benefit Pension Plan*

<u>Ohio Public Employees Retirement System</u>

Plan Description - The Authority's employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. 1.) The Traditional Pension Plan (TP) - a cost-sharing, multiple-employer defined benefit pension plan. 2.) The Member-Directed Plan (MD) - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Members accumulate retirement assets equal to the value of the member and (vested) employer contributions, plus any investment earnings thereon. 3.) The Combined Plan (CP) - a cost-sharing, multiple-employer defined benefit pension plan. Employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the MD. While members may elect the member-directed plan and the combined plan, all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plan as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information):

| **Group A** | **Group B** | **Group C** |
|---|---|---|
| Eligible to retire prior to January 7, 2013 or five years after January 7, 2013 | 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013 | Members not in other Groups and members hired on or after January 7, 2013 |
| **State and Local** | **State and Local** | **State and Local** |
| **Age and service requirements:** | **Age and service requirements:** | **Age and service requirements:** |
| Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age 57 with 25 years of service credit or Age 62 with 5 years of service credit |
| **Traditional Plan Formula:** | **Traditional Plan Formula:** | **Traditional Plan Formula:** |
| 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35 |
| **Combined Plan Formula:** | **Combined Plan Formula:** | **Combined Plan Formula:** |
| 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30 | 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30 | 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35 |

Final average Salary (FAS) represents the average of the three highest years of earnings over a member’s career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member’s career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

Once a benefit recipient retiring under the Traditional Plan has received benefits for 12 months, an annual cost-of-living adjustment (COLA) is provided on the member’s base benefit. Members retiring under the Combined Plan receive a cost-of-living adjustment on the defined benefit portion of their retirement benefit. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent. Additionally, a death benefit of $500-$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Traditional and Combined Plan.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions for the Traditional and Combined Plan as follows:

| | Traditional | | Combined | |
|---|---|---|---|---|
| **2023 Statutory maximum contribution rates** | | | | |
| Employer | 14.00 | % | 14.00 | % |
| Employee | 10.00 | % | 10.00 | % |
| | | | | |
| **2023 Actual contribution rates** | | | | |
| Employer: | | | | |
| Pension* | 14.00 | % | 12.00 | % |
| Post-employment health care benefits** | - | | 2.00 | |
| Total employer | 14.00 | % | 14.00 | % |
| | | | | |
| Employee | 10.00 | % | 10.00 | % |

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

** These pension and employer health care rates are for the traditional and combined plans. The employer contribution rate for the member-directed plan is allocated 4 percent for health care with the remainder to pension; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Authority’s contractually required contribution for the Traditional Pension Plan was $39,536 for 2023. Of this amount, $0 is reported as an intergovernmental payable.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

The net pension liability for OPERS was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

| | OPERS 2023 | OPERS 2022 |
|---|---|---|
| Proportion of the pension liability - prior measurement date | 0.001349 % | 0.001372 % |
| Proportion of the pension liability - current measurement date | 0.001454 % | 0.001349 % |
| Change in proportionate share | 0.000105 % | -0.000023 % |
| | | |
| Proportionate share of net pension liability | $ 429,512 | $ 117,368 |
| Pension expense | $ 69,925 | $ (17,961) |

At December 31, 2023 and 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | OPERS | |
|---|---|---|
| | 2023 | 2022 |
| **Deferred outflows of resources** | | |
| Net differences between expected and actual experience | $ 14,267 | $ 5,983 |
| Net difference between projected and actual earnings on pension plan investments | 122,424 | - |
| Changes of assumptions | 4,537 | 14,677 |
| Changes in proportionate share and differences between employer contributions and proportionate share of contributions | 11,086 | 2,086 |
| Employer contributions subsequent to the measurement date | 39,536 | 31,558 |
| Total deferred outflows of resources | $ 191,850 | $ 54,304 |
| **Deferred inflows of resources** | | |
| Differences between expected and actual experience | $ - | $ 2,574 |
| Net difference between projected and actual earnings on pension plan investments | - | 139,606 |
| Changes in proportionate share and differences between employer contributions and proportionate share of contributions | 817 | 2,846 |
| Total deferred inflows of resources | $ 817 | $ 145,026 |

$39,536 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| | OPERS |
|---|---|
| Year ending December 31: | |
| 2024 | $ 23,311 |
| 2025 | 32,179 |
| 2026 | 36,035 |
| 2027 | 59,972 |
| Total | $ 151,497 |

***Actuarial Assumptions - OPERS***

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|---|
| Wage inflation | 2.75 percent |
| Future salary increases, including inflation -Traditional plan | 2.75 percent to 10.75 percent |
| Future salary increases, including inflation - Combined plan | 2.75 percent to 8.25 percent |
| COLA or Ad Hoc COLA | Pre January 7, 2013 retirees, 3 percent, simple<br>Post January 7, 2013 retirees, 3 percent, simple through 2023, then 2.05 percent, simple |
| Investment rate of return | 6.9 percent |
| Actuarial cost method | Individual entry age |

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five year period ended December 31, 2020.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 12.1% for 2022.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2022 and the long-term expected real rates of return:

| Asset class | Target allocation | Weighted average long-term expected real rate of return (arithmetic) |
|---|---|---|
| Fixed income | 22.00% | 2.62% |
| Domestic equities | 22.00% | 4.60% |
| Real estate | 13.00% | 3.27% |
| Private equity | 15.00% | 7.53% |
| International equities | 21.00% | 5.51% |
| Risk parity | 2.00% | 4.37% |
| Other investments | 5.00% | 3.27% |
| Total | 100.00% | |

***Discount Rate*** The discount rate used to measure the total pension liability was 6.9%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*** The following table presents the Authority's proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.9%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.9%) or one-percentage-point higher (7.9%) than the current rate:

| | 1% Decrease (5.90%) | Current discount rate (6.90%) | 1% Increase (7.90%) |
|---|---|---|---|
| Employer proportionate share of the net pension liability | $ 643,395 | $ 429,512 | $ 251,600 |

*OPEB Plan*

Ohio Public Employees Retirement System

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 and 2 percent, respectively, during calendar year 2023. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2023 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution was $0 for 2023.

***OPEB Liabilities or Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

The net OPEB liability or asset and total OPEB liability or asset for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Authority's proportion of the net OPEB liability or asset was based on the Authority's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

| | OPERS 2023 | OPERS 2022 |
|---|---|---|
| Proportion of the net OPEB liability - prior measurement date | 0.001567% | 0.001792% |
| Proportion of the net OPEB liability or asset - current measurement date | 0.001459% | 0.001567% |
| Change in proportionate share | -0.000108% | -0.000225% |
| Proportionate share of the net OPEB liability (asset) | $9,199 | ($49,081) |
| OPEB expense | ($19,478) | ($45,300) |

At December 31, 2023 and 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | OPERS 2023 | OPERS 2022 |
|---|---|---|
| **Deferred outflows of resources** | | |
| actual earnings on OPEB plan investments | $ 18,270 | $ - |
| Changes of assumptions | 8,985 | - |
| Total deferred outflows of resources | $ 27,255 | $ - |
| **Deferred inflows of resources** | | |
| Differences between expected and actual experience | $ 2,295 | $ 7,445 |
| Net difference between projected and actual earnings on OPEB plan investments | - | 23,398 |
| Changes of assumptions | 739 | 19,867 |
| Changes in proportionate share and difference between Authority contributions and proportionate share of contributions | 1,515 | 4,342 |
| Total deferred inflows of resources | $ 4,549 | $ 55,052 |

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year ending December 31, | OPERS |
|---|---|
| 2024 | $ 1,582 |
| 2025 | 6,601 |
| 2026 | 5,697 |
| 2027 | 8,826 |
| Total | $ 22,706 |

***Actuarial Assumptions - OPERS***

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

| | |
|---|---|
| Experience study | 5 - year period ended December 31, 2020 |
| Wage inflation | 2.75 percent |
| Projected salary increases | 2.75 to 10.75 percent |
| | (includes wage inflation at 2.75 percent) |
| Single discount rate: | |
| Current measurement date | 5.22 percent |
| Prior measurement date | 6.00 percent |
| Investment rate of return | 6.00 percent |
| Municipal bond rate | 4.05 percent |
| Health care cost trend rate | 5.50 percent, initial |
| | 3.50 percent, ultimate in 2036 |
| Actuarial cost method | Individual entry age normal |

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System’s primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the

Health Care portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

| Asset class | Target allocation | Weighted average long-term expected real rate of return (arithmetic) |
|---|---|---|
| Fixed income | 34.00% | 2.56% |
| Domestic equities | 26.00% | 4.60% |
| Real estate investment trust | 7.00% | 4.70% |
| International equities | 25.00% | 5.51% |
| Risk parity | 2.00% | 4.37% |
| Other investments | 6.00% | 1.84% |
| Total | 100.00% | |

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.6 percent for 2022.

***Discount Rate*** A single discount rate of 5.22% was used to measure the total OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6%. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 4.05%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rates was applied to all health care costs after that date.

***Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate*** The following table presents the Authority's proportionate share of the net OPEB liability calculated using the single discount rate of 5.22 percent, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (4.22 percent) or one-percentage-point higher (6.22 percent) than the current rate:

| | 1% Decrease (4.22%) | Current discount rate (5.22%) | 1% Increase (6.22%) |
|---|---|---|---|
| Proportionate share of the net OPEB liability/(asset) | $ 31,310 | $ 9,199 | $ (9,046) |

***Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate*** Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

| | 1% Decrease | Current health care cost trend rate assumption | 1% Increase |
|---|---|---|---|
| Proportionate share of the net OPEB liability | $8,623 | $9,199 | $9,848 |

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

**NOTE H – WASTE REDUCTION/RECYCLING GRANTS**

The State of Ohio's Solid Waste Management Plan requires the Authority to implement waste reduction and recycling strategies within Summit County. One of the strategies designated in the Authority's approved and ratified Solid Waste Plan is to provide a grant that financially supports commercial/industrial/institutional/non-profit projects directly aimed at measurable waste reduction and recycling activities consistent with the Authority's mission. No grants were awarded during 2023 and 2022.

**NOTE I – OEPA PASS THROUGH GRANT AGREEMENTS**

The Authority was awarded a $200,000 Ohio Environmental Protection Agency ("OEPA") Market Development Grant on behalf of PK Crushing & Materials ("cooperating enterprise") for the year ending 2021. This is a pass-through grant. Not until grant expenditures have been approved by the OEPA does the Authority receive and submit the grant funds to the cooperating enterprise. The Authority received and submitted payment of the grant funds ($200,000) to the cooperating enterprise after the twenty-four-month grant period ended on June 30, 2023.

A second Market Development Grant was awarded to the Authority in the amount of $1,280 by the Ohio Environmental Protection Agency ("OEPA") on behalf of RCR Waste Management LLC Dba Rubber City Reuse ("cooperating enterprise") for the year ending 2021. Rubber City Reuse notified the Authority in May of 2023 they would not pursue the grant and the grant agreement was terminated.

## NOTE J – INTERGOVERNMENTAL PAYABLES

The Authority collects $5.00 per ton in generation fees for solid waste generated in Summit County. Of this amount, $1.20 per ton is to be used to assist the City of Akron with the closure of the Hardy Road landfill. Additionally, $1.00 per ton of this amount is to be used to provide grants to assist Summit County cities, townships and villages maintain residential recycling and waste diversion infrastructure. Grant funds owed to Summit County communities at December 31, 2023 and 2022 were $148,659 and $174,139, respectively. In addition, the Authority owed the City of Akron $349,528 and $574,233 for landfill closure payments at December 31, 2023 and 2022, respectively.

## NOTE K - LONG-TERM OBLIGATIONS

The changes in the Authority's long-term obligations during 2023 and 2022 were as follows:

| Description | Balance 12/31/22 | 2023 Additions | 2023 Deductions | Balance 12/31/23 | Amount Due in One Year |
|---|---|---|---|---|---|
| Compensated absences | $ 29,190 | $ 2,575 | $ - | $ 31,765 | $ - |
| Net pension liability | 117,368 | 312,144 | - | 429,512 | - |
| Net OPEB liability-OPERS | - | 9,199 | - | 9,199 | - |
| Total | $ 146,558 | $ 323,918 | $ - | $ 470,476 | $ - |

| Description | Balance 12/31/21 | 2022 Additions | 2022 Deductions | Balance 12/31/22 | Amount Due in One Year |
|---|---|---|---|---|---|
| Compensated absences | $ 36,125 | $ - | $ (6,935) | $ 29,190 | $ - |
| Net pension liability | 203,163 | - | (85,795) | 117,368 | - |
| Net OPEB liability-OPERS | - | - | - | - | - |
| Total | $ 239,288 | $ - | $ (92,730) | $ 146,558 | $ - |

**NOTE L – BOARD-RESTRICTED NET POSITION**

As noted in Note J, the Authority collects $5.00 per ton in generation fees for solid waste generated in Summit County. Of this amount, the Board has elected to distribute $1.00 per ton to or on behalf of the communities in Summit County to support the infrastructure of residential recycling and waste diversion and is recorded as a board-restricted net position and board-restricted cash in the amounts of $135,331 and $164,747 at December 31, 2023 and 2022, respectively.

**NOTE M – CONTINGENCIES AND COMMITTMENTS**

Under the terms of federal and state grants, periodic audits are required and certain expenditures may be questioned as not appropriate under terms of the grants. Such audits could lead to reimbursement to the grantor agencies. Management believes disallowances, if any, would be immaterial.

During 2023 the Authority entered into a contract for architectural services in the amount of $266,000 for design of its administration building and service center.

**NOTE N – RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts, theft of, damage to, destruction of assets, errors and omissions, injuries to employees and natural disasters. In order to minimize these components of risk, the Authority has obtained insurance coverage for risk of loss.

Settled claims have not exceeded commercial coverage in any of the past three years. Also, the Authority did not reduce the limits of liability significantly in the current year.

Summit/Akron Solid Waste Management Authority
Required Supplementary Information
SCHEDULE OF SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY CONTRIBUTIONS-PENSION
Last Ten Years

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| Ohio Public Employees Retirement System (OPERS) - Traditional Plan | | | | | | | | | | |
| Contractually required contribution | $ 39,536 | $ 31,558 | $ 27,419 | $ 27,058 | $ 26,144 | $ 30,676 | $ 26,816 | $ 22,439 | $ 31,563 | $ 36,379 |
| Contributions in relation to contractually required contribution | (39,536) | (31,558) | (27,419) | (27,058) | (26,144) | (30,676) | (26,816) | (22,439) | (31,563) | (36,379) |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Authority covered employee payroll | $282,400 | $225,414 | $195,850 | $193,271 | $186,743 | $219,114 | $206,277 | $186,992 | $263,025 | $303,158 |
| Contributions as a percentage of covered employee payroll | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 13.00% | 12.00% | 12.00% | 12.00% |

Summit/Akron Solid Waste Management Authority
Required Supplementary Information

SCHEDULE OF SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
Last Seven Years (1)

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|
| **Ohio Public Employees Retirement System (OPERS)** | | | | | | | |
| Authority's proportion of the net OPEB liability or asset | 0.001459% | 0.001567% | 0.001792% | 0.001809% | 0.001819% | 0.001456% | 0.001353% |
| Authority's proportionate share of the net OPEB liability (asset) | $ 9,199 | $ (49,081) | $ (31,926) | $ 249,870 | $ 237,155 | $ 158,111 | $ 136,658 |
| Authority's covered employee payroll | $ 225,414 | $ 195,850 | $ 193,271 | $ 186,743 | $ 219,114 | $ 206,277 | $ 186,992 |
| Authority's proportionate share of the net OPEB liability as a percentage of its covered employee payroll | 4.08% | 25.06% | 16.52% | 133.80% | 108.23% | 76.65% | 73.08% |
| Plan fiduciary net position as a percentage of total OPEB liability | 94.79% | 128.23% | 115.57% | 47.80% | 46.33% | 54.14% | 54.05% |

(1) Information prior to 2017 is not available and the amounts presented are as of the Authority's measurement date which is the prior year end.

Summit/Akron Solid Waste Management Authority
Required Supplementary Information
SCHEDULE OF SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY CONTRIBUTIONS-OPEB
Last Ten Years

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| Ohio Public Employees Retirement System (OPERS) | | | | | | | | | | |
| Contractually required contribution | $ - | $ - | $ - | $ - | $ - | $ - | $ 2,063 | $ 3,740 | $ 5,260 | $ 6,063 |
| Contributions in relation to contractually required contribution | - | - | - | - | - | - | (2,063) | (3,740) | (5,260) | (6,063) |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Authority covered employee payroll | $ 282,400 | $ 225,414 | $ 195,850 | $ 193,271 | $ 186,743 | $ 219,114 | $ 206,277 | $ 186,992 | $ 263,025 | $ 303,158 |
| Contributions as a percentage of covered employee payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 1.00% | 2.00% | 2.00% | 2.00% |

Summit/Akron Solid Waste Management Authority
Required Supplementary Information
SCHEDULE OF SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Last Ten Years

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Ohio Public Employees Retirement System (OPERS)** **Traditional Plan** | | | | | | | | | | |
| Authority's proportion of the net pension liability | 0.001454% | 0.001349% | 0.001372% | 0.001327% | 0.001335% | 0.001235% | 0.001447% | 0.002133% | 0.002213% | 0.002213% |
| Authority's proportionate share of the net pension liability | $ 429,512 | $ 117,368 | $ 203,163 | $ 262,291 | $ 365,629 | $ 193,748 | $ 328,589 | $ 369,462 | $ 266,913 | $ 260,884 |
| Authority's covered employee payroll | $ 225,414 | $ 195,850 | $ 193,271 | $ 186,743 | $ 219,114 | $ 206,277 | $ 186,992 | $ 263,025 | $ 303,158 | $ 216,792 |
| Authority's proportionate share of the net pension liability as a percentage of its covered employee payroll | 190.54% | 59.93% | 105.12% | 140.46% | 166.87% | 93.93% | 175.72% | 140.47% | 88.04% | 120.34% |
| Plan fiduciary net position as a percentage of total pension liability | 75.74% | 92.62% | 86.88% | 82.17% | 74.70% | 84.66% | 77.25% | 81.08% | 86.45% | 86.36% |

**Net Pension Liability**

**Ohio Public Employees Retirement System (OPERS)**

Changes in benefit terms: There were no changes in benefit terms from the amounts reported.

Changes in assumptions: There was no change in methods and assumptions used in the calculation of actuarial determined contributions for 2023. See the notes to the basic financial statements for the methods and assumptions in this calculation.

**Net OPEB Liability or Asset**

**Ohio Public Employees Retirement System (OPERS)**

Changes in benefit terms: There were no changes in benefit terms from the amounts reported.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for 2023. See the notes to the basic financial statements for the methods and assumptions in this calculation.

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***Charles E. Harris & Associates, Inc.***
*Certified Public Accountants*

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

Summit/Akron Solid Waste Management Authority
Summit County
2711 W Market St,
Unit #13620
Fairlawn, Ohio 44333

To the Board of Trustees:

We have audited, 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, the financial statements of the Summit/Akron Waste Management Authority, Summit County, Ohio (the Authority) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated June 14, 2024.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

***Report on Compliance and Other Matters***

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

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

***Charles E. Harris & Associates, Inc.***
June 14, 2024

OHIO AUDITOR OF STATE
KEITH FABER

**SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY**

**SUMMIT COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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

**Certified for Release 9/3/2024**

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