

**AKRON METROPOLITAN AREA TRANSPORTATION STUDY
(AMATS)**

AUDIT REPORT

FOR THE YEAR JULY 1, 1999 THROUGH JUNE 30, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

To Honorable Mayor and
Members of City Council
Akron, Ohio

We have reviewed the Independent Auditor's Report of the Akron Metropolitan Area Transportation Study, Summit County, prepared by James G. Zupka, CPA, Inc., for the audit period July 1, 1999 to June 30, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Akron Metropolitan Area Transportation Study is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

November 9, 2000

AKRON METROPOLITAN AREA TRANSPORTATION STUDY (AMATS)
AUDIT REPORT
FOR THE YEAR JULY 1, 1999 THROUGH JUNE 30, 2000

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1-2
Balance Sheet	3
Statement of Revenues, Expenditures and Changes in Fund Balance	4
Notes to Financial Statements	5-6
Schedule of Revenues and Expenditures by Contract	7
Schedule of Payroll and Other Expenses by Project	8
Schedule of Fringe Benefits and Computation of Fringe Benefit Rate	9
Schedule of Indirect Costs and Computation of Indirect Cost Rates	10
Schedule of Expenditures of Federal Awards	11
Notes to Schedule of Expenditures of Federal Awards	12
Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	13-14
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	15-16
Status of Prior Citations and Recommendations	17
Schedule of Findings and Questioned Costs	18-19
Data Collection Form	20-23

JAMES G. ZUPKA, C.P.A., INC.
Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

The Honorable Mayor and
Members of the City Council
Akron, Ohio

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the Akron Metropolitan Area Transportation Study (AMATS) as of and for the year ended June 30, 2000 as listed in the Table of Contents. These financial statements are the responsibility of the AMATS management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described in Note A of the financial statements, AMATS prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the modified accrual basis of the Ohio Department of Transportation, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Akron Metropolitan Area Transportation Study as of June 30, 2000, and the results of its operations for the year then ended, on the basis of accounting described in Note A.

In accordance with Government Auditing Standards, we have also issued a report dated October 6, 2000 on our consideration of the Akron Metropolitan Area Transportation Study's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was performed for the purpose of forming an opinion on the financial statements of the Akron Metropolitan Area Transportation Study taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The supplemental data on pages 7 through 10 (as listed in the Table of Contents) are presented for additional analysis and are not a required part of the financial statements of the Akron Metropolitan Area Transportation Study. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

October 6, 2000

James G. Zupka
Certified Public Accountant

AKRON METROPOLITAN AREA TRANSPORTATION STUDY (AMATS)
BALANCE SHEET
JUNE 30, 2000

ASSETS

Cash - Summit County		\$ 66,193
Cash - City of Akron		79,889
Grants Receivable, No Allowance Considered Necessary		275,845
Prepaid Postage		803
Furniture and Equipment, Net of Accumulated Depreciation of \$29,228		2,277
Federally Funded Furniture and Equipment, Net of Accumulated Depreciation of \$13,472		7,385

TOTAL ASSETS		\$ 432,392
---------------------	--	-------------------

LIABILITIES AND FUND BALANCE

Accounts Payable		\$ 145,740
Accounts Payable - City of Akron		69,501
Accrued Payroll		24,208
Total Liabilities		239,449

FUND BALANCE

Designated, City of Akron	68,805	
Designated, Local Contributors	124,138	
		192,943

TOTAL LIABILITIES AND FUND BALANCE		\$ 432,392
---	--	-------------------

**AKRON METROPOLITAN AREA TRANSPORTATION STUDY (AMATS)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2000**

FUNDING SOURCES

	<u>Budget</u>	<u>Total</u>	USDOT/ODOT	Federal	FHWA/ODOT	METRO	METRO	FHWA/ODOT	Local
			Contract	Transport.	ITS	Contract	Contract	Rideshare	Funds
			#553642	O.D.O.T.	#548033	#674.83	#674.93	#553556	
				#540988					
REVENUES		\$1,286,647	\$ 663,319	\$ 16,911	\$ 215,303	\$ 7,221		\$ 96,528	\$ 287,365
EXPENDITURES BY PROJECT:									
Short Range Planning (USDOT/ODOT/Local)	\$ 210,000	\$ 205,101	\$ 164,081	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 41,020
Short Range Planning (FTA/Local)	35,000	21,138	0	16,911	0	0	0	0	4,227
Transportation Improvement Program (USDOT/ODOT/Local)	120,000	106,458	85,167	0	0	0	0	0	21,291
Continuing Planning-Surveillance (USDOT/ODOT/Local)	247,000	241,031	192,825	0	0	0	0	0	48,206
Continuing Planning - Review & Reappraisal (USDOT/ODOT/Local)	243,000	193,580	154,864	0	0	0	0	0	38,716
Service (USDOT/ODOT/Local)	66,400	45,793	36,634	0	0	0	0	0	9,159
Special Studies (USDOT/ODOT)	269,469	269,129	0	0	215,303	0	0	0	53,826
Rideshare (STP/Local)	119,804	107,253	0	0	0	0	0	96,528	10,725
Transit Exclusive (FTA/Metro)	19,619	7,221	0	0	0	7,221	0	0	0
Transit Exclusive (FTA/Metro)	15,381	0	0	0	0	0	0	0	0
AMATS Local Other (Local/Other)	3,500	2,885	0	0	0	0	0	0	2,885
Agency Report (USDOT/ODOT/Local)	39,824	37,185	29,748	0	0	0	0	0	7,437
Subtotal Expenditures	<u>\$1,388,997</u>	<u>1,236,774</u>	<u>663,319</u>	<u>16,911</u>	<u>215,303</u>	<u>7,221</u>	<u>0</u>	<u>96,528</u>	<u>237,492</u>
Total Expenditure Before Direct Depreciation		1,236,774	663,319	16,911	215,303	7,221	0	96,528	237,492
Depreciation on Assets Acquired with Local Funds		6,316	0	0	0	0	0	0	6,316
TOTAL EXPENDITURES		<u>1,243,090</u>	<u>663,319</u>	<u>16,911</u>	<u>215,303</u>	<u>7,221</u>	<u>0</u>	<u>96,528</u>	<u>243,808</u>
Excess of Revenue Over Expenditures		<u>\$ 43,557</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 43,557</u>
Fund Balance, Beginning of Year		<u>\$ 149,386</u>							
Fund Balance, End of Year		<u>\$ 192,943</u>							

AKRON METROPOLITAN AREA TRANSPORTATION STUDY (AMATS)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

NOTE 1: **ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

Organization

The Akron Metropolitan Area Transportation Study (AMATS) is an association of various local political subdivisions in the Akron area whose purpose is to develop and implement a comprehensive and continuing transportation plan for Summit, Portage and parts of Wayne County. The operations of AMATS are financed primarily by federal and state grants and local matching contributions.

AMATS is staffed by employees of the City of Akron Department of Planning and Urban Development and support functions are performed by various departments of the City. The City also makes all disbursements on behalf of AMATS and is reimbursed by the AMATS local share and grant funds. Most of AMATS grant funds are deposited in a trust fund with Summit County, while some funds are deposited directly with the City of Akron.

Method of Accounting

Revenues are recognized as earned from grant agencies when the related expenditures are recognized. Direct costs are billed to grantor agencies at actual cost; indirect costs are billed at a preapproved rate and an adjustment is made annually for differences between amount billed and indirect costs incurred in the subsequent period. Local revenue funds are recognized as revenue in the period in which they are assessed. The recognition of local revenue funds received which relate to assessments for subsequent years is deferred. AMATS prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the modified accrual basis of the Ohio Department of Transportation. This practice differs from generally accepted accounting principles in that contributions to the public employees retirement system, unpaid vacation, sick pay, and other compensated absences, and other employee benefits, are recognized as expenses when paid rather than when the obligation is incurred.

Furniture and Equipment

Furniture and equipment are purchased principally with local funds and are stated at cost. Depreciation is recorded on the straight line basis and is an expenditure of local funds except for depreciation on certain assets acquired with grant funds, which is allocated to all grants. AMATS maintains a capitalization threshold of one thousand dollars. It is the policy of AMATS to write off furniture and equipment when it is fully depreciated. Lists are kept on fully depreciated assets. Vehicles are titled in the name of the City of Akron. Depreciation expense for the year ended June 30, 2000 was \$6,316.

AKRON METROPOLITAN AREA TRANSPORTATION STUDY (AMATS)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000
(CONTINUED)

NOTE 2: **RETIREMENT PLAN**

All employees of AMATS participate in the PERS of Ohio, a cost-sharing, multiple employer defined benefit pension plan. The PERS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Public Employees Retirement System of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the PERS of Ohio. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate for employees is 8.5%. The 1999 employer rate for local government employer units was 13.55% of covered payroll, 8.44% to fund the pension benefit obligation and 5.11% to fund health care. The contribution requirements of plan members and AMATS are established and may be amended by the Public Employees Retirement Board. AMATS' contributions to the PERS of Ohio (for pension obligations only) for the years ending June 30, 2000, 1999, and 1998 were \$71,691, \$71,341, and \$74,479, respectively, which were equal to the required contributions for each year.

NOTE 3: **LEASE OBLIGATION**

AMATS leases its facilities from the City of Akron. The old lease required monthly lease payments commencing April 1, 1997 of \$6,480. Effective January 1, 2000, the lease was reduced to \$3,167 per month or \$38,000 per year. The lease was reduced because the cost of remodeling the suite had been recovered. Lease expense for the year ended June 30, 2000 was approximately \$38,599.

NOTE 4: **ECONOMIC DEPENDENCY**

AMATS receives 81% of its revenue from grants from the federal government, 18% of its revenue from the state and local governments in Summit and Portage County, and 1% of its revenue from the Metro Regional Transit Authority.

NOTE 5: **CASH**

The City of Akron's Director of Finance serves as fiscal agent for AMATS and the investment of City funds, including AMATS' funds, is determined by the City of Akron's Treasurer. By law, control over investments is handled by the City Treasurer.

**AKRON METROPOLITAN AREA TRANSPORTATION STUDY (AMATS)
SCHEDULE OF REVENUES AND EXPENDITURES BY CONTRACT
FOR THE YEAR ENDED JUNE 30, 2000**

	TOTAL	USDOT/ODOT Contract #553642	FTA/LOCAL Contract #540988	FHWA/ODOT Contract #548033 (ITS)	METRO Contract #674.83	METRO Contract #674.93	FHWA/ODOT Rideshare #553556	LOCAL OTHER
REVENUES								
Grantor Agency	\$ 999,282	\$ 663,319	\$ 16,911	\$ 215,303	\$ 7,221	\$ 0	\$ 96,528	\$ 0
Local Funds	287,365	165,829	4,227	53,826	0	0	10,725	52,758
TOTAL REVENUES	1,286,647	829,148	21,138	269,129	7,221	0	107,253	52,758
EXPENDITURES								
Payroll	447,131	383,467	10,490	12,350	3,692	0	35,653	1,479
Direct Expenses	364,868	81,386	683	245,047	22	0	37,730	0
Indirect Expenses:								
Fringe Benefits	245,922	210,908	5,769	6,792	2,030	0	19,609	814
Other Costs	178,853	153,387	4,196	4,940	1,477	0	14,261	592
Total Indirect Expenses	424,775	364,295	9,965	11,732	3,507	0	33,870	1,406
Subtotal Expenditures	1,236,774	829,148	21,138	269,129	7,221	0	107,253	2,885
Total Expenditures Before Direct Depreciation	1,236,774	829,148	21,138	269,129	7,221	0	107,253	2,885
Direct Depreciation on Assets Acquired with Local Funds	6,316	0	0	0	0	0	0	6,316
TOTAL EXPENDITURES	1,243,090	829,148	21,138	269,129	7,221	0	107,253	9,201
Excess of Revenues Over (Under Expenditures)	\$ 43,557	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 43,557

AKRON METROPOLITAN AREA TRANSPORTATION STUDY (AMATS)
SCHEDULE OF PAYROLL AND OTHER EXPENSES BY PROJECT
FOR THE YEAR ENDED JUNE 30, 2000

<u>Project:</u>	<u>Direct Payroll</u>	<u>Fringe Benefits Based on Direct Payroll</u>	<u>Other Indirect Expenses</u>	<u>Direct Expenses</u>	<u>Total Expenditures</u>
Short Range Planning (USDOT/ODOT/Local)	\$ 103,980	\$ 57,189	\$ 41,592	\$ 2,340	\$ 205,101
Short Range Planning (FTA/Local)	10,490	5,769	4,196	683	21,138
Transportation Improvement Program (USDOT/ODOT/Local)	49,721	27,347	19,888	9,502	106,458
Continuing Planning-Surveillance (USDOT/ODOT/Local)	101,467	55,807	40,587	43,170	241,031
Continuing Planning-Review & Reappraisal (USDOT/ODOT/Local)	89,944	49,469	35,978	18,189	193,580
Service (USDOT/ODOT/Local)	23,413	12,878	9,366	136	45,793
Special Studies (USDOT/ODOT)	12,350	6,792	4,940	245,047	269,129
Rideshare (STP/Local)	35,653	19,609	14,261	37,730	107,253
Transit Exclusive (FTA/Metro)	3,692	2,030	1,477	22	7,221
Transit Exclusive (FTA/Metro)	0	0	0	0	0
AMATS Local Other (Local/Other)	1,479	814	592	0	2,885
Agency Report (USDDOT/ODOT/Local)	14,942	8,218	5,976	8,049	37,185
Total	<u><u>\$ 447,131</u></u>	<u><u>\$ 245,922</u></u>	<u><u>\$ 178,853</u></u>	<u><u>\$ 364,868</u></u>	<u><u>\$1,236,774</u></u>

AKRON METROPOLITAN AREA TRANSPORTATION STUDY (AMATS)
 SCHEDULE OF FRINGE BENEFITS AND COMPUTATION OF FRINGE BENEFIT RATE
 FOR THE YEAR ENDED JUNE 30, 2000

Fringe Benefits

Dental Insurance	\$ 17,040
Life Insurance	4,260
Medical Insurance	61,060
Public Employees Retirement System	71,691
Workers' Compensation	(1,928)
Medicare Insurance	4,232
Sick Leave	10,116
Holiday Pay	30,162
Vacation Pay	35,888
Jury Duty	0
Leave Purchase	3,511
Longevity Pay	8,413
Retirement Pay Out	0
	\$ 244,445
	\$ 244,445

The fringe benefit allocation rate for the year ended June 30, 2000 is as follows:

Fringe Benefits	\$ 244,445
	\$ 244,445
Direct Payroll	\$ 447,131
Indirect Payroll	41,497
	\$ 488,628
	\$ 488,628
Rate	54.487%
	54.487%

AKRON METROPOLITAN AREA TRANSPORTATION STUDY (AMATS)
SCHEDULE OF INDIRECT COSTS AND COMPUTATION OF INDIRECT COST RATES
FOR THE YEAR ENDED JUNE 30, 2000

<u>Indirect Costs</u>	
Indirect Payroll	\$ 41,497
Fringes	244,445
Rent	38,599
Duplication and Printing	5,102
Telephone	2,340
Auditing and Special Contracts	6,562
Office Supplies	11,969
Travel	59
Depreciation and Equipment Purchase	8,776
Motor Vehicles	1,367
Maintenance Contracts	212
Subscriptions (+Dues and Membership)	1,544
Data Processing	14,407
Special Services	46
Electric	5,327
Education	858
	<hr/>
	383,100
Total Indirect Costs (including Fringe Benefits)	383,100
Direct Payroll	447,131
	<hr/>
Indirect Cost and Fringe Benefit Allocation Rate	85.680%
Direct Payroll	447,131
Fringe Benefit Allocation Rate	54.487%
Fringe Benefits Applied to Direct Payroll	243,628
	<hr/>
Total Indirect Costs Including Fringe Benefits	383,100
Less: Fringe Benefits Applied to Direct Payroll	(243,628)
	<hr/>
Indirect Costs	139,472
Indirect Costs	139,472
Direct Payroll	447,131
	<hr/>
Indirect Cost Allocation Rate	31.193%
Add, Fringe Benefit Allocation Rate	54.487%
	<hr/>
Indirect Cost and Fringe Benefit Allocation Rate	85.680%

AKRON METROPOLITAN AREA TRANSPORTATION STUDY (AMATS)
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2000

FEDERAL GRANTOR PASS-THROUGH GRANTOR/ PROGRAM TITLE	Federal CFDA Number	Pass- Through Entity Number	Receipts	Disbursements
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
<u>Passed-Through Federal Highway Administration</u>				
Highway Research Planning and Construction	20.205	9215	\$ 663,318	\$ 663,318
Rideshare	20.205	9215	96,528	96,528
Intelligent Transportation System (ITS)	20.205	9215	215,303	215,303
Total Federal Highway Administration			<u>975,149</u>	<u>975,149</u>
<u>Passed-Through Federal Transit Administration</u>				
Federal Transit Administration Section 5313	20.505	9215	16,911	16,911
METRO Technical Studies Grant	20.505	674.83	7,221	7,221
Total Federal Transit Administration			<u>24,132</u>	<u>24,132</u>
Total U.S. Department of Transportation			<u><u>\$ 999,281</u></u>	<u><u>\$ 999,281</u></u>

AKRON METROPOLITAN AREA TRANSPORTATION STUDY (AMATS)
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2000

NOTE 1: **GENERAL**

The accompanying Schedule of Expenditures of Federal Awards of the Akron Metropolitan Area Transportation Study (AMATS) presents the activity of all federal financial assistance programs of AMATS. AMATS' reporting entity is defined in Note 1 to AMATS' general purpose financial statements. Federal financial assistance received directly from federal agencies as well as financial assistance passed through other government agencies are included on this schedule.

NOTE 2: **BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting and has been reconciled to the program's federal financial reports. The following is a reconciliation by grant from the cash basis to the accrual basis at June 30, 2000.

	<u>Receipt Recognized</u>	<u>Direct Program Expenditures</u>
<u>Department of Transportation</u>		
Highway Research Planning and Construction		
Cash Basis	\$ 509,804	\$ 509,804
Accrual Adjustment	153,515	153,515
Highway Research Planning and Construction-Accrual Basis	<u>\$ 663,319</u>	<u>\$ 663,319</u>
<u>Rideshare</u>		
Cash Basis	\$ 78,085	\$ 78,085
Accrual Adjustment	18,443	18,443
Rideshare - Accrual Basis	<u>\$ 96,528</u>	<u>\$ 96,528</u>
<u>Intelligent Transportation System (ITS)</u>		
Cash Basis	\$ 151,846	\$ 151,846
Accrual Adjustment	63,457	63,457
Intelligent Transportation System (ITS)	<u>\$ 215,303</u>	<u>\$ 215,303</u>
<u>Federal Transit Administration - Section 5313</u>		
Cash Basis	\$ 14,090	\$ 14,090
Accrual Adjustment	2,821	2,821
Federal Transit Administration-Section 5313 - Accrual Basis	<u>\$ 16,911</u>	<u>\$ 16,911</u>
<u>METRO Technical Studies</u>		
Cash Basis	\$ 4,715	\$ 4,715
Accrual Adjustment	2,506	2,506
METRO Technical Studies - Accrual Basis	<u>\$ 7,221</u>	<u>\$ 7,221</u>

JAMES G. ZUPKA, C.P.A., INC.
Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

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

The Honorable Mayor and
Members of the City Council
Akron, Ohio

We have audited the financial statements of the Akron Metropolitan Area Transportation Study (AMATS), as of and for the year ended June 30, 2000, and have issued our report thereon dated October 6, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

This report is intended solely for the information and use of the audit committee, management, others within the Organization, City Council, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

October 6, 2000

James G. Zupka
Certified Public Accountant

JAMES G. ZUPKA, C.P.A., INC.
Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Honorable Mayor and
Members of the City Council
Akron, Ohio

Compliance

We have audited the compliance of the Akron Metropolitan Area Transportation Study (AMATS), with the types of compliance requirements described in the U.S. Office of Management and Budget Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2000. The Akron Metropolitan Area Transportation Study's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Akron Metropolitan Area Transportation's Study's management. Our responsibility is to express an opinion on the Akron Metropolitan Area Transportation Study's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Akron Metropolitan Area Transportation Study's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Akron Metropolitan Area Transportation Study's compliance with those requirements.

In our opinion, the Akron Metropolitan Area Transportation Study complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000. The results of our auditing procedures disclosed no instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133.

Internal Control Over Compliance

The management of the Akron Metropolitan Area Transportation Study (AMATS) is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Akron Metropolitan Area Transportation Study's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the Organization, City Council, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

October 6, 2000

James G. Zupka
Certified Public Accountant

AKRON METROPOLITAN AREA TRANSPORTATION STUDY (AMATS)
STATUS OF PRIOR CITATIONS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2000

The prior audit report as of June 30, 1999 included no citations and no recommendations to management.

AKRON METROPOLITAN AREA TRANSPORTATION STUDY (AMATS)
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 OMB CIRCULAR A-133 & .505
 JUNE 30, 2000

1. **SUMMARY OF AUDITOR'S RESULTS**

2000(i)	Type of Financial Statement Opinion	Unqualified
2000(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
2000(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
2000(iii)	Was there any reported noncompliance at the financial statement level (GAGAS)?	No
2000(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
2000(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
2000(v)	Type of Major Programs' Compliance Opinion	Unqualified
2000(vi)	Are there any reportable findings under .510?	No
2000(vii)	Major Programs (list):	Highway Research Planning & Construction
2000(viii)	Dollar Threshold: Type A\B Programs	Type A: \$300,000 or more Type B: All others less than \$300,000
2000(ix)	Low Risk Auditee?	Yes

AKRON METROPOLITAN AREA TRANSPORTATION STUDY (AMATS)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 & .505
(CONTINUED)
JUNE 30, 2000

2. **FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None.

3. **FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

AKRON METROPOLITAN AREA TRANSPORTATION STUDY

SUMMIT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
NOVEMBER 28, 2000