SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY SUMMIT COUNTY, OHIO

AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE TOTALS FOR 2006)

Charles E. Harris and Associates, Inc.
Certified Public Accountants and Government Consultants

Mary Taylor, CPA
Auditor of State

Board of Trustees
Summit Akron Solid Waste Authority
12 East Exchange Street, 3rd Floor
Akron, Ohio 44308

We have reviewed the *Report of Independent Accountants* of the Summit Akron Solid Waste Authority, Summit County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2007 through December 31, 2007. 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 Authority is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 25, 2008

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SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY
SUMMIT COUNTY, OHIO
Audit Report
For the Year Ended December 31, 2007

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REPORT OF INDEPENDENT ACCOUNTANTS

Summit/Akron Solid Waste Management Authority
12 East Exchange Street – 3rd Floor
Akron, Ohio 44308

To the Board of Trustees:

We have audited the accompanying financial statements of the business-type activities Summit/Akron Solid Waste Management Authority, Summit County, Ohio, (the Authority) as of and for the year ended December 31, 2007, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards.* Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Summit/Akron Solid Waste Management Authority, Summit County, Ohio, as of December 31, 2007, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards,* we have also issued our report dated March 31, 2008, on our consideration of the Authority's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal controls over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards.* You should read it in conjunction with this report in assessing the results of our audit.

The management's discussion and analysis information on pages 2 through 5 is not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Charles E. Harris and Associates, Inc.
March 31, 2008

SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY
Management's Discussion and Analysis (MD&A)
For the Year Ended December 31, 2007

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, 2007. Please read it in conjunction with the Authority's financial statements, which begin on page 6.

GASB #34 does not require proprietary funds to provide a budgetary analysis in their MD&A. In addition, the Authority is not required to establish a budget per the Ohio Revised Code.

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. See the notes to the financial statements for a summary of the Authority's significant accounting policies.

Following this MD&A are the basic financial statements of the Authority together with the 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 Assets presents information on all the Authority's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of the Authority's financial position.

The Statement of Revenues, Expenses, and Changes in Net Assets presents information showing how the Authority's net assets changed during the most recent year. All changes in net assets 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 flows 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.

- For the year ended December 31, 2007 and 2006, the Authority is reporting its financial statements in accordance with generally accepted accounting principles and the requirements of GASB #34.

- The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by $3,358,934 (net assets). Of this amount, $1,565,314 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.

- The Authority's unrestricted net assets increased $74,429 due to an increase in grant revenue during 2006. The Authority received a $150,000 grant from the United States Department of Agriculture for a study, "Increase Rural Recycling Through Participation". Although, unrestricted net assets increased due to an increase in grant income that was offset by a decrease in generation fees of approximately $392,000. Restricted net assets increased $8,435 due to an increase in the Community Recycling Grant balance. The Hardy Road Landfill Closure Program decreased $89,388 and the Community Recycling Grant Program increased $66,388.

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.

The Community Recycling Grant Program was established to provide grants to Summit County communities that are helping the Authority reach it's State Plan goal by providing 90% recycling access to residents in Summit County. Not all communities in Summit County participate in this program; therefore, they do not receive grant monies. During 2007, the Authority used these dollars to hold community drop-off days in various locations in Summit County. These community drop-off days were hugely successful.

- The Authority's revenue exceeded their expenses by $82,864.

- The Authority's revenues decreased $260,562 (or, 7.9 percent) while expenses increased $389,070 (or, 15.3 percent). The significant decrease in revenue was due to the decrease in generation fees noted above. The increase in expenses was due to an increase in payouts for the community recycling grants and programs and the landfill closure expenses; an increase in the reduce, reuse, and recycle programs; the expenses related to the USDA grant; and, finally, an increase in professional fees.

FINANCIAL POSITION

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

	2007	2006
ASSETS:		
Current assets - unrestricted	$ 1,627,000	$ 1,577,965
Current assets - restricted	1,504,820	1,496,951
Capital assets	288,800	288,234
Other non current assets	566	566
TOTAL ASSETS	$ 3,421,186	$ 3,363,716
LIABILITIES:		
Current liabilities – unrestricted	$ 62,252	$ 87,646
TOTAL LIABILITIES	62,252	87,646
NET ASSETS:		
Invested in capital assets	288,800	288,234
Restricted net assets	1,504,820	1,496,951
Unrestricted net assets	1,565,314	1,490,885
TOTAL NET ASSETS	3,358,934	3,276,070
TOTAL LIABILITIES AND NET ASSETS	$ 3,421,186	$ 3,363,716

A portion of the Authority's net assets ($288,800 or 8.6 percent and $288,234 or 9.0 percent at December 31, 2007and 2006, respectively, for a net increase of $566 or .2 percent) represents the Authority's investment in their capital assets. These net assets may not be used to meet the Authority's ongoing obligations.

A portion of the Authority's net assets ($1,504,820 or 45 percent and $1,496,951 or 46 percent at December 31, 2007 and 2006, respectively, for a net change of $7,869 or .5 percent) represents resources that are subject to restrictions on how they can be used. The restricted net assets are not available for new spending because they have already been committed as follows:

	2007	2006
Hardy Road Landfill Closure Program	$ 674,522	$ 733,041
Community Recycling Grants Program	830,298	763,910
TOTAL RESTRICTED	$ 1,504,820	$ 1,496,951

The remaining unrestricted net assets of $1,565,314 and $1,490,885 at December 31, 2007 and 2006, respectively, for a net change of ($74,429 or 5 percent) 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 year ended December 31:

	2007	2006
Generation fees – operations	$ 1,523,106	$ 1,744,867
Generation fees – landfill closure fund	654,474	747,800
Generation fees – community recycling grants	545,395	623,167
Grants revenue	171,825	54,000
Service revenue	6,925	7,293
Interest income	116,520	90,362
Miscellaneous	7	11,325
TOTAL OPERATING REVENUES	$ 3,018,252	$ 3,278,814

Generation fees consist of 90 percent of total operating revenues for both 2007 and 2006. Of that, 90 percent, 44 percent is restricted for the Hardy Road Landfill and the community recycling grants for both 2007 and 2006.

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

	2007	2006
Employee wages and benefits	$ 321,701	$ 331,948
Purchase of services	1,261,064	1,051,511
Materials and supplies	59,897	61,433
Occupancy	46,976	47,553
Depreciation	18,943	21,788
Community Recycling grants	479,007	409,313
Landfill Closure Expenses	747,800	622,772
TOTAL OPERATING EXPENSES	$ 2,935,388	$ 2,546,318

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

	2007	2006
Total operating revenues	$ 3,018,252	$ 3,278,814
Total operating expenses before depreciation	(2,916,445)	(2,524,530)
Operating income before depreciation	101,807	754,284
Depreciation	(18,943)	(21,788)
Increase in net assets	82,864	732,496
Net assets, beginning of year	3,276,070	2,543,574
NET ASSETS, END OF YEAR	$ 3,358,934	$ 3,276,070

Operating income before depreciation decreased $652,477 (or 86 percent) between 2007 and 2006. The majority of this decrease is the result of a decrease in solid waste tonnage, resulting in a decrease in generation fees and, an increase in payouts for the community recycling grants and programs and the landfill closure expenses; an increase in the reduce, reuse, and recycle programs; the expenses related to the USDA grant; and, finally, an increase in professional fees. Depreciation decreased $2,845 (or 13 percent) and is the result of some assets being fully depreciated.

CAPITAL ASSETS

The Authority's capital assets as of December 31, 2007 and 2006 totaled $288,800 and $288,234 (net of accumulated depreciation), respectively. This investment in capital assets includes land and land improvements, buildings and building improvements, machinery and equipment, a vehicle and furniture and fixtures. There was an increase in the Authority's investment in capital assets in the amount of $19,509 before accumulated depreciation for 2007.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Authority's board of trustees considered many factors when setting the calendar year 2008 budget. One of those factors was the decrease in the generation fee revenue in 2007 vs. 2006. It is universally agreed that 2006 was an unusual year in that the generation fees were very high. Therefore, the decrease in generation fees for 2007 was not unexpected. For 2008, the board of trustees considered the average tonnage for the period 2004 through 2007 in determining the tonnage that they might expect for 2008. Although, the budget is based on collecting fees based on 250,000 tons, the board of trustees believes that they would be able to fund general operations even if the 2008 tonnage dropped to 500,000 tons.

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide our citizen's 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: **Yolanda Walker, Executive Director** at **12 East Exchange Street, 3rd Floor, Akron, OH 44308.**

SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY
STATEMENTS OF NET ASSETS – ENTERPRISE FUND
December 31,

	2007	2006
ASSETS		
CURRENT ASSETS		
Cash	$ 221,821	$ 554,297
Cash and cash equivalents – unrestricted	1,101,405	691,847
Cash and cash equivalents – temporarily restricted	1,504,820	1,496,951
Accounts/grants receivable	297,494	324,972
Prepaid expenses	6,280	6,849
TOTAL CURRENT ASSETS	3,131,820	3,074,916
BUILDING AND FURNISHINGS, NET OF ACCUMULATED DEPRECIATION	288,800	288,234
OTHER ASSETS		
Deposits	566	566
TOTAL ASSETS	$ 3,421,186	$ 3,363,716
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 57,989	$ 53,333
Accrued payroll and payroll withholdings	4,263	4,313
Pass-through grants payable	-	30,000
TOTAL CURRENT LIABILITIES	62,252	87,646
NET ASSETS		
Invested in capital assets, net of related debt	288,800	288,234
Restricted for landfill closure	674,522	733,041
Restricted for community recycling grants	830,298	763,910
Unrestricted	1,565,314	1,490,885
TOTAL NET ASSETS	3,358,934	3,276,070
TOTAL LIABILITIES AND NET ASSETS	$ 3,421,186	$ 3,363,716

The notes to the financial statements are an integral part of this statement.

SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS – ENTERPRISE FUND
For the Year Ended December 31,

	2007	2006
OPERATING REVENUES		
Generation fees	$ 2,722,975	$ 3,115,834
Grant revenue	171,825	54,000
Household hazardous waste contributions and TV and tire fees	6,925	7,293
Interest income	116,520	90,362
Miscellaneous	7	11,325
TOTAL OPERATING REVENUES	3,018,252	3,278,814
OPERATING EXPENSES		
Community Recycling Grants and Programs	479,007	409,313
Landfill Closure Expenses	747,800	622,772
Household Hazardous Waste Recycling Center	493,820	502,543
Health Department contracts	248,210	248,210
Reduce, Reuse, Recycle Programs	158,021	86,376
Armex Marketing Grant	-	34,000
Blossom Grant Expenses	10,230	17,330
Environmental Education	19,251	-
USDA Rural Grant Expenses	132,152	10,000
Personnel – salaries and benefits	321,701	331,948
Recycle Ohio Grant (excluding salaries and benefits)	-	494
Occupancy	46,976	47,553
Office	52,793	35,215
Professional fees	199,380	165,186
Depreciation	18,943	21,788
Vehicles and travel expense	6,786	8,590
Advertising, promotion and education	318	5,000
TOTAL OPERATING EXPENSES	2,935,388	2,546,318
OPERATING INCOME (LOSS)/CHANGE IN NET ASSETS	82,864	732,496
NET ASSETS, BEGINNING OF YEAR	3,276,070	2,543,574
NET ASSETS, END OF YEAR	$ 3,358,934	$ 3,276,070

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The notes to the financial statements are an integral part of this statement.

SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY
STATEMENTS OF CASH FLOWS – ENTERPRISE FUND
For the Year Ended December 31,

	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Generation fee receipts	$ 2,868,006	$ 3,054,335
Grants income	54,271	70,304
Contributions, tire, and TV fees	6,925	7,293
Interest income	116,520	90,362
Other cash received	7	11,325
	3,045,729	3,233,619
Health Department contracts	(249,068)	(289,123)
Payments to suppliers	(1,129,515)	(813,555)
Payments to employees	(321,751)	(330,827)
Other receipts (payments)	(1,240,935)	(1,088,461)
	(2,941,269)	(2,521,966)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	104,460	711,653
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of property and equipment	(19,509)	-
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(19,509)	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	84,951	711,653
BALANCE AT BEGINNING OF YEAR	2,743,095	2,031,442
BALANCE AT END OF YEAR	$ 2,828,046	$ 2,743,095
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	$ 82,864	$ 732,496
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	18,943	21,788
Change in assets and liabilities:		
Accounts/grants receivable	27,478	(45,195)
Prepaid expenses	569	813
Accounts payable	4,656	(29,370)
Accrued payroll and payroll withholdings	(50)	1,121
Pass-through grants payable	(30,000)	30,000
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 104,460	$ 711,653

The notes to the financial statements are an integral part of this statement.

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 by the 1988 Ohio Solid Waste Disposal Act (House Bill 592) 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 13 member Board of Trustees that oversees and governs its operations.

Financial Reporting Entity

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

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

Basis of Presentation

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 result from generation fees, grants, interest income, and miscellaneous income. Operating expenses for the Authority includes the cost of personnel, personal and contracted services, supplies, and, depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Reclassifications

Certain reclassifications may have been made to the December 31, 2006 financial statements to conform to the classifications in the December 31, 2007 financial statements. For the year ending December 31, 2006, STAR Ohio was considered an investment for cash flow statement purposes. For the year ending December 31, 2007, it was noted that STAR Ohio is accessible at any time, and therefore, fits the criteria as a cash equivalent for cash flow statement purposes.

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus/Basis of Accounting

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 statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled generation fees which are accrued. Expenses are recognized at the time the liability is incurred.

Pursuant to GASB Statement No. 20 (GASB #20), "*Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*" the Authority follows GASB guidance as applicable to enterprise funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued after November 30, 1989 that do not conflict with or contradict GASB pronouncements.

Budgeted Revenues and Expenses

Expenditures may not exceed the Authority's board of trustees approved annual budget plus any amounts encumbered at the end of the prior year, and, consequently estimated resources. The Board approves the annual budget and all subsequent budget amendments. Unencumbered budgetary expenditures lapse at year-end. The budget is prepared on the cash basis.

Encumbrances

The Ohio Revised Code requires the Authority to reserve (encumber) budgeted expenditures when commitments are made. Encumbrances outstanding at year-end are carried forward and need not be re-budgeted.

Cash and Cash Equivalents

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

Receivables

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

Investments

Investments are stated at fair value.

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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.

NOTE B – DEPOSITS AND UNRESTRICTED INVESTMENTS

The investment and deposit of monies are governed by provisions of the Ohio Revised Code and the Board of Trustee'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 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 give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance company (FDIC) or may pledge a pool of 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 2007, 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.

NOTE B – DEPOSITS AND UNRESTRICTED INVESTMENTS (Continued)

Deposits

At December 31, 2007, the carrying amount of the Authority's deposits was $221,821 and the bank balance was $289,665. The difference between the carrying amount and bank balance were outstanding checks and deposits in transit. Of the December 31, 2007 bank balance, $100,000 was covered by federal depository insurance and $189,665 was collateralized by a pool pursuant to Section 135.81, Ohio Revised Code, of which the Authority has a proportionate interest.

Unrestricted Investments

The Authority's unrestricted investments at December 31, 2007 and 2006 consisted of the following:

	Carrying Value	Fair Value
Uncategorized Investments:		
2007 STAR Ohio	$ 1,101,405	$ 1,101,405
2006 STAR Ohio	$ 691,847	$ 691,847

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 Securities and Exchange Commission as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2007.

As of December 31, 2007, the Authority had the following investments and maturities.

			Investment Maturities (In Years)		
Investment Type	**Fair Value**	**Credit Rating(*)**	**<1**	**1-2**	**2-3**
STAR Ohio	**$ 1,101,405**	**AAA**	**$ 1,101,405**	**$ 0**	**$ 0**

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

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 in the table on the preceding page. 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.

NOTE B – DEPOSITS AND UNRESTRICTED INVESTMENTS (Continued)

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 100.0 percent of the Authority's total investments.

Custodial Credit Risk. The Authority's investments in STAR Ohio are not exposed to custodial credit risk, as defined by Statement No. 40. 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 – RESTRICTED INVESTMENTS

During 2004, the Authority increased its generation fees for the purpose of administering two new programs (see Note L). The Authority deposits these fees in the STAR Ohio account (see Note B for GASB #40 disclosure) and holds them until the grants are awarded in the following year. At December 31, 2007 the Authority reflected its commitment to these programs as restricted net assets.

The Authority's restricted investments at December 31, 2007 and 2006 is as follows:

	Carrying Value	Fair Value	Rating
Restricted Investments:			
2007 STAR Ohio	$1,504,820	$1,504,820	AAA
2006 STAR Ohio	$1,496,951	$1,496,951	AAA

NOTE D – 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 days or longer to be supported by a letter or other medical support unless it is related to a death in the immediate family. Sick leave of less than 3 days is submitted and approved using the prescribed Authority sick leave form.

Employees are allowed 4.62 hours of sick leave per 80 hours worked or 120 hours per year. The hours may be carried over but cannot be used as early retirement or time off. The policy does not provide for paying terminated employees for unused sick leave.

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 E – CAPITAL ASSETS AND ACCUMULATED DEPRECIATION

Description	2007 Beginning Balance	2007 Additions	2007 Disposals/ Deletions	2007 Ending Balance
Total capital assets not being depreciated				
Land	$ 18,748	$ -	$ -	$ 18,748
Capital assets being depreciated				
Land Improvements	131,692	-	-	131,692
Building Improvements	217,525	-	-	217,525
Vehicles	-	19,509	-	19,509
Equipment	67,675	-	-	67,675
Leasehold Improvements	11,529	-	-	11,529
Total capital assets being Depreciated	428,421	19,509	-	447,930
Less: Accumulated Depreciation	(158,935)	(18,943)	-	(177,878)
Total capital assets being depreciated, net	269,486	566	-	270,052
Net Capital Assets	$ 288,234	$ 566	$ -	$ 288,800

NOTE F – RETIREMENT BENEFITS

Plan Description

All employees of the Authority are required to be members of the Ohio Public Employees Retirement System (“OPERS”). OPERS administers three separate pension plans described below:

(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.) Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon.

(3) The Combined Plan (CO) – a cost sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, employer contributions are invested by OPERS to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

NOTE F – RETIREMENT BENEFITS (continued)

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Plan and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.

Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-6701 or 800-222-7377.

Funding Policy

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2007, member and employer contribution rates were consistent across all three plans. The 2007 member contribution rate was 9.5% of their covered payroll to OPERS for members in state and local classifications. For local government units, the employer contribution rate was 13.85% of covered payroll for 2007, including 4.5% that it used to fund post-retirement health care benefits. The Authority's total contributions to OPERS for pension benefits (excluding the amount related to post-retirement benefits) for the year ended December 31, 2007, 2006, and 2005 was approximately $19,692, $22,117, and $24,220, respectively.

Other Post-Employment Benefits Provided Through OPERS

In addition to the pension benefits described previously, OPERS provides post-employment benefits to eligible participants. OPERS provides retirement, disability, survivor as well as post-retirement health care coverage to qualifying members of both the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. In order to qualify for post-retirement health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have 10 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 No. 12.

A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. In 2007, local government employer units, such as the Authority, contributed 13.85% of covered payroll, including 5.0 percent from January 1, through June 30, 2007 and 6.0 percent from July 1 through December 31, 2007 was the portion that was used to fund health care. The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS.

NOTE F – RETIREMENT BENEFITS (Continued)

Summary of Assumptions:

Actuarial Review - The assumptions and calculations below were based on OPERS' latest actuarial review, performed as of December 31, 2006.

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

Assets Valuation Method – All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor.

Investment Return – The investment assumption rate for 2006 was 6.50%.

Active Employee Total Payroll – An annual increase of 4.00%, compounded annuall, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. In addition, annual pay increases over and above the 4.00% base increase, were assumed to range from 0.50% to 6.30%.

Health Care – Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 0.50% to 5.00% for the next 8 years. In subsequent years, (9 and beyond) health care costs were assumed to increase at 4.00% (the projected wage inflation rate).

OPEB's are advance-funded on an actuarially determined basis. The Traditional Pension and Combined Plans had 374,979 active contributing participants as of December 31, 2007. The number of active contributing participants for both plans used in the December 31, 2006, actuarial valuation was 362,130. The Authority's contributions for post-employment benefits to OPERS for the year ended December 31, 2007, 2006, and 2005 was approximately $12,847, $10,819, $9,755, respectively, equal to 100 percent of the contributions for the year.

OPERS's net assets available for payment of benefits at December 31, 2006, (the latest information available) were $12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were $30.7 billion and $18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

NOTE F – RETIREMENT BENEFITS (Continued)

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

NOTE G – DEFERRED COMPENSATION PLAN

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

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

NOTE H – OPERATING LEASE

The Authority leases its facility under a five year operating lease agreement. The current lease term is from August 1, 2007 to July 31, 2012 and requires monthly lease payments plus a monthly fee for parking, janitorial services and heating.

Monthly base rent and annual base rent for the period of the lease is as follows:

Term	Monthly Base Rent	Annual Base Rent
08/01/07-07/31/12	$ 3,088	$37,056

Effective January 2007, a new three-year copier lease was entered into requiring monthly payments of $315. The copier lease expense for the year ended December 31, 2007 was approximately $3,780 per year. The copier lease expense for the year ended December 31, 2006 under the old lease agreement was approximately $3,960 per year.

The Authority renewed its postage-meter lease under a five and one-half year operating lease agreement. The new lease term is from December 2003 to June 2009 and requires monthly lease payments of $181. Postage meter lease expense for the year ended December 31, 2007 and 2006 was $2,172 per year.

NOTE I – OPTION ON SALE OF REAL ESTATE

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

NOTE J – REDUCE, REUSE, RECYCLE PROGRAM

The Authority has the authority to make grants to various municipalities and organizations under its education/awareness grant programs, special community programs, and request for recycling programs. No such grants were made for the years ended December 31, 2007 and 2006.

NOTE K – GRANT AGREEMENTS

The Authority received $26,133 and $54,000 for the years ending December 31, 2007 and 2006, respectively, from the State of Ohio for a public awareness campaign and a recycling grant, respectively. This grant is for education and awareness, recycling and litter prevention activities.

The Authority also received $143,192 for the year ending December 31, 2007 from the United States Department of Agriculture for a study, "Increase Rural Recycling Through Participation".

NOTE L – RESTRICTED NET ASSETS

The Authority collects $5.00 per ton in generation fees for processing solid waste in Summit County. Of this amount, $2.80 per ton is to be remitted to the Authority to assist in covering operating expenses of the Authority, $1.20 per ton is to be used to assist the City of Akron with the closure of the Hardy Road landfill, and $1.00 per ton is to be distributed to or on behalf of the communities in Summit County to assist with their recycling programs.

NOTE M – CONTINGENCIES

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, will be immaterial.

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.

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

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

Summit/Akron Solid Waste Management Authority
12 East Exchange Street – 3rd Floor
Akron, Ohio 44308

To the Board of Trustees:

We have audited the financial statements of the business-type activities of the Summit/Akron Solid Waste Management Authority, Summit County, Ohio, as of and for the year ended December 31, 2007, and have issued our report thereon dated March 31, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Authority's financial statements that is more than inconsequential will not be prevented or detected by the Authority's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Authority's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the Summit/Akron Solid Waste Management Authority, Summit County, in a separate letter dated March 31, 2008.

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

Charles E. Harris & Associates, Inc.
March 31, 2008

STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS

The prior audit report, for the year ended December 31, 2006, reported no material citations or recommendations.

Mary Taylor, CPA
Auditor of State

SUMMIT AKRON SOLID WASTE AUTHORITY

SUMMIT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 8, 2008

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