



Dave Yost · Auditor of State

**SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY
SUMMIT COUNTY**

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INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of Summit/Akron Solid Waste Management Authority, Summit County, Ohio (the Authority), as of and for the years ended December 31, 2014 and December 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Authority's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our opinion.

Opinion

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 as of December 31, 2014 and December 31, 2013, and the changes in its financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 11, 2015, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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.



Dave Yost
Auditor of State
Columbus, Ohio

August 11, 2015

SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY
Management's Discussion and Analysis (MD&A) (continued)
For the Year Ended December 31, 2014 and 2013
(UNAUDITED)

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, 2014. Please read it in conjunction with the Authority's financial statements, which begin on page 8.

GASB Statement #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. 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 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, 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 year. 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 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.
- The Authority reports its financial statements in accordance with generally accepted accounting principles and the requirements of GASB Statement #34. During 2012, the Authority adopted GASB Statement #63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. See Note A of the financial statements for a description of the "Measurement Focus/Basis of Accounting" in accordance with GASB Statement #63. During 2013, the Authority adopted GASB Statement #65, "Items Previously Reported as Assets and Liabilities".
- The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$2,442,041 (net position). Of this amount, \$2,234,414 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 \$2,234,414, the Board of Trustees has designated \$682,268 for community recycling grants and programs.

SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY
 Management's Discussion and Analysis (MD&A) (continued)
 For the Year Ended December 31, 2014 and 2013
 (UNAUDITED)

FINANCIAL HIGHLIGHTS (continued)

- The Authority's unrestricted net position includes the unrestricted net position and the board restricted net position for community recycling grants/programs in the Comparative Statement of Net Position. Board restricted monies are restricted at a certain point in time for a certain purpose(s) by the Board of Trustees. 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 unrestricted net position decreased \$12,400. This net decrease is due to a decrease in generation fee revenue designated for operations of \$72,670, a decrease in generation fees designated for community recycling grants and programs of \$25,954, an increase in community recycling grants and programs expense of \$119,316, personnel expense of \$14,383, advertising, branding and marketing expenses of \$216,511, and, various other small increases in expenses. These increases in expenses were offset by some decreases in expenses such as landfill closure expenses of \$42,099, recycling center expenses of \$7,054, reduce, reuse, recycle programs of \$108,133, professional fee expenses of \$38,284, and, other small decreases in expenses.
- 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, 2014.
- The community recycling grant program was established to provide grants to Summit County communities that are helping the Authority reach its State Plan goal by providing 90 percent 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 2013, the Authority switched from a bestowment-based approach to a reimbursement-based approach with the Summit County communities. Also, beginning in 2013, the Authority used these dollars to open and operate community recycling drop-offs in Summit County; for food recovery contracts; a commercial single stream recycling program, and, various other recycling and education and awareness programs. The Authority also funded an extensive education and outreach program for the City of Akron to reduce contamination for their city-wide curbside recycling program.
- The Authority incurred a net decrease in their net position for 2014 whereby their expenses exceeded their revenues by \$21,539.
- The Authority's operating revenues decreased \$82,927 (or 3.4 percent) and operating expenses increased \$216,084 (or 9.9 percent). The net decrease in revenue was due to a decrease in generation fee revenue of \$129,766 and a small decrease in miscellaneous income offset by an increase in grant revenue of \$49,500 and a small increase in tire fees. The net increase in expenses was due to increases in community recycling grants and programs; grant expense; personnel costs; occupancy; office and equipment; and, advertising, branding and marketing. Those increases in expenses were offset by decreases in the landfill closure expenses; household hazardous waste recycling center expenses; reduce, reuse, recycle programs; professional fees; and, vehicles and travel expense.

FINANCIAL POSITION

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>
ASSETS:			
Current assets—unrestricted	\$ 2,295,389	\$ 2,339,045	\$ 2,030,069
Current assets---board restricted	682,268	721,205	614,874
Capital assets	207,627	216,766	225,905
Other noncurrent assets	566	566	566
TOTAL ASSETS	\$ 3,185,850	\$ 3,277,582	\$ 2,871,414

SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY
 Management's Discussion and Analysis (MD&A) (continued)
 For the Year Ended December 31, 2014 and 2013
 (UNAUDITED)

FINANCIAL POSITION (continued)

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

	2014	2013	2012
LIABILITIES:			
Current liabilities	\$ 703,595	\$ 775,655	\$ 651,603
Noncurrent liabilities	40,214	38,347	31,115
TOTAL LIABILITIES	743,809	814,002	682,718
 NET POSITION:			
Net investment in capital assets	207,627	216,766	225,905
Board-restricted net position	682,268	721,205	614,874
Unrestricted net position	1,552,146	1,525,609	1,347,917
TOTAL NET POSITION	2,442,041	2,463,580	2,188,696
 TOTAL LIABILITIES AND NET POSITION	\$ 3,185,850	\$ 3,277,582	\$ 2,871,414

The Authority's investment in their capital assets is represented by the portion of the Authority's net position of \$207,627 or 8.5 percent and \$216,766 or 8.8 percent at December 31, 2014 and 2013, respectively. The decrease of \$9,139 or 4.2 percent represents 2014 depreciation expense. These net assets may not be used to meet the Authority's ongoing obligations.

A portion of the Authority's net position of \$682,268 or 27.9 percent and \$721,205 or 29.3 percent at December 31, 2014 and 2013, respectively, represents resources that are subject to board-restrictions on how they can be used. The decrease of \$38,937 is due to a decrease in restricted generation fee revenue and an increase in the payouts for community recycling grants and programs. The board-restricted net assets are currently not available for new spending because they are currently committed by the Board as follows:

BOARD-RESTRICTED NET POSITION	2014	2013	2012
Community recycling grants and programs	\$ 682,268	\$ 721,205	\$ 614,874

The remaining unrestricted net position of \$1,552,146 and \$1,525,609 at December 31, 2014 and 2013, respectively, for a net increase of \$26,537 (or 1.7 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:

	2014	2013	2012
Generation fees – operations	\$ 1,281,684	\$ 1,354,354	\$ 1,253,665
Generation fees – landfill closure fund	549,293	580,437	537,285
Generation fees – community recycling grants	457,745	483,697	447,737
Grants revenue	69,425	19,925	208,380
Tire fees	2,665	2,579	3,443
Miscellaneous	8,759	11,506	4,519
TOTAL OPERATING REVENUES	\$ 2,369,571	\$ 2,452,498	\$ 2,455,029

Generation fees comprised 96.6 percent, 98.6 percent, and 91.2 percent of total operating revenues for 2014, 2013, and 2012, respectively. Of that 96.6, 98.6, and 91.2 percent, 24.0 percent is restricted for the Hardy Road Landfill for 2014, 2013, and 2012. And, 20.0 percent is board-restricted for community recycling grants and programs.

SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY
Management's Discussion and Analysis (MD&A) (continued)
For the Year Ended December 31, 2014 and 2013
(UNAUDITED)

FINANCIAL POSITION (continued)

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

	2014	2013	2012
Community recycling grants and programs	\$ 496,682	\$ 377,366	\$ 411,176
Landfill closure expenses	539,072	581,171	546,257
Household hazardous waste recycling center	122,858	129,912	259,467
Health department contracts	160,000	160,000	168,000
Reduce, reuse, recycle programs	185,199	293,332	267,628
ODNR market development grant	62,500	-	208,380
Personnel – salaries and benefits	376,334	361,951	370,528
Occupancy	37,212	35,502	41,422
Office and equipment	33,157	27,435	32,272
Professional fees	109,289	147,573	142,677
Depreciation	9,139	9,139	9,139
Vehicles and travel expense	5,228	13,716	11,030
Advertising, branding and marketing	258,162	41,651	26,804
TOTAL OPERATING EXPENSES	\$ 2,394,832	\$ 2,178,748	\$ 2,494,780

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

	2014	2013	2012
Interest income	<u>\$ 3,722</u>	<u>\$ 1,134</u>	<u>\$ 1,491</u>

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

	2014	2013	2012
Total operating revenues	\$ 2,369,571	\$ 2,452,498	\$ 2,455,029
Total operating expenses before depreciation	<u>(2,385,693)</u>	<u>(2,169,609)</u>	<u>(2,485,641)</u>
Operating income/(loss) before depreciation	<u>(16,122)</u>	<u>282,889</u>	<u>(30,612)</u>
Depreciation	<u>(9,139)</u>	<u>(9,139)</u>	<u>(9,139)</u>
Operating income/(loss)	<u>(25,261)</u>	<u>273,750</u>	<u>(39,751)</u>
Nonoperating income/(loss)	<u>3,722</u>	<u>1,134</u>	<u>1,491</u>
Increase/(decrease) in net position	<u>(21,539)</u>	<u>274,884</u>	<u>(38,260)</u>
Net position, beginning of year	<u>2,463,580</u>	<u>2,188,696</u>	<u>2,226,956</u>
NET POSITION, END OF YEAR	\$ 2,442,041	\$ 2,463,580	\$ 2,188,696

- Operating income/ (loss) before depreciation decreased \$299,011 between 2014 and 2013. 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 expenses due to increases in community recycling grants and programs expense, grant expenses, personnel expenses, advertising, branding and marketing, and various other small increases in expense categories. A portion of the increase in expenses was offset by decreases in landfill closure expenses, household hazardous waste recycling center, reduce, reuse, recycle programs, professional fee expenses, and, other small decreases in expense categories.
- Operating income/ (loss) before depreciation increased \$313,501 between 2013 and 2012. The majority of this increase is the result of an increase in solid waste tonnage, resulting in an increase in generation fees and, a decrease in expenses due to decreases in community recycling grants and programs expense, household hazardous waste recycling center expenses, health department contracts, personnel expenses, and various other small decreases in expense categories. A portion of the decrease in expenses was offset by an increase in landfill closure expenses, reduce, reuse, recycle programs, advertising, promotion and education, professional fee expenses, and, other small increases in expense categories.

SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY
Management's Discussion and Analysis (MD&A) (continued)
For the Year Ended December 31, 2014 and 2013
(UNAUDITED)

CAPITAL ASSETS

The Authority's capital assets as of December 31, 2014 and 2013 totaled \$207,627 and \$216,766, which include land, land improvements, building and building improvements, a vehicle, equipment, and leasehold improvements. See Note D for additional information.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Authority's board of trustees considered many factors when setting the calendar year 2015 budget. Generation fees have a direct correlation to economic conditions and consumer spending. The economic climate in 2014 was a bit more optimistic.

The objectives in the development of the 2015 budget were to:

- Use reserves, specifically the board-reserved monies set aside for community supported grants and programs to supplement the financing of County-wide recycling education and promotion programs which will provide a uniform, consistent, and frequent recycling message.
- Project revenues are based on generating and receiving fees for 455,000 tons of trash during the year.
- Focus on trimming program expenditures for the Household Hazardous Waste Recycling Center and other recycling program expenditures to offset increases in other expense areas that are not as easily controlled.

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.**

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SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY
COMPARATIVE STATEMENT OF NET POSITION
December 31, 2014 and 2013

	2014	2013
ASSETS		
CURRENT ASSETS		
Cash	\$ 238,486	\$ 307,616
Cash and cash equivalents – unrestricted	1,828,960	1,846,300
Cash and cash equivalents – Board restricted	682,268	721,205
Total cash and cash equivalents	<u>2,749,714</u>	<u>2,875,121</u>
Accounts/grants receivable	217,516	174,755
Prepaid expenses	10,427	10,374
TOTAL CURRENT ASSETS	<u>2,977,657</u>	<u>3,060,250</u>
NONCURRENT ASSETS		
Capital assets, net of accumulated depreciation	207,627	216,766
OTHER ASSETS		
Deposits	<u>566</u>	<u>566</u>
TOTAL NONCURRENT ASSETS	<u>208,193</u>	<u>217,332</u>
TOTAL ASSETS	<u>\$ 3,185,850</u>	<u>\$ 3,277,582</u>
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	\$ 29,341	\$ 31,129
Accrued payroll and payroll withholdings	5,373	2,747
Intergovernmental payable	668,881	741,779
TOTAL CURRENT LIABILITIES	<u>703,595</u>	<u>775,655</u>
NONCURRENT LIABILITIES		
Compensated absences	<u>40,214</u>	<u>38,347</u>
TOTAL LIABILITIES	<u>743,809</u>	<u>814,002</u>
NET POSITION		
Net investment in capital assets	207,627	216,766
Board restricted for community recycling grants/programs	682,268	721,205
Unrestricted	1,552,146	1,525,609
TOTAL NET POSITION	<u>2,442,041</u>	<u>2,463,580</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 3,185,850</u>	<u>\$ 3,277,582</u>

See accompanying notes to the financial statements.

SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY
COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION

For the Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
OPERATING REVENUES		
Generation fees	\$ 2,288,722	\$ 2,418,488
Grant revenue	69,425	19,925
Tire collection fees	2,665	2,579
Miscellaneous	8,759	11,506
TOTAL OPERATING REVENUES	<u>2,369,571</u>	<u>2,452,498</u>
OPERATING EXPENSES		
Community recycling grants and programs	496,682	377,366
Landfill closure expenses	539,072	581,171
Household hazardous waste recycling center	122,858	129,912
Health department contracts	160,000	160,000
Reduce, reuse, recycle programs	185,199	293,332
ODNR market development grant	62,500	-
Personnel – salaries and benefits	376,334	361,951
Occupancy	37,212	35,502
Office and equipment	33,157	27,435
Professional fees	109,289	147,573
Depreciation	9,139	9,139
Vehicles and travel expense	5,228	13,716
Advertising, branding and marketing	258,162	41,651
TOTAL OPERATING EXPENSES	<u>2,394,832</u>	<u>2,178,748</u>
OPERATING INCOME/(LOSS)	(25,261)	273,750
NONOPERATING REVENUES:		
Interest income	3,722	1,134
TOTAL NONOPERATING REVENUES	<u>3,722</u>	<u>1,134</u>
CHANGE IN NET POSITION	(21,539)	274,884
NET POSITION, BEGINNING OF YEAR	<u>2,463,580</u>	<u>2,188,696</u>
NET POSITION, END OF YEAR	<u>\$ 2,442,041</u>	<u>\$ 2,463,580</u>

See accompanying notes to the financial statements.

SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY
COMPARATIVE STATEMENT OF CASH FLOWS
For the Years Ended December 31, 2014 and 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Generation fee receipts	\$ 2,203,861	\$ 2,456,459
Grants income	69,425	19,925
TV and tire fees	2,665	2,579
Other cash received	8,759	11,506
	2,284,710	2,490,469
Health Department contracts	(200,000)	(162,000)
Payments to suppliers	(836,874)	(730,054)
Payments to employees	(371,841)	(361,651)
Other payments	(1,005,124)	(823,450)
	(2,413,839)	(2,077,155)
NET CASH PROVIDED BY OPERATING ACTIVITIES	(129,129)	413,314
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	3,722	1,134
NET CASH PROVIDED BY INVESTING ACTIVITIES	3,722	1,134
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(125,407)	414,448
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,875,121	2,460,673
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 2,749,714	\$ 2,875,121
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income/(loss)	\$ (25,261)	\$ 273,750
Adjustments to reconcile increase in net position to net cash provided by/(used by) operating activities		
Depreciation	9,139	9,139
Change in assets and liabilities:		
Accounts/grants receivable	(42,761)	3,056
Prepaid expenses	(53)	(3,915)
Accounts payable	(1,788)	(64,539)
Compensated absences payable	1,867	7,232
Accrued payroll and payroll withholdings	2,626	(6,932)
Intergovernmental payable	(72,898)	195,523
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (129,129)	\$ 413,314

See accompanying notes to the financial statements.

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SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2014 and 2013

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 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*", GASB Statement No. 39, "*Determining Whether Certain Organizations are Component Units*", and, GASB Statement No. 61, "*The Financial Reporting Entity: Omnibus-an Amendment of GASB Statements No. 14 and No. 3*", 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, and miscellaneous income. Operating expenses for the Authority includes the cost of personnel, contracted services, supplies, and, depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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 position and the operating statements present increases (revenues) and decreases (expenses) in net total position. 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.

SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2014 and 2013

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

Measurement Focus/Basis of Accounting (Continued)

The Authority implemented Governmental Accounting Standards Board Statement No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*" (GASB #63) in 2012. GASB #63 establishes financial reporting requirements and related disclosures for certain elements of a statement of financial position that were discussed in the GASB's 2007 Concepts Statement No. 4, "*Elements of Financial Statements*". In Concepts Statement No. 4, the GASB defines a deferred outflow of resources as a consumption of net assets by a government that is applicable to a future reporting period; a deferred inflow of resources as an acquisition of net assets by a government that is applicable to a future reporting period; and net position as the residual of all other elements presented in a statement of net position (the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources). Under GASB #63, amounts for items that the GASB has designated to be deferred outflows of resources are to be presented in a statement of net position in a separate section following assets, while amounts for items that the GASB has designated to be deferred inflows of resources are to be presented in a separate section following liabilities. The residual of assets and deferred outflows of resources over liabilities and deferred inflows of resources is to be reported as net position rather than as net assets in a statement of net position. Since the Authority had no deferred outflows or inflows of resources at December 31, 2013 and 2014, the Authority's implementation of GASB #63 had no material effect on the presentation of its 2013 and 2014 financial statements.

The Authority also implemented GASB Statement No. 65, "*Items Previously Reported as Assets and Liabilities*", which establishes accounting and financial reporting standards that reclassify, as *deferred outflow of resources* or *deferred inflows of resources*, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB Statement No. 65 also provides other financial reporting guidance related to the impact of the financial statement elements *deferred outflows of resources* and *deferred inflows of resources*, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations. The implementation of GASB Statement No. 65 had no effect on the financial statements of the Authority.

Budgeted Revenues and Expenses

Expenses may not exceed the Authority's board of trustees 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.

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.

Investments

Investments are stated at fair value.

SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2014 and 2013

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

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.

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 Position

Net position represents the difference between assets and liabilities in the statement of net position. Net position is comprised of the various net earnings from operating and non-operating revenues and expenses. Net position can be classified in three components: net investment in capital assets; board-restricted for community recycling grants and other programs; and, unrestricted net position. Investment in capital assets consists of all capital assets net of accumulated depreciation. Board-restricted net position consists of net position for which limitations have been imposed on their use by the Board of Trustees. Unrestricted net position consists of all other net assets not included in the above categories.

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 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 deposit or invest its money in certificates of deposit, savings accounts, money market accounts, the State Treasury Asset Reserve of Ohio (STAR Ohio and STAR Ohio Plus) 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 company (FDIC) or may pledge a pool of accounts for the total value of public monies on deposit at the institutions.

SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2014 and 2013

NOTE B – DEPOSITS AND INVESTMENTS (Continued)

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 2014, 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, 2014 and 2013, the Authority had \$100 in undeposited cash on hand which is included in the financial statements as part of "Cash".

Deposits

At December 31, 2014, the carrying amount of the Authority's deposits was \$1,892,275 and the bank balances were \$1,928,998. At December 31, 2013, the carrying amount of the Authority's deposits was \$2,307,910 and the bank balances were \$2,331,847. The difference between the carrying amounts and the bank balances were outstanding checks and deposits in transit. Beginning January 1, 2013, the FDIC insured the Authority's bank balance up to the standard maximum deposit insurance amount of \$250,000 per bank. The balances held at these institutions exceeded the FDIC insured limit by \$25,109 and \$81,453 as of December 31, 2014 and 2013, respectively. These amounts were covered by pooled, pledged collateral with securities held by the pledging financial institutions trust departments in accordance with Ohio law.

Investments

The Authority's investments at December 31, 2014 and 2013 consisted of the following:

Investments:	Carrying Value:	Fair Value:
2014 STAR Ohio	\$ 857,339	\$ 857,339
2013 STAR Ohio	\$ 567,111	\$ 567,111

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, 2014.

SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
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NOTE B – DEPOSITS AND INVESTMENTS (Continued)

As of December 31, 2014, the Authority had the following investments and maturities.

Investment Type	Fair Value	Rating (*)	Investment Maturities (In Years)		
			<1	1-2	2-3
2014 STAR Ohio	\$ 857,339	AAAm	\$ 857,339	\$ 0	\$ 0
2013 STAR Ohio	\$ 567,111	AAAm	\$ 567,111	\$ 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 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 100.0 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 – 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.

SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY
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For the Years Ended December 31, 2014 and 2013

NOTE C – COMPENSATED ABSENCES PAYABLE (Continued)

The effects of this policy resulted in a liability of \$40,214 and \$38,347 for compensated absences as of December 31, 2014 and 2013, respectively, and an expense in Personnel-salaries and Benefits of \$1,867 and \$7,232 for the years ended December 31, 2014 and 2013, respectively. Sick leave benefits are accrued as a liability using the vesting method.

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 – CAPITAL ASSETS AND ACCUMULATED DEPRECIATION

Description	2013			2013			2014		
	Beginning Balances	2013 Additions	2013 Dispositions	Ending Balances	2014 Additions	2014 Dispositions	Ending Balances		
Total capital assets not being depreciated									
Land	\$18,748	\$ -	\$	\$ 18,748	\$ -	\$ -	\$ 18,748		
Capital assets being depreciated									
Land improvements	131,692	-	-	131,692	-	-	-	131,692	
Building and building improvements	217,525	-	-	217,525	-	-	-	217,525	
Vehicles	19,509	-	-	19,509	-	-	-	19,509	
Equipment	67,675	-	-	67,675	-	-	-	67,675	
Leasehold improvements	11,529	-	-	11,529	-	-	-	11,529	
Total capital assets being depreciated	447,930			447,930				447,930	
Less: Accumulated depreciation	(240,773)	(9,139)	-	(249,912)	(9,139)	-	(259,051)		
Net capital assets being depreciated	207,157	(9,139)	-	198,018	(9,139)	-	188,879		
Net capital assets	\$ 225,905	\$ (9,139)	\$ -	\$ 216,766	\$ (9,139)	\$ -	\$ 207,627		

NOTE E – RETIREMENT BENEFITS

Plan Description - Pension

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

SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY
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For the Years Ended December 31, 2014 and 2013

NOTE E – RETIREMENT BENEFITS (Continued)

- (1) **The Traditional Pension Plan** – a cost sharing, multiple-employer defined benefit pension plan.
- (2) **The Member-Directed Plan** – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent 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.
- (3) **The Combined Plan** – a cost sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, 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.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension 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 visiting <https://www.opers.org/investments/cafr.shtml>, or by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - Pension

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2014, member and employer contribution rates were consistent across all three plans. Members in the local divisions, such as the Authority, may participate in all three plans.

The 2014 member contribution rate was 10.0 percent of earnable salary for members in local classifications. The 2014 employer contribution rate for local employers was 14.0 percent of earnable salary. The Authority's total contributions to OPERS for pension benefits (excluding the amount related to post-retirement benefits) for the years ended December 31, 2014, 2013, and 2012 were approximately \$36,938, \$28,226, and \$17,827, respectively.

Plan Description - Post-Employment Benefits Other Than Pension Provided Through OPERS

In addition to the pension benefits described previously, OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2014 and 2013

NOTE E – RETIREMENT BENEFITS (continued)

In order to qualify for post-employment 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. 45. OPERS' eligibility requirements for post-employment health care coverage changed for those retiring on and after January 1, 2015. Please see the Plan Statement in the OPERS 2013 CAFR for details.

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

Funding Policy - Post-Employment Benefits Other Than Pension Provided through OPERS (continued)

The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2014, local employers, such as the Authority, contributed at a rate of 14.0 percent of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member contributions do not fund the OPEB Plan.

OPERS' Post-employment Health Care Plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2014. Effective January 1, 2015, the portion of employer contributions allocated to health care remains at 2.0 percent for both plans, as recommended by OPERS' Actuary. The OPERS Board of Trustees 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 Authority's total contributions for post-employment benefits other than pension provided through OPERS for the years ended December 31, 2014, 2013, and 2012 were approximately \$5,504, \$2,125, and \$17,669, respectively.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

NOTE F – 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.

SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2014 and 2013

NOTE G – OPERATING LEASE

The Authority signed a new operating lease agreement for its facilities effective August 1, 2014. The Authority also leases a copier under a 39-month operating lease. The facility lease requires monthly rent of \$2,390 and will expire in July 2018. At the expiration of the original term of the lease, the Authority has the option to lease the facilities at 150 percent of the then current rentals and charges. The copier lease requires monthly rent of \$273 with a possible 3 per cent increase per year and will expire in August 2016.

The following is a schedule of future minimum rental payments required under the above operating leases as of December 31, 2014:

Year Ending December 31	Amount
2015	\$ 31,956
2016	30,864
2017	28,680
2018	<u>16,730</u>
	<u>\$ 108,230</u>

Facility lease expense and office equipment lease expense for the year ended December 31, 2014 and 2013 was \$33,431 and \$33,759 respectively.

NOTE H – 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 I– FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of cash, cash equivalents, grants and other receivables, payables and accrued expenses are reasonable estimates of fair value due to the short-term nature of these financial instruments.

NOTE J – 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 solid waste plan is to implement a commercial/industrial grant program for the reduction of waste going into landfills. Funds for this grant are exclusively targeted toward recycling and education and awareness activities in the commercial sector of Summit County. Projects are restricted to activities that provide quantitative data in which the effect on waste reduction and recycling can be directly measured or through variables that demonstrate a very high correlation with the amount of waste reduced or recycled. No grants were distributed in 2014 or 2013.

NOTE K – GRANT AGREEMENTS

The Authority was awarded \$69,425 for the year ending December 31, 2014 from the Ohio Environmental Protection Agency for market development grants.

SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2014 and 2013

NOTE L – INTERGOVERNMENTAL LIABILITY

The Authority collects \$5.00 per ton in generation fees for processing solid waste 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 and recorded as an intergovernmental liability in the amounts of \$539,072 and \$581,171 at December 31, 2014 and 2013, respectively.

NOTE M – BOARD-RESTRICTED NET ASSETS

As noted in Note L, the Authority collects \$5.00 per ton in generation fees for processing solid waste in Summit County. Of this amount, the Board of Trustees has elected to distribute \$1.00 per ton to or on behalf of the communities in Summit County to assist with their recycling programs and is recorded as a board-restricted net asset and board-restricted cash in the amounts of \$682,268 and \$721,205 at December 31, 2014 and 2013, respectively.

NOTE N – 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 O – 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.

NOTE P - SUBSEQUENT EVENTS

Subsequent events were evaluated by management through August 11, 2015, the date the financial statements were available to be issued.



Dave Yost • Auditor of State

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
12 East Exchange Street
3rd Floor
Akron, Ohio 44308

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Summit/Akron Solid Waste Management Authority, Summit County, (the Authority) as of and for the years ended December 31, 2014, and December 31, 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated August 11, 2015.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Authority's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Authority's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Summit/Akron Solid Waste Management Authority
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Independent Auditor's Report on Internal Control Over Financial
Financial Reporting and on Compliance and Other Matters
Required by Government Auditing Standards
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Compliance and Other Matters

As part of reasonably assuring whether the Authority's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

August 11, 2015



Dave Yost • Auditor of State

SUMMIT/AKRON SOLID WASTE MANAGEMENT AUTHORITY

SUMMIT COUNTY

CLERK'S CERTIFICATION

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

A handwritten signature in cursive script that reads "Susan Babbitt".

CLERK OF THE BUREAU

CERTIFIED
SEPTEMBER 15, 2015