





**ROSS, PICKAWAY, HIGHLAND, FAYETTE JOINT SOLID WASTE MANAGEMENT DISTRICT  
PICKAWAY COUNTY  
DECEMBER 31, 2023 AND 2022**

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## INDEPENDENT AUDITOR'S REPORT

Ross, Pickaway, Highland, Fayette Joint Solid Waste Management District  
Pickaway County  
141 W. Main St.  
Circleville, Ohio 43113

To the Board of Directors:

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the financial statements of the Ross, Pickaway, Highland, Fayette Joint Solid Waste Management District, Pickaway County, Ohio (the District), as of and for the years ended December 31 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Ross, Pickaway, Highland, Fayette Joint Solid Waste Management District, Pickaway County, Ohio as of December 31, 2023 and 2022, and the changes in financial position and its cash flows for the year ended in accordance with the accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

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

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

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

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

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 11, 2025, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Keith Faber". The signature is fluid and cursive, with the first name "Keith" and last name "Faber" clearly distinguishable.

Keith Faber  
Auditor of State  
Columbus, Ohio

April 11, 2025

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**ROSS, PICKAWAY, HIGHLAND, FAYETTE**  
**JOINT SOLID WASTE MANAGEMENT DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2023*  
*(Unaudited)*

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The discussion and analysis of the Ross, Pickaway, Highland, Fayette joint Solid Waste Management District (the District) financial performance provides an overview and analysis of the District's financial activities for the fiscal year ended December 31, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review our notes to the basic financial statements and the financial statements themselves to enhance their understanding of the District's financial performance.

### **Financial Highlights**

- < The assets and deferred outflows of resources of Ross, Pickaway, Highland, Fayette Joint Solid Waste Management District exceeded its liabilities and deferred inflows of resources at December 31, 2023 by \$1,106,656.
- < In total, net position increased by \$44,049 which represents a 4.15 percent increase from 2022.
- < The District's receipts are mostly from Charges for Services.

### **Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards District Statement No. 34.

### **Report Components**

The Statement of Net Position and the Statement of Revenue, Expenses and Changes in Fund Net Position provide information about the activities of the District.

These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. The accrual basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid. These two statements report the District's net position and changes in net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The cause of this change may be the result of many factors, some financial, some not. Non-financial factors include current laws in Ohio restricting revenue growth, and other factors.

The Statement of Cash Flows reports cash activities for the year.

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements.

### **Financial Analysis Governmental Activities**

Recall that the Statement of Net Position provides the perspective of the District as a whole, showing assets, liabilities, and the difference between them (net position). Table 1 provides a summary of the District's net position at December 31, 2023 compared to December 31, 2022.

**ROSS, PICKAWAY, HIGHLAND, FAYETTE**  
**JOINT SOLID WASTE MANAGEMENT DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2023*  
*(Unaudited)*

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**Table 1**  
**Net Position at Year End**

	<u>2023</u>	<u>2022</u>
<b><u>Assets:</u></b>		
Current and Other Assets	<u>\$1,259,843</u>	<u>\$1,226,420</u>
<i>Total Assets</i>	<u>1,259,843</u>	<u>1,226,420</u>
<b><u>Deferred Outflows of Resources</u></b>	<u>101,802</u>	<u>29,129</u>
<b><u>Liabilities:</u></b>		
Current Liabilities	40,117	40,499
<i>Noncurrent Liabilities:</i>		
Net Pension	208,906	58,375
Net OPEB	<u>4,409</u>	<u>0</u>
<i>Total Liabilities</i>	<u>253,432</u>	<u>98,874</u>
<b><u>Deferred Inflows of Resources</u></b>	<u>1,557</u>	<u>94,068</u>
<b><u>Net Position:</u></b>		
Restricted	4,268	4,268
Unrestricted	<u>1,102,388</u>	<u>1,058,339</u>
<i>Total Net Position</i>	<u><u>\$1,106,656</u></u>	<u><u>\$1,062,607</u></u>

The net pension liability (NPL) and net other postemployment benefits liability (OPEB) are the largest single liabilities reported by the District at December 31, 2023 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," and GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability (asset) and the net OPEB liability (asset) to the reported net position and subtracting the net pension asset and deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

**ROSS, PICKAWAY, HIGHLAND, FAYETTE**  
**JOINT SOLID WASTE MANAGEMENT DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2023*  
*(Unaudited)*

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GASB 68 and GASB 75 require the net pension liability (asset) and the net OPEB liability (asset) to equal the District's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the Statement of Net Position.

In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability (asset) and net OPEB liability (asset), respectively, not accounted for as deferred inflows/outflows.

Current and other assets increased \$30,423 or 2.73 percent from December 31, 2022 due primarily to an increase in accounts receivable.

Current liabilities decreased by \$382 or 0.94 percent due primarily to a decrease in accounts payable.

Noncurrent liabilities increased \$154,940 or 265.42 percent due primarily to increases in net pension liabilities and net OPEB liabilities.

**ROSS, PICKAWAY, HIGHLAND, FAYETTE**  
**JOINT SOLID WASTE MANAGEMENT DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2023*  
*(Unaudited)*

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The District's smallest portion of net position is restricted in the amount of \$4,268. Restricted net position is subject to external restrictions on how they may be used.

The remaining net position balance of \$1,102,388 is unrestricted. The unrestricted net position represents resources that are not subject to restrictions on how they can be used.

Table 2 shows the changes in net position for fiscal year 2023 and provides a comparison to fiscal year 2022.

**Table 2**  
**Changes in Net Position**

	2023	2022
<b><u>Revenues:</u></b>		
Charges for Services	\$860,596	\$815,315
Miscellaneous	9,490	36,845
<i>Total Revenues</i>	<u>870,086</u>	<u>852,160</u>
<b><u>Expenses:</u></b>		
Salaries	112,542	110,204
Fringe Benefits	69,027	16,158
Materials and Supplies	2,405	1,956
Equipment	1,365	0
Contract Services	85,471	51,890
Travel and Expenses	2,078	2,076
Utilities	330	330
Recycling Outreach	60,000	58,000
Recycling Drop Off Expense	419,242	425,927
Special Collections	60,783	28,750
Miscellaneous	12,783	10,827
Interest and Fiscal Charges	0	41
<i>Total Expenses</i>	<u>826,026</u>	<u>706,159</u>
<i>Change in Net Position</i>	44,049	146,001
Net Position at Beginning of Year	<u>1,062,607</u>	<u>916,606</u>
Net Position at End of Year	<u><u>\$1,106,656</u></u>	<u><u>\$1,062,607</u></u>

**ROSS, PICKAWAY, HIGHLAND, FAYETTE**  
**JOINT SOLID WASTE MANAGEMENT DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2023*  
*(Unaudited)*

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The most significant expenses are the Recycling Drop off Expense, Salaries, Recycling Outreach, and Contract Services. These programs account for 81.99 percent of the total. Recycling Drop off Expense, which accounts for 50.75 percent of the total, represents cost associated with providing drop boxes to the local community and collecting and transporting the recyclables to a material recovery facility to be sold for reuse. Salaries, which accounts for 13.62 percent of the total, represents cost associated with employment related activities. Contract Services, which account for 10.35 percent of the total, represents cost associated with community project collections. Recycling Outreach, which accounts for 7.26 percent of the total, represents cost associated with the Outreach Specialist who talks about recycling and environmental issues.

Most of the funding for the District is revenue received from Charges for Services.

### **Capital Assets and Debt Administration**

#### **Capital Assets**

At December 31, 2023, the District had no capital assets.

#### **Debt Administration**

At December 31, 2023, the District had no general obligation debt outstanding.

### **Economic Factors**

District revenues and expenses were affected in 2023 by increased costs for recycling. The 2023 cash revenues were \$825,298 in the District's 5th revision of the approved solid waste management plan. The District's 2023 cash expenses were \$815,854. The District finalized the 6th revision to the solid waste management plan in 2024, and new projections were made to accommodate the changing of the markets for recyclables and to adjust for new projects for the District. A new revision to the solid waste management plan for the District is starting in 2025 with plans to layout some new recycling options for the District.

### **Contacting the District's Financial Management**

This financial report is designed to provide our citizens and taxpayers with a general overview of the District's finances and to show the District's accountability for the money it received. If you have any questions about this report or need additional information, contact Erica Tucker, District Director at 141 West Main Street, Suite 400, Circleville, OH 43113.

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**Ross, Pickaway, Highland, Fayette  
Joint Solid Waste Management District**

*Statement of Net Position*

*December 31, 2023*

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**Current Assets**

Equity in Pooled Cash	\$1,149,453
Accounts Receivable	110,390

<i>Total Current Assets</i>	<u>1,259,843</u>
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<b>Deferred Outflows of Resources - Pension</b>	88,714
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<b>Deferred Outflows of Resources - OPEB</b>	<u>13,088</u>
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<i>Total Deferred Outflows of Resources</i>	<u>101,802</u>
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**Current Liabilities**

Accounts Payable	34,401
Accrued Wages Payable	5,716

<i>Total Current Liabilities</i>	<u>40,117</u>
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**Non-Current Liabilities**

Net Pension Liability	208,906
Net OPEB Liability	4,409

<i>Total Non-Current Liabilities</i>	<u>213,315</u>
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<i>Total Liabilities</i>	<u>253,432</u>
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<b>Deferred Inflows of Resources - OPEB</b>	<u>1,557</u>
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<i>Total Deferred Inflows of Resources</i>	<u>1,557</u>
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**Net Position**

Restricted	4,268
Unrestricted	1,102,388

<i>Total Net Position</i>	<u><u>\$1,106,656</u></u>
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See accompanying notes to the basic financial statements and accountant's report.

**Ross, Pickaway, Highland, Fayette  
Joint Solid Waste Management District**

*Statement of Revenues,  
Expenses and Changes in Fund Net Position  
For the Year Ended December 31, 2023*

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**Operating Revenues**

Charges for Services	\$860,596
Miscellaneous	9,490

<i>Total Operating Revenues</i>	<u>870,086</u>
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**Operating Expenses**

Salaries	112,542
Fringe Benefits	69,027
Materials and Supplies	2,405
Equipment	1,365
Contract Services	85,471
Travel and Expenses	2,078
Utilities	341
Recycling Outreach	60,000
Recycling Drop Off Expense	419,242
Special Collections	60,783
Other	12,783

<i>Total Operating Expenses</i>	<u>826,037</u>
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<i>Operating Income</i>	44,049
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<i>Net Position at Beginning of Year</i>	<u>1,062,607</u>
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<i>Net Position at End of Year</i>	<u><u>\$1,106,656</u></u>
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See accompanying notes to the basic financial statements and accountant's report.



**Ross, Pickaway, Highland, Fayette**  
**Joint Solid Waste Management District**  
*Statement of Cash Flows*  
*For the Year Ended December 31, 2023*

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**Increase (Decrease) in Cash and Cash Equivalents**

**Cash Flows from Operating Activities**

Cash Received from Customers	\$815,808
Other Cash Receipts	9,490
Cash Payments to Employees	(170,536)
Cash Payments for Goods and Services	(90,413)
Cash Payments for Recycling and Collection Services	(542,122)
Other Cash Payments	(12,783)

<i>Net Cash from (for) Operating Activities</i>	<u>9,444</u>
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<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	9,444
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<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>1,140,009</u>
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<i>Cash and Cash Equivalents at End of Year</i>	<u><u>\$1,149,453</u></u>
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**Reconciliation of Operating Income (Loss) to Net Cash  
from (for) Operating Activities**

Operating Income (Loss)	\$44,049
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*Adjustments:*

*(Increase) Decrease in Assets:*

Accounts Receivable	(44,788)
Net OPEB Asset	20,809
Deferred Outflows of Resources	(72,673)

*Increase (Decrease) in Liabilities:*

Accounts Payable	(850)
Accrued Wages Payable	468
Net Pension Liability	150,531
Net OPEB Liability	4,409
Deferred Inflows of Resources	(92,511)

<i>Net Cash from (for) Operating Activities</i>	<u><u>\$9,444</u></u>
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See accompanying notes to the basic financial statements and accountant's report.

***ROSS, PICKAWAY, HIGHLAND, FAYETTE JOINT SOLID WASTE MANAGEMENT DISTRICT***

***Notes to the Financial Statements  
For the Year Ended December 31, 2023***

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**Note 1 – Description of the Entity**

The Ross, Pickaway, Highland, Fayette Joint Solid Waste Management District, Pickaway County, Ohio (the District), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by a twelve-member Board of Directors comprised of the three County Commissioners of Ross, Pickaway, Highland, and Fayette counties. The District provides solid waste disposal, recycling opportunities, and other waste management services to these counties, Pickaway County serves as fiscal agent for the District.

The District's management believes these financial statements present all activities for which the District is financially accountable.

**Note 2 - Summary of Significant Accounting Policies**

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

**Basis of Presentation**

The District's basic financial statements consist of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows. The District uses enterprise accounting to maintain its financial records during the year. Enterprise accounting focuses on the determination of operating income, change in net position, financial position, and cash flows. Enterprise accounting may be used to account for any activity for which a fee is charged to external users for goods or services. The District uses a single enterprise fund to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

**Measurement Focus**

The enterprise fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the Statement of Net Position. The Statement of Changes in Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The Statement of Cash Flows provides information about how the District finances and meets the cash flow needs of its enterprise activity.

**Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District's financial statements are prepared using the accrual basis of accounting. On the accrual basis, revenue is recorded on exchange transactions when the exchange takes place. Nonexchange transactions, in which the District receives value without directly giving equal value in return, include capital contributions. Expenses are recognized at the time they are incurred.

**ROSS, PICKAWAY, HIGHLAND, FAYETTE JOINT SOLID WASTE MANAGEMENT DISTRICT**

***Notes to the Financial Statements  
For the Year Ended December 31, 2023***

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**Note 2 - Summary of Significant Accounting Policies** – (continued)

**Deposits and Investments**

As the Ohio Revised Code permits, the Pickaway County Treasurer is the custodian of the District's deposits. The County holds the District's assets in the County's deposit and investment pool, valued at the County Treasurer's reported carrying amount.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the Statements of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, deferred outflows of resources include pension/OPEB reported in the Statement of Net Position. The deferred outflows of resources related to pension/OPEB are explained in Notes 6 and 7. In addition to liabilities, the Statements of Net Position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the District, deferred inflows of resources include pension/OPEB. Deferred inflows of resources related to pension/OPEB are reported on the Statement of Net Position.

**Pensions/Other Postemployment Benefits (OPEB)**

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

**Revenues and Expenses**

Revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the District, these revenues are for tipping fees and recyclable income. Expenses are necessary costs incurred to provide the goods or services that are the primary activity of the District. All revenues and expenses not meeting these definitions are reported as non-operating.

**Estimates**

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

**ROSS, PICKAWAY, HIGHLAND, FAYETTE JOINT SOLID WASTE MANAGEMENT DISTRICT**

**Notes to the Financial Statements  
For the Year Ended December 31, 2023**

**Note 2 - Summary of Significant Accounting Policies** – (continued)

**Net Position**

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. For 2023, the District had restricted net position in the amount of \$4,268, with the remaining balance of \$1,102,388 being unrestricted net position. Net position includes tipping fees which are available for plan implementation of the 10 allowable expenses according to H.B. 592 and pursuant to the Ohio Revised Code 3734.57, Section (G).

**Note 3 – Cash and Investments**

The Pickaway County Treasurer maintains a cash pool used by all of the County's funds, including those of the District. The Ohio Revised Code prescribes allowable deposits and investments. At fiscal year-end, the carrying amount of the District's deposits with the Pickaway County Treasurer was \$1,149,453 and is reflected as Equity in Pooled Cash and Cash Equivalents on the financial statements. The Pickaway County Treasurer is responsible for maintaining adequate depository collateral for all funds in the County's pooled cash and deposit accounts.

**Note 4 – Risk Management**

***Commercial Insurance***

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability.

**Note 5 - Long-Term Obligations**

The Board's long-term obligations activity for the year ended December 31, 2023, was as follows:

	Principal Outstanding at January 1, 2023	Additions	Deductions	Principal Outstanding at December 31, 2023	Amount Due In One Year
<i>Net Pension Liability:</i>					
OPERS	\$58,375	\$150,531	\$0	\$208,906	\$0
<i>Net OPEB Liability:</i>					
OPERS	0	4,409	0	4,409	0
Total Long-Term Obligations	<u>\$58,375</u>	<u>\$154,940</u>	<u>\$0</u>	<u>\$213,315</u>	<u>\$0</u>

**ROSS, PICKAWAY, HIGHLAND, FAYETTE JOINT SOLID WASTE MANAGEMENT DISTRICT**

***Notes to the Financial Statements  
For the Year Ended December 31, 2023***

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**Note 6 – Defined Benefit Retirement Plans**

***Net Pension Liability***

The net pension liability reported on the Statement of Net Position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

GASB Statement No. 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plan to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, the pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of the plan’s unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

*Plan Description* – All District employees participate in the Ohio Public Employee Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. District employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

**ROSS, PICKAWAY, HIGHLAND, FAYETTE JOINT SOLID WASTE MANAGEMENT DISTRICT**

**Notes to the Financial Statements  
For the Year Ended December 31, 2023**

**Note 6 – Defined Benefit Retirement Plans – (continued)**

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

<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

	<b>State and Local</b>	
	<b>2023</b>	<b>2022</b>
Statutory Maximum Contribution Rates		
Employer	14.0%	14.0%
Employee	10.0%	10.0%
Actual Contribution Rates		
Employer:		
Pension	14.0%	14.0%
Post-employment Health Care Benefits	0.0%	0.0%
Total Employer	14.0%	14.0%
Employee	10.0%	10.0%

**ROSS, PICKAWAY, HIGHLAND, FAYETTE JOINT SOLID WASTE MANAGEMENT DISTRICT**

**Notes to the Financial Statements  
For the Year Ended December 31, 2023**

**Note 6 – Defined Benefit Retirement Plans** – (continued)

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required contribution was \$15,301 for year 2023. Of this amount, \$647 is reported as an accrued wages payable.

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

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

	<u>OPERS</u>
Proportion of the Net Pension Liability:	
Current Measurement Date	0.00070719%
Prior Measurement Date	<u>0.00067094%</u>
Change in Proportionate Share	<u>0.0000363%</u>
Proportionate Share of the Net Pension Liability	\$208,906
Pension Expense (Gain)	\$33,623

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

	<u>OPERS</u>
<b>Deferred Outflows of Resources</b>	
Differences between Expected and Actual Experience	\$6,939
Net Difference between Projected and Actual Earnings on Pension Plan Investments	59,543
Changes of Assumptions	2,207
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	4,724
Contributions Subsequent to the Measurement Date	<u>15,301</u>
<b>Total Deferred Outflows of Resources</b>	<u>\$88,714</u>

The District had no deferred inflows of resources related to pension to be reported at December 31, 2023.

**ROSS, PICKAWAY, HIGHLAND, FAYETTE JOINT SOLID WASTE MANAGEMENT DISTRICT**

**Notes to the Financial Statements  
For the Year Ended December 31, 2023**

**Note 6 – Defined Benefit Retirement Plans** – (continued)

\$15,301 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS
Fiscal Year Ending June 30:	
2024	\$ 11,577
2025	15,141
2026	17,526
2027	29,169
	<u>\$ 73,413</u>

**Actuarial Assumptions**

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2022, using the following actuarial assumptions, applied to all periods included in the measurement in accordance with the requirements of GASB 67.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2022.

Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation of 2.75 percent
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3 percent, simple
Post-January 7, 2013 Retirees	3.0 percent, simple through 2023, then 2.05 percent, simple
Investment Rate of Return	6.90 percent
Actuarial Cost Method	Individual Entry Age

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



**ROSS, PICKAWAY, HIGHLAND, FAYETTE JOINT SOLID WASTE MANAGEMENT DISTRICT**

**Notes to the Financial Statements  
For the Year Ended December 31, 2023**

**Note 6 – Defined Benefit Retirement Plans** – (continued)

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

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

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

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	22.00 %	2.62 %
Domestic Equities	22.00	4.60
Real Estate	13.00	3.27
Private Equity	15.00	7.53
International Equities	21.00	5.51
Risk Parity	2.00	4.37
Other Investments	<u>5.00</u>	3.27
Total	<u>100.00 %</u>	

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

**ROSS, PICKAWAY, HIGHLAND, FAYETTE JOINT SOLID WASTE MANAGEMENT DISTRICT**

**Notes to the Financial Statements  
For the Year Ended December 31, 2023**

**Note 6 – Defined Benefit Retirement Plans** – (continued)

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.9 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.9%)	Current Discount Rate (6.9%)	1% Increase (7.9%)
Board's Proportionate Share of the Net OPEB Liability	\$312,934	\$208,906	\$122,373

**Note 7 – Defined Benefit OPEB Plans**

***Net OPEB Liability***

The net OPEB liability reported on the Statement of Net Position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a long-term net OPEB liability on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

**ROSS, PICKAWAY, HIGHLAND, FAYETTE JOINT SOLID WASTE MANAGEMENT DISTRICT**

**Notes to the Financial Statements  
For the Year Ended December 31, 2023**

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**Note 7 – Defined Benefit OPEB Plans** – (continued)

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

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

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

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

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

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

**Funding Policy** - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by Systems' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan was 0 percent and for those in the Combined Plan it was 2 percent beginning July 1, 2022. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed Plan for 2022 was 4.0 percent; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

**ROSS, PICKAWAY, HIGHLAND, FAYETTE JOINT SOLID WASTE MANAGEMENT DISTRICT**

**Notes to the Financial Statements  
For the Year Ended December 31, 2023**

**Note 7 –Defined Benefit OPEB Plans** – (continued)

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

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

	OPERS - <u>Health Care Plan</u>
Proportion of the Net OPEB Liability:	
Current Measurement Date	0.00069927%
Prior Measurement Date	<u>0.00066435%</u>
Change in Proportionate Share	<u><u>0.000035%</u></u>
Proportionate Share of the Net OPEB Liability	\$4,409
OPEB Expense (Gain)	(\$7,757)

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

	OPERS - <u>Health Care Plan</u>
<b>Deferred Outflows of Resources</b>	
Net Difference between Projected and Actual Earnings on Pension Plan Investments	\$8,760
Changes of Assumptions	4,306
Changes in Proportion and Differences between Contributions and Proportionate Share of	<u>\$22</u>
<b>Total Deferred Outflows of Resources</b>	<u><u>\$13,088</u></u>
<b>Deferred Inflows of Resources</b>	
Differences between expected and actual experience	\$1,100
Changes of Assumptions	355
Changes in Proportion and Differences between Contributions and Proportionate Share of	<u>102</u>
<b>Total Deferred Inflows of Resources</b>	<u><u>\$1,557</u></u>

**ROSS, PICKAWAY, HIGHLAND, FAYETTE JOINT SOLID WASTE MANAGEMENT DISTRICT**

**Notes to the Financial Statements  
For the Year Ended December 31, 2023**

**Note 7 – Defined Benefit OPEB Plans** – (continued)

\$0 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	OPERS - Health Care Plan
2024	\$1,357
2025	3,211
2026	2,732
2027	4,231
	<u>\$11,531</u>

**Actuarial Assumptions – OPERS**

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

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

Wage Inflation	2.75 percent
Projected Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation at 2.75 percent
<i>Single Discount Rate:</i>	
Current Measurement Date	5.22 percent
Prior Measurement Date	6.00 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	4.05 percent
Health Care Cost Trend Rate	5.5 percent, initial 3.50 percent, ultimate in 2036
Actuarial Cost Method	Individual Entry Age

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

**ROSS, PICKAWAY, HIGHLAND, FAYETTE JOINT SOLID WASTE MANAGEMENT DISTRICT**

**Notes to the Financial Statements  
For the Year Ended December 31, 2023**

**Note 7 –Defined Benefit OPEB Plans** – (continued)

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

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

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

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	34.00 %	2.56 %
Domestic Equities	26.00	4.60
Real Estate Investment Trust	7.00	4.70
International Equities	25.00	5.51
Risk Parity	2.00	4.37
Other Investments	6.00	1.84
Total	100.00	

**ROSS, PICKAWAY, HIGHLAND, FAYETTE JOINT SOLID WASTE MANAGEMENT DISTRICT**

**Notes to the Financial Statements  
For the Year Ended December 31, 2023**

**Note 7 –Defined Benefit OPEB Plans** – (continued)

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

**Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate**

The following table presents the District's proportionate share of the net OPEB liability calculated using the single discount rate of 6.00 percent, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one percentage-point higher (7.00 percent) than the current rate:

	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
Board's Proportionate Share of the Net OPEB Liability	\$15,006	\$4,409	(\$4,335)

**Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost**

**Trend Rate** Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

	1% Decrease	Current	1% Increase
Board's Proportionate Share of the Net OPEB Liability	\$4,133	\$4,409	\$4,720

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

**Ross, Pickaway, Highland, Fayette**  
**Joint Solid Waste Management District**  
*Required Supplementary Information*  
*Schedule of the District's Proportionate Share of Net Pension/OPEB Liability/Asset*  
*Ohio Public Employees Retirement System - Traditional Plan*  
*Last Nine Years*

	2022	2021	2020	2019
<i><u>Pension (1)</u></i>				
District's Proportion of the Net Pension Liability	0.00070719%	0.00067094%	0.00064467%	0.00067130%
District's Proportionate Share of the Net Pension Liability	\$208,906	\$58,375	\$95,462	\$134,327
District Covered-Employee Payroll	\$109,293	\$109,407	\$96,600	\$92,836
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	191.14%	53.36%	98.82%	144.69%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.74%	92.62%	86.88%	145.28%
<i><u>OPEB (2)</u></i>				
District's Proportion of the Net OPEB Liability	0.00069927%	0.00066435%	0.00068188%	0.00067127%
District's Proportionate Share of the Net OPEB Asset	\$0	\$20,809	\$12,148	\$0
District's Proportionate Share of the Net OPEB Liability	\$4,409	\$0	\$0	\$92,720
District Covered-Employee Payroll	\$19,293	\$109,407	\$96,600	\$92,836
District's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered-Employee Payroll	22.85%	-19.02%	-12.58%	99.88%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability(Asset)	94.79%	128.23%	115.57%	47.80%

(1) Information prior to 2014 is not available.

(2) Information prior to 2016 is not available.

Amounts presented as of the District's measurement date which is the prior fiscal year.



2018	2017	2016	2015	2014
0.00062979%	0.00052369%	0.00042210%	0.00042164%	0.00042022%
\$172,485	\$82,157	\$95,851	\$73,034	\$50,683
\$85,621	\$60,377	\$56,750	\$62,571	\$60,049
201.45%	136.07%	168.90%	116.72%	84.40%
74.70%	84.66%	77.25%	81.08%	86.45%
0.00062429%	0.00051480%	0.00050544%	N/A	N/A
\$0	\$0	\$0	N/A	N/A
\$81,392	\$55,903	\$51,051	N/A	N/A
\$85,621	\$60,377	\$56,750	N/A	N/A
95.06%	92.59%	89.96%	N/A	N/A
46.33%	54.14%	54.05%	N/A	N/A

**Ross, Pickaway, Highland, Fayette**  
**Joint Solid Waste Management District**  
*Required Supplementary Information*  
*Schedule of District Contributions*  
*Ohio Public Employees Retirement System - Traditional Plan*  
*Last Ten Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u><b>OPERS</b></u>				
Contractually Required Contribution	\$15,301	\$15,317	\$13,524	\$12,997
Contributions in Relation to the Contractually Required Contribution	<u>(15,301)</u>	<u>(15,317)</u>	<u>(13,524)</u>	<u>(12,997)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
District Covered-Employee Payroll	\$109,293	\$109,407	\$96,600	\$92,836
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	14.00%	14.00%
<u><b>OPEB</b></u>				
Contractually Required Contribution	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
District Covered-Employee Payroll	\$109,293	\$109,407	\$96,600	\$92,836
Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$11,987	\$10,194	\$7,849	\$6,810	\$7,509	\$7,206
<u>(11,987)</u>	<u>(10,194)</u>	<u>(7,849)</u>	<u>(6,810)</u>	<u>(7,509)</u>	<u>(7,206)</u>
<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
\$85,621	\$72,814	\$60,377	\$56,750	\$62,571	\$60,049
14.00%	14.00%	13.00%	12.00%	12.00%	12.00%
\$0	\$0	\$604	\$1,135	\$1,251	\$1,201
<u>0</u>	<u>0</u>	<u>(604)</u>	<u>(1,135)</u>	<u>(1,251)</u>	<u>(1,201)</u>
<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
\$85,621	\$72,814	\$60,377	\$56,750	\$62,571	\$60,049
0.00%	0.00%	1.00%	2.00%	2.00%	2.00%

**Ross, Pickaway, Highland, Fayette**  
**Joint Solid Waste Management District**  
*Notes to the Supplementary Information*  
*For the Fiscal Year Ended December 31, 2023*

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**NOTE 1 – OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO**

**Pension**

*Changes in benefit terms:* There were no changes in benefit terms for the period 2014-2023.

*Changes in Assumptions:*

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2017: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25% - 10.02% to 3.25% - 10.75%

2018: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2019: There was a reduction of the discounted rate from 7.5% to 7.2%.

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2020 through 2021.

2022: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date

- Reduction in actuarial assumed rate of return from 7.20% to 6.90%
- Decrease in wage inflation from 3.25% to 2.75%
- Change in future salary increases from a range of 3.25% - 10.75% to 2.75% to 10.75%

2023: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

**Other Postemployment Benefits**

*Changes in benefit terms:* For 2018 - 2023, there were no changes in benefit terms.

*Changes in assumptions:*

2018: The single discount rate changed from 4.23% to 3.85%.

In 2019, changes in assumptions included a reduction of the investment rate of return from 6.50% to 6.00%, an increase in the municipal bond rate from 3.31% to 3.71%, resulting in an increase in the single discount rate from 3.85% to 3.96%. Another change includes adjusting the health care cost trend rate from 7.5% initial, 3.25% ultimate in 2028 to 10.0% initial, 3.25% ultimate in 2029.

For 2020, the single discount rate changed from 3.96% to 3.16%, the municipal bond rate changed from 3.71% to 2.75%, and the health care cost trend rate initial amount changed from 10.00% to 10.50% and the ultimate amount changed from 3.25% to 3.50%.

**Ross, Pickaway, Highland, Fayette**  
**Joint Solid Waste Management District**  
*Notes to the Supplementary Information*  
*For the Fiscal Year Ended December 31, 2023*

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**NOTE 1 – OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO** (continued)

**Other Postemployment Benefits (continued)**

For 2021, the single discount rate changed from 3.16% to 6.00%, the municipal bond rate changed from 2.75% to 2.00%, and the health care cost trend rate initial amount changed from 10.50% to 8.50%.

For 2022, the municipal bond rate changed from 2.00% to 1.84% and the health care cost trend rate initial amount changed from 8.50% to 5.5%.

For 2023, the wage inflation rate changed from 3.25% to 2.75%, the single discount rate changed from 6.00% to 5.22%, and the municipal bond rate changed from 1.84% to 4.05%

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**ROSS, PICKAWAY, HIGHLAND, FAYETTE**  
**JOINT SOLID WASTE MANAGEMENT DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2022*  
*(Unaudited)*

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The discussion and analysis of the Ross, Pickaway, Highland, Fayette joint Solid Waste Management District (the District) financial performance provides an overview and analysis of the District's financial activities for the fiscal year ended December 31, 2022. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review our notes to the basic financial statements and the financial statements themselves to enhance their understanding of the District's financial performance.

### **Financial Highlights**

- < The assets and deferred outflows of resources of Ross, Pickaway, Highland, Fayette Joint Solid Waste Management District exceeded its liabilities and deferred inflows of resources at December 31, 2022 by \$1,062,607.
- < In total, net position increased by \$146,001 which represents a 15.93 percent increase from 2021.
- < The District's receipts are mostly from Charges for Services.

### **Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards District Statement No. 34.

### **Report Components**

The Statement of Net Position and the Statement of Revenue, Expenses and Changes in Fund Net Position provide information about the activities of the District.

These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. The accrual basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid. These two statements report the District's net position and changes in net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The cause of this change may be the result of many factors, some financial, some not. Non-financial factors include current laws in Ohio restricting revenue growth, and other factors.

The Statement of Cash Flows reports cash activities for the year.

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements.

### **Financial Analysis Governmental Activities**

Recall that the Statement of Net Position provides the perspective of the District as a whole, showing assets, liabilities, and the difference between them (net position). Table 1 provides a summary of the District's net position at December 31, 2022 compared to December 31, 2021.

**ROSS, PICKAWAY, HIGHLAND, FAYETTE**  
**JOINT SOLID WASTE MANAGEMENT DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2022*  
*(Unaudited)*

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**Table 1**  
**Net Position at Year End**

	2022	2021
<b><u>Assets:</u></b>		
Current and Other Assets	\$1,226,420	\$1,140,160
<i>Total Assets</i>	1,226,420	1,140,160
<b><u>Deferred Outflows of Resources</u></b>	29,129	23,998
<b><u>Liabilities:</u></b>		
Current Liabilities	40,499	69,113
<i>Noncurrent Liabilities:</i>		
Net Pension	58,375	95,462
<i>Total Liabilities</i>	98,874	164,575
<b><u>Deferred Inflows of Resources</u></b>	94,068	82,957
<b><u>Net Position:</u></b>		
Restricted	4,268	4,268
Unrestricted	1,058,339	912,338
<i>Total Net Position</i>	\$1,062,607	\$916,606

The net pension liability (NPL) and net other postemployment benefits liability (OPEB) are the largest single liabilities reported by the District at December 31, 2022 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," and GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability (asset) and the net OPEB liability (asset) to the reported net position and subtracting the net pension asset and deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.



**ROSS, PICKAWAY, HIGHLAND, FAYETTE**  
**JOINT SOLID WASTE MANAGEMENT DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2022*  
*(Unaudited)*

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GASB 68 and GASB 75 require the net pension liability (asset) and the net OPEB liability (asset) to equal the District's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the Statement of Net Position.

In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability (asset) and net OPEB liability (asset), respectively, not accounted for as deferred inflows/outflows.

Current and other assets increased \$86,260 or 7.57 percent from December 31, 2021 due to increases in equity in pooled cash and in accounts receivable.

Current liabilities decreased by \$28,614 or 41.40 percent due primarily to a decrease in accounts payable.

Noncurrent liabilities decreased \$37,087 or 38.85 percent due primarily to a decrease in net pension liabilities.

**ROSS, PICKAWAY, HIGHLAND, FAYETTE**  
**JOINT SOLID WASTE MANAGEMENT DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2022*  
*(Unaudited)*

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The District's smallest portion of net position is restricted in the amount of \$4,268. Restricted net position is subject to external restrictions on how they may be used.

The remaining net position balance of \$1,058,339 is unrestricted. The unrestricted net position represents resources that are not subject to restrictions on how they can be used.

Table 2 shows the changes in net position for fiscal year 2022 and provides a comparison to fiscal year 2021.

**Table 2**  
**Changes in Net Position**

	2022	2021
<b><u>Revenues:</u></b>		
Charges for Services	\$815,315	\$719,814
Miscellaneous	36,845	7,584
<i>Total Revenues</i>	<u>852,160</u>	<u>727,398</u>
<b><u>Expenses:</u></b>		
Salaries	110,204	96,853
Fringe Benefits	16,158	(21,757)
Materials and Supplies	1,956	2,272
Equipment	0	1,421
Contract Services	51,890	74,125
Travel and Expenses	2,076	3,717
Utilities	330	0
Recycling Outreach	58,000	55,000
Recycling Drop Off Expense	425,927	368,273
Special Collections	28,750	30,710
Community Improvement Program	0	6,315
Miscellaneous	10,827	10,345
Interest and Fiscal Charges	41	191
<i>Total Expenses</i>	<u>706,159</u>	<u>627,465</u>
<i>Change in Net Position</i>	146,001	99,588
Net Position at Beginning of Year	<u>916,606</u>	<u>817,018</u>
Net Position at End of Year	<u><u>\$1,062,607</u></u>	<u><u>\$916,606</u></u>

**ROSS, PICKAWAY, HIGHLAND, FAYETTE**  
**JOINT SOLID WASTE MANAGEMENT DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2022*  
*(Unaudited)*

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The most significant expenses are the Recycling Drop off Expense, Salaries, Recycling Outreach, and Contract Services. These programs account for 91.49 percent of the total. Recycling Drop off Expense, which accounts for 60.32 percent of the total, represents cost associated with providing drop boxes to the local community and collecting and transporting the recyclables to a material recovery facility to be sold for reuse. Salaries, which accounts for 15.61 percent of the total, represents cost associated with employment related activities. Recycling Outreach, which accounts for 8.21 percent of the total, represents cost associated with the Outreach Specialist who talks about recycling and environmental issues. Contract Services, which account for 7.35 percent of the total, represents cost associated with community project collections.

Most of the funding for the District is revenue received from Charges for Services.

### **Capital Assets and Debt Administration**

#### **Capital Assets**

At December 31, 2022, the District had no capital assets.

#### **Debt Administration**

At December 31, 2022, the District had no general obligation debt outstanding.

### **Economic Factors**

District revenues and expenses were affected in 2022 by increased costs for recycling. The 2022 cash revenues were \$859,717 in the District's 5th revision of the approved solid waste management plan. The District's 2022 cash expenses were \$774,562. The District finalized the 6th revision to the solid waste management plan in 2022, and new projections were made to accommodate the changing of the markets for recyclables and to adjust for new projects for the District. A new revision to the solid waste management plan for the District is starting in 2023 with plans to layout some new recycling options for the District.

### **Contacting the District's Financial Management**

This financial report is designed to provide our citizens and taxpayers with a general overview of the District's finances and to show the District's accountability for the money it received. If you have any questions about this report or need additional information, contact Erica Tucker, District Director at 141 West Main Street, Suite 400, Circleville, OH 43113.

**Ross, Pickaway, Highland, Fayette  
Joint Solid Waste Management District**

*Statement of Net Position*

*December 31, 2022*

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<b>Current Assets</b>	
Equity in Pooled Cash	\$1,140,009
Accounts Receivable	65,602
Net OPEB Asset	<u>20,809</u>
<i>Total Current Assets</i>	<u>1,226,420</u>
<b>Deferred Outflows of Resources - Pension</b>	28,781
<b>Deferred Outflows of Resources - OPEB</b>	<u>348</u>
<i>Total Deferred Outflows of Resources</i>	<u>29,129</u>
<b>Current Liabilities</b>	
Accounts Payable	35,251
Accrued Wages Payable	<u>5,248</u>
<i>Total Current Liabilities</i>	<u>40,499</u>
<b>Non-Current Liabilities</b>	
Net Pension Liability	<u>58,375</u>
<i>Total Non-Current Liabilities</i>	<u>58,375</u>
<i>Total Liabilities</i>	<u>98,874</u>
<b>Deferred Inflows of Resources - Pension</b>	72,276
<b>Deferred Inflows of Resources - OPEB</b>	<u>21,792</u>
<i>Total Deferred Inflows of Resources</i>	<u>94,068</u>
<b>Net Position</b>	
Restricted	4,268
Unrestricted	<u>1,058,339</u>
<i>Total Net Position</i>	<u><u>\$1,062,607</u></u>

See accompanying notes to the basic financial statements and accountant's report.

**Ross, Pickaway, Highland, Fayette  
Joint Solid Waste Management District**

*Statement of Revenues,  
Expenses and Changes in Fund Net Position  
For the Year Ended December 31, 2022*

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**Operating Revenues**

Charges for Services	\$815,315
Miscellaneous	<u>36,845</u>
<i>Total Operating Revenues</i>	<u>852,160</u>

**Operating Expenses**

Salaries	110,204
Fringe Benefits	16,158
Materials and Supplies	1,956
Contract Services	51,890
Travel and Expenses	2,076
Utilities	330
Recycling Outreach	58,000
Recycling Drop Off Expense	425,927
Special Collections	28,750
Other	<u>10,827</u>
<i>Total Operating Expenses</i>	<u>706,118</u>

<i>Operating Income</i>	<u>146,042</u>
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**Nonoperating Expense**

Interest and Fiscal Charges	<u>41</u>
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<i>Total Nonoperating Expense</i>	<u>41</u>
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<i>Change in Net Position</i>	146,001
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<i>Net Position at Beginning of Year</i>	<u>916,606</u>
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<i>Net Position at End of Year</i>	<u><u>\$1,062,607</u></u>
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See accompanying notes to the basic financial statements and accountant's report.

**Ross, Pickaway, Highland, Fayette**  
**Joint Solid Waste Management District**  
*Statement of Cash Flows*  
*For the Year Ended December 31, 2022*

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**Increase (Decrease) in Cash and Cash Equivalents**

**Cash Flows from Operating Activities**

Cash Received from Customers	\$816,872
Other Cash Receipts	36,845
Cash Payments to Employees	(165,459)
Cash Payments for Goods and Services	(56,381)
Cash Payments for Recycling and Collection Services	(540,169)
Other Cash Payments	(10,827)

<i>Net Cash from (for) Operating Activities</i>	<u>80,881</u>
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**Cash Flows from Capital and Related Financing Activities**

Principal Paid on Capital Leases	(1,534)
Interest Paid on Capital Leases	(191)

<i>Net Cash from Capital and Related Financing Activities</i>	<u>(1,725)</u>
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<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	79,156
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<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>1,060,853</u>
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<i>Cash and Cash Equivalents at End of Year</i>	<u><u>\$1,140,009</u></u>
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**Reconciliation of Operating Income (Loss) to Net Cash from (for) Operating Activities**

Operating Income (Loss)	\$146,042
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*Adjustments:*

*(Increase) Decrease in Assets:*

Accounts Receivable	1,557
Net OPEB Asset	(8,661)
Deferred Outflows of Resources	(5,131)

*Increase (Decrease) in Liabilities:*

Accounts Payable	(27,621)
Accrued Wages Payable	671
Net Pension Liability	(37,087)
Deferred Inflows of Resources	11,111

<i>Net Cash from (for) Operating Activities</i>	<u><u>\$80,881</u></u>
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See accompanying notes to the basic financial statements and accountant's report.

***ROSS, PICKAWAY, HIGHLAND, FAYETTE JOINT SOLID WASTE MANAGEMENT DISTRICT***

***Notes to the Financial Statements  
For the Year Ended December 31, 2022***

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**Note 1 – Description of the Entity**

The Ross, Pickaway, Highland, Fayette Joint Solid Waste Management District, Pickaway County, Ohio (the District), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by a twelve-member Board of Directors comprised of the three County Commissioners of Ross, Pickaway, Highland, and Fayette counties. The District provides solid waste disposal, recycling opportunities, and other waste management services to these counties, Pickaway County serves as fiscal agent for the District.

The District's management believes these financial statements present all activities for which the District is financially accountable.

**Note 2 - Summary of Significant Accounting Policies**

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

**Basis of Presentation**

The District's basic financial statements consist of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows. The District uses enterprise accounting to maintain its financial records during the year. Enterprise accounting focuses on the determination of operating income, change in net position, financial position, and cash flows. Enterprise accounting may be used to account for any activity for which a fee is charged to external users for goods or services. The District uses a single enterprise fund to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

**Measurement Focus**

The enterprise fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the Statement of Net Position. The Statement of Changes in Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The Statement of Cash Flows provides information about how the District finances and meets the cash flow needs of its enterprise activity.

**Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District's financial statements are prepared using the accrual basis of accounting. On the accrual basis, revenue is recorded on exchange transactions when the exchange takes place. Nonexchange transactions, in which the District receives value without directly giving equal value in return, include capital contributions. Expenses are recognized at the time they are incurred.

**ROSS, PICKAWAY, HIGHLAND, FAYETTE JOINT SOLID WASTE MANAGEMENT DISTRICT**

***Notes to the Financial Statements  
For the Year Ended December 31, 2022***

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**Note 2 - Summary of Significant Accounting Policies** – (continued)

**Deposits and Investments**

As the Ohio Revised Code permits, the Pickaway County Treasurer is the custodian of the District's deposits. The County holds the District's assets in the County's deposit and investment pool, valued at the County Treasurer's reported carrying amount.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the Statements of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, deferred outflows of resources include pension/OPEB reported in the Statement of Net Position. The deferred outflows of resources related to pension/OPEB are explained in Notes 6 and 7. In addition to liabilities, the Statements of Net Position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the District, deferred inflows of resources include pension/OPEB. Deferred inflows of resources related to pension/OPEB are reported on the Statement of Net Position.

**Pensions/Other Postemployment Benefits (OPEB)**

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

**Revenues and Expenses**

Revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the District, these revenues are for tipping fees and recyclable income. Expenses are necessary costs incurred to provide the goods or services that are the primary activity of the District. All revenues and expenses not meeting these definitions are reported as non-operating.

**Estimates**

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



**ROSS, PICKAWAY, HIGHLAND, FAYETTE JOINT SOLID WASTE MANAGEMENT DISTRICT**

**Notes to the Financial Statements  
For the Year Ended December 31, 2022**

**Note 2 - Summary of Significant Accounting Policies** – (continued)

**Net Position**

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. For 2022, the District had restricted net position in the amount of \$4,268, with the remaining balance of \$1,058,339 being unrestricted net position. Net position includes tipping fees which are available for plan implementation of the 10 allowable expenses according to H.B. 592 and pursuant to the Ohio Revised Code 3734.57, Section (G).

**Note 3 – Cash and Investments**

The Pickaway County Treasurer maintains a cash pool used by all of the County's funds, including those of the District. The Ohio Revised Code prescribes allowable deposits and investments. At fiscal year-end, the carrying amount of the District's deposits with the Pickaway County Treasurer was \$1,140,009 and is reflected as Equity in Pooled Cash and Cash Equivalents on the financial statements. The Pickaway County Treasurer is responsible for maintaining adequate depository collateral for all funds in the County's pooled cash and deposit accounts.

**Note 4 – Risk Management**

***Commercial Insurance***

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability.

**Note 5 - Long-Term Obligations**

The Board's long-term obligations activity for the year ended December 31, 2022, was as follows:

	Principal Outstanding at January 1, 2022	Additions	Deductions	Principal Outstanding at December 31, 2022	Amount Due In One Year
<i>Net Pension Liability:</i>					
OPERS	\$95,462	\$0	\$37,087	\$58,375	\$0
<i>Net OPEB Liability:</i>					
OPERS	0	0	0	0	0
Capital Leases Payable	1,534	0	1,534	0	0
Total Long-Term Obligations	<u>\$96,996</u>	<u>\$0</u>	<u>\$38,621</u>	<u>\$58,375</u>	<u>\$0</u>

**ROSS, PICKAWAY, HIGHLAND, FAYETTE JOINT SOLID WASTE MANAGEMENT DISTRICT**

***Notes to the Financial Statements  
For the Year Ended December 31, 2022***

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**Note 6 – Defined Benefit Retirement Plans**

***Net Pension Liability***

The net pension liability reported on the Statement of Net Position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

GASB Statement No. 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plan to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, the pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of the plan’s unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

*Plan Description* – All District employees participate in the Ohio Public Employee Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. District employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

**ROSS, PICKAWAY, HIGHLAND, FAYETTE JOINT SOLID WASTE MANAGEMENT DISTRICT**

**Notes to the Financial Statements  
For the Year Ended December 31, 2022**

**Note 6 – Defined Benefit Retirement Plans – (continued)**

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

<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

	<b>State and Local</b>	
	<b>2022</b>	<b>2021</b>
Statutory Maximum Contribution Rates		
Employer	14.0%	14.0%
Employee	10.0%	10.0%
Actual Contribution Rates		
Employer:		
Pension	14.0%	14.0%
Post-employment Health Care Benefits	0.0%	0.0%
Total Employer	14.0%	14.0%
Employee	10.0%	10.0%

**ROSS, PICKAWAY, HIGHLAND, FAYETTE JOINT SOLID WASTE MANAGEMENT DISTRICT**

**Notes to the Financial Statements  
For the Year Ended December 31, 2022**

**Note 6 – Defined Benefit Retirement Plans – (continued)**

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required contribution was \$15,317 for year 2022. Of this amount, \$603 is reported as an accrued wages payable.

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

The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>
Proportion of the Net Pension Liability:	
Current Measurement Date	0.00067094%
Prior Measurement Date	<u>0.00064467%</u>
Change in Proportionate Share	<u>0.0000263%</u>
Proportionate Share of the Net Pension Liability	\$58,375
Pension Expense (Gain)	(8,552)

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

	<u>OPERS</u>
<b>Deferred Outflows of Resources</b>	
Differences between Expected and Actual Experience	\$2,976
Changes of Assumptions	7,300
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	3,188
Contributions Subsequent to the Measurement Date	<u>15,317</u>
<b>Total Deferred Outflows of Resources</b>	<u>\$28,781</u>
<b>Deferred Inflows of Resources</b>	
Differences between expected and actual experience	\$1,281
Net difference between projected and actual investment earnings	69,434
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	<u>1,561</u>
<b>Total Deferred Inflows of Resources</b>	<u>\$72,276</u>

**ROSS, PICKAWAY, HIGHLAND, FAYETTE JOINT SOLID WASTE MANAGEMENT DISTRICT**

**Notes to the Financial Statements  
For the Year Ended December 31, 2022**

**Note 6 – Defined Benefit Retirement Plans** – (continued)

\$15,317 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS
Fiscal Year Ending June 30:	
2023	\$ (8,469)
2024	(22,968)
2025	(16,328)
2026	(11,047)
	<u>\$ (58,812)</u>

**Actuarial Assumptions**

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2021, using the following actuarial assumptions, applied to all periods included in the measurement in accordance with the requirements of GASB 67.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2021.

Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
<i>COLA or Ad Hoc COLA:</i>	
Pre-January 7, 2013 Retirees	3 percent, simple
Post-January 7, 2013 Retirees	3.0 percent, simple through 2022, then 2.05 percent, simple
Investment Rate of Return	6.90 percent
Actuarial Cost Method	Individual Entry Age

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

**ROSS, PICKAWAY, HIGHLAND, FAYETTE JOINT SOLID WASTE MANAGEMENT DISTRICT**

**Notes to the Financial Statements  
For the Year Ended December 31, 2022**

**Note 6 – Defined Benefit Retirement Plans** – (continued)

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

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

During 2021, OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care Trust portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performance, net of investments expense and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 15.3 percent for 2021.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	24.00 %	1.03 %
Domestic Equities	21.00	3.78
Real Estate	11.00	3.66
Private Equity	12.00	7.43
International Equities	23.00	4.88
Risk Parity	5.00	2.92
Other Investments	4.00	2.85
Total	<u>100.00 %</u>	<u>4.21 %</u>

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

**ROSS, PICKAWAY, HIGHLAND, FAYETTE JOINT SOLID WASTE MANAGEMENT DISTRICT**

**Notes to the Financial Statements  
For the Year Ended December 31, 2022**

**Note 6 – Defined Benefit Retirement Plans** – (continued)

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.9 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.9%)	Current Discount Rate (6.9%)	1% Increase (7.9%)
Board's Proportionate Share of the Net Pension Liability	\$153,908	\$58,375	(\$21,121)

**Note 7 – Defined Benefit OPEB Plans**

***Net OPEB Asset***

The net OPEB asset reported on the Statement of Net Position represents an asset to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

GASB 75 assumes the asset is solely the benefit of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB asset. Resulting adjustments to the net OPEB asset would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a long-term net OPEB asset on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

**Note 7 – Defined Benefit OPEB Plans** – (continued)

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

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

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

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

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

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

**Funding Policy** - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by Systems' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2022. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2022 was 4.0 percent.



**ROSS, PICKAWAY, HIGHLAND, FAYETTE JOINT SOLID WASTE MANAGEMENT DISTRICT**

**Notes to the Financial Statements  
For the Year Ended December 31, 2022**

**Note 7 – Defined Benefit OPEB Plans** – (continued)

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required OPEB contribution was \$0 for 2022.

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

The net OPEB asset for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The District's proportion of the net OPEB asset was based on the District's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS - <u>Health Care Plan</u>
Proportion of the Net OPEB Asset:	
Current Measurement Date	0.00066435%
Prior Measurement Date	0.00068188%
Change in Proportionate Share	<u>-0.000018%</u>
 Proportionate Share of the Net OPEB Asset	 \$20,809
OPEB Expense (Gain)	(\$15,899)

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

	OPERS - <u>Health Care Plan</u>
<b>Deferred Outflows of Resources</b>	
Changes in Proportion and Differences between Contributions and Proportionate Share of	<u>\$348</u>
<b>Total Deferred Outflows of Resources</b>	<u>\$348</u>
 <b>Deferred Inflows of Resources</b>	
Differences between expected and actual experience	\$3,157
Changes of Assumptions	8,423
Net difference between projected and actual investment earnings	9,917
Changes in Proportion and Differences between Contributions and Proportionate Share of	<u>295</u>
<b>Total Deferred Inflows of Resources</b>	<u>\$21,792</u>

**ROSS, PICKAWAY, HIGHLAND, FAYETTE JOINT SOLID WASTE MANAGEMENT DISTRICT**

**Notes to the Financial Statements  
For the Year Ended December 31, 2022**

**Note 7 – Defined Benefit OPEB Plans – (continued)**

\$0 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB asset in 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS - Health Care Plan
Fiscal Year Ending June 30:	
2023	(\$13,142)
2024	(4,712)
2025	(2,167)
2026	(1,423)
	<u>(\$21,444)</u>

**Actuarial Assumptions – OPERS**

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB asset was determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
Single Discount Rate:	
Current Measurement Date	6.00 percent
Prior Measurement Date	6.00 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	1.84 percent
Health Care Cost Trend Rate	5.5 percent, initial 3.50 percent, ultimate in 2034
Actuarial Cost Method	Individual Entry Age

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

**ROSS, PICKAWAY, HIGHLAND, FAYETTE JOINT SOLID WASTE MANAGEMENT DISTRICT**

**Notes to the Financial Statements  
For the Year Ended December 31, 2022**

**Note 7 –Defined Benefit OPEB Plans** – (continued)

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

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

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 14.3 percent for 2021.

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	34.00 %	0.91 %
Domestic Equities	25.00	3.78
Real Estate Investment Trust	7.00	3.71
International Equities	25.00	4.88
Risk Parity	2.00	2.92
Other Investments	7.00	1.93
Total	<u>100.00 %</u>	<u>3.45 %</u>

**ROSS, PICKAWAY, HIGHLAND, FAYETTE JOINT SOLID WASTE MANAGEMENT DISTRICT**

**Notes to the Financial Statements  
For the Year Ended December 31, 2022**

**Note 7 –Defined Benefit OPEB Plans** – (continued)

**Discount Rate** A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 1.84 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2121. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2121. The duration of the projection period through which projected health care payments are fully funded.

**Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate**

The following table presents the District's proportionate share of the net OPEB liability calculated using the single discount rate of 6.00 percent, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one percentage-point higher (7.00 percent) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Board's Proportionate Share of the Net OPEB Asset	\$12,237	\$20,809	\$27,923

**Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate**

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

	1% Decrease	Current	1% Increase
Board's Proportionate Share of the Net OPEB Asset	\$21,033	\$20,809	\$20,542

Retiree health care valuations use a health care cost-trend assumption that charges over several years built into the assumption. The near-term rates reflect increases in the current cost of health care, the trend starting in 2022 is 10.5 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

**ROSS, PICKAWAY, HIGHLAND, FAYETTE JOINT SOLID WASTE MANAGEMENT DISTRICT**

***Notes to the Financial Statements  
For the Year Ended December 31, 2022***

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**NOTE 8 – COVID - 19**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. The investments of the pension and other employee benefit plan in which the District participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**Ross, Pickaway, Highland, Fayette**  
**Joint Solid Waste Management District**  
*Required Supplementary Information*  
*Schedule of the District's Proportionate Share of Net Pension/OPEB Liability/Asset*  
*Ohio Public Employees Retirement System - Traditional Plan*  
*Last Eight Years*

	2021	2020	2019	2018
<u>Pension (1)</u>				
District's Proportion of the Net Pension Liability	0.00067094%	0.00064467%	0.00067130%	0.00062979%
District's Proportionate Share of the Net Pension Liability	\$58,375	\$95,462	\$134,327	\$172,485
District Covered-Employee Payroll	\$109,407	\$96,600	\$92,836	\$85,621
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	53.36%	98.82%	144.69%	201.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.62%	86.88%	145.28%	74.70%
<u>OPEB (2)</u>				
District's Proportion of the Net OPEB Liability/Asset	0.00066435%	0.00068188%	0.00067127%	0.00062429%
District's Proportionate Share of the Net OPEB Asset	\$20,809	\$12,148	\$0	\$0
District's Proportionate Share of the Net OPEB Liability	\$0	\$0	\$92,720	\$81,392
District Covered-Employee Payroll	\$109,407	\$96,600	\$92,836	\$85,621
District's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered-Employee Payroll	-19.02%	-12.58%	99.88%	95.06%
Total OPEB Liability/(Asset) as a Percentage of the District Covered-Employee Payroll	128.23%	115.57%	47.80%	46.33%

(1) Information prior to 2014 is not available.

(2) Information prior to 2016 is not available.

Amounts presented as of the District's measurement date which is the prior fiscal year.

2017	2016	2015	2014
0.00052369%	0.00042210%	0.00042164%	0.00042022%
\$82,157	\$95,851	\$73,034	\$50,683
\$60,377	\$56,750	\$62,571	\$60,049
136.07%	168.90%	116.72%	84.40%
84.66%	77.25%	81.08%	86.45%
0.00051480%	0.00050544%	N/A	N/A
\$0	\$0	N/A	N/A
\$55,903	\$51,051	N/A	N/A
\$60,377	\$56,750	N/A	N/A
92.59%	89.96%	N/A	N/A
54.14%	54.05%	N/A	N/A

**Ross, Pickaway, Highland, Fayette**  
**Joint Solid Waste Management District**  
*Required Supplementary Information*  
*Schedule of District Contributions*  
*Ohio Public Employees Retirement System - Traditional Plan*  
*Last Nine Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u><b>OPERS</b></u>				
Contractually Required Contribution	\$15,317	\$13,524	\$12,997	\$11,987
Contributions in Relation to the Contractually Required Contribution	<u>(15,317)</u>	<u>(13,524)</u>	<u>(12,997)</u>	<u>(11,987)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
District Covered-Employee Payroll	\$109,407	\$96,600	\$92,836	\$85,621
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	14.00%	14.00%
<u><b>OPEB</b></u>				
Contractually Required Contribution	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
District Covered-Employee Payroll	\$109,407	\$96,600	\$92,836	\$85,621
Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%

(1) Information prior to 2014 is not available.



<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$10,194	\$7,849	\$6,810	\$7,509	\$7,206
<u>(10,194)</u>	<u>(7,849)</u>	<u>(6,810)</u>	<u>(7,509)</u>	<u>(7,206)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$72,814	\$60,377	\$56,750	\$62,571	\$60,049
14.00%	13.00%	12.00%	12.00%	12.00%
\$0	\$604	\$1,135	\$1,251	\$1,201
<u>0</u>	<u>(604)</u>	<u>(1,135)</u>	<u>(1,251)</u>	<u>(1,201)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$72,814	\$60,377	\$56,750	\$62,571	\$60,049
0.00%	1.00%	2.00%	2.00%	2.00%

**Ross, Pickaway, Highland, Fayette**  
**Joint Solid Waste Management District**  
*Notes to the Supplementary Information*  
*For the Fiscal Year Ended December 31, 2022*

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**NOTE 1 – OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO**

**Pension**

*Changes in benefit terms:* There were no changes in benefit terms for the period 2014-2022.

*Changes in Assumptions:*

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2017: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25% - 10.02% to 3.25% - 10.75%

2018: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2019: There was a reduction of the discounted rate from 7.5% to 7.2%.

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2020 through 2021.

2022: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date

- Reduction in actuarial assumed rate of return from 7.20% to 6.90%
- Decrease in wage inflation from 3.25% to 2.75%
- Change in future salary increases from a range of 3.25% - 10.75% to 2.75% to 10.75%

**Other Postemployment Benefits**

*Changes in benefit terms:* For 2018 - 2022, there were no changes in benefit terms.

*Changes in assumptions:*

2018: The single discount rate changed from 4.23% to 3.85%.

In 2019, changes in assumptions included a reduction of the investment rate of return from 6.50% to 6.00%, an increase in the municipal bond rate from 3.31% to 3.71%, resulting in an increase in the single discount rate from 3.85% to 3.96%. Another change includes adjusting the health care cost trend rate from 7.5% initial, 3.25% ultimate in 2028 to 10.0% initial, 3.25% ultimate in 2029.

For 2020, the single discount rate changed from 3.96% to 3.16%, the municipal bond rate changed from 3.71% to 2.75%, and the health care cost trend rate initial amount changed from 10.00% to 10.50% and the ultimate amount changed from 3.25% to 3.50%.

**Ross, Pickaway, Highland, Fayette**  
**Joint Solid Waste Management District**  
*Notes to the Supplementary Information*  
*For the Fiscal Year Ended December 31, 2022*

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**NOTE 1 – OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO** (continued)

**Other Postemployment Benefits (continued)**

For 2021, the single discount rate changed from 3.16% to 6.00%, the municipal bond rate changed from 2.75% to 2.00%, and the health care cost trend rate initial amount changed from 10.50% to 8.50%.

For 2022, the municipal bond rate changed from 2.00% to 1.84% and the health care cost trend rate initial amount changed from 8.50% to 5.5%.

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

Ross, Pickaway, Highland, Fayette Joint Solid Waste Management District  
Pickaway County  
141 W. Main St.  
Circleville, Ohio 43113

To the Board of Directors:

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements Ross, Pickaway, Highland, Fayette Joint Solid Waste Management District, Pickaway County, Ohio (the District), as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated April 11, 2025.

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

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

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

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

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

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

***Purpose of This Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

April 11, 2025

# OHIO AUDITOR OF STATE KEITH FABER



**ROSS PICKAWAY HIGHLAND FAYETTE JOINT SOLID WASTE MANAGEMENT DISTRICT  
PICKAWAY COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 5/8/2025**

65 East State Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)