STARK-TUSCARAWAS-WAYNE JOINT SOLID WASTE MANAGEMENT DISTRICT

TUSCARAWAS COUNTY, OHIO

REGULAR AUDIT

FOR THE YEAR ENDED
DECEMBER 31, 2023

Julian & Grube
Serving Ohio Local Governments

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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Board of Directors
Stark-Tuscarawas-Wayne Joint Solid Waste Management District
9918 Wilkshire Blvd., NE
Bolivar, Ohio 44612

We have reviewed the *Independent Auditor's Report* of the Stark-Tuscarawas-Wayne Joint Solid Waste Management District, Tuscarawas County, prepared by Julian & Grube, Inc., for the audit period January 1, 2023 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Stark-Tuscarawas-Wayne Joint Solid Waste Management District is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

June 28, 2024

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STARK-TUSCARAWAS-WAYNE JOINT SOLID WASTE MANAGEMENT DISTRICT
TUSCARAWAS COUNTY, OHIO

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Independent Auditor's Report

Stark-Tuscarawas-Wayne Joint Solid Waste Management District
Tuscarawas County
9918 Wilkshire Boulevard, NE
Bolivar, Ohio 44612

To the Board of Directors:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Stark-Tuscarawas-Wayne Joint Solid Waste Management District, Tuscarawas County, Ohio, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Stark-Tuscarawas-Wayne Joint Solid Waste Management District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Stark-Tuscarawas-Wayne Joint Solid Waste Management District, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows for the year then ended in accordance with 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 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 Stark-Tuscarawas-Wayne Joint Solid Waste Management 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.

Report on Summarized Comparative Information

We have previously audited the Stark-Tuscarawas-Wayne Joint Solid Waste Management District's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 14, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respected, with the audited financial statements from which it has been derived.

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 Stark-Tuscarawas-Wayne Joint Solid Waste Management 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Stark-Tuscarawas-Wayne Joint Solid Waste Management 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 Stark-Tuscarawas-Wayne Joint Solid Waste Management 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, schedules of net pension and other post-employment benefit assets and liabilities and pension and other post-employment benefit contribution, listed in the table of contents 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 May 23, 2024 on our consideration of the Stark-Tuscarawas-Wayne Joint Solid Waste Management District's internal control over financial reporting and on 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 Stark-Tuscarawas-Wayne Joint Solid Waste Management 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 Stark-Tuscarawas-Wayne Joint Solid Waste Management District's internal control over financial reporting and compliance.

Julian & Grube, Inc.

Julian & Grube, Inc.
May 23, 2024

This discussion and analysis of the Stark-Tuscarawas-Wayne Joint Solid Waste Management District's (the District) financial performance provides an overall review of the District's financial activities for the years ended December 31, 2023 and 2022. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Overview of the Financial Statements

The District's financial statements are prepared on the accrual basis in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standard Board (GASB). The financial information of the District is accounted for in a single enterprise fund with revenues recognized when earned, not when received. Expenses are recognized when incurred, not when they are paid. Capital assets greater than or equal to $5,000 for all items, except furniture and fixtures, and greater than or equal to $2,500 for furniture and fixtures, are capitalized and are depreciated over their useful lives. See the notes to the financial statements for a summary of the District's significant accounting policies.

Following this management's discussion and analysis are the basic financial statements of the District together with the notes, which are essential to a full understanding of the data contained in the financial statements. Included in the financial statements for the District are the following:

- **Statement of Net Position** – This statement presents information on all of the District's assets and deferred outflows of resources and all of the District's liabilities and deferred inflows of resources, with the difference between the two reported as net position.

- **Statement of Revenues, Expenses and Changes in Net Position** – This statement includes all operating and nonoperating revenues and expenses for the District and shows the change in the District's net position during the most recent year.

- **Statement of Cash Flows** – This statement reports cash and cash equivalent activities for the year resulting from operating, capital and investing activities. A reconciliation of operating income with cash provided from operations is included.

Financial Highlights

The District implemented the first year of its 2023-2032 Solid Waste Plan, approved by the Ohio Environmental Protection Agency (EPA), on April 20, 2023. Most of the District's grant funding levels and contracted expenses remained the same as in prior years, but the District did recognize a decrease in its net position, mainly due to decreased revenues from disposal fees and the purchase of a new Ford F-350 pickup truck for cleanups at the recycling drop-off sites. The District continued to partner with the City of Canton Recycling Center and the City of Canton Health Department to provide a household hazardous waste collection as a year-round permanent site that serves all three counties. Additionally, the District partnered with the Wayne County Health Department to host two residential household hazardous waste collection events at the Wayne County Fairgrounds and partnered with the Tuscarawas County Health Department to host two residential household hazardous waste collection events at the Tuscarawas County Fairgrounds, to better serve residents in all three counties. All residential household hazardous waste was disposed of by CIRCON Environmental. An appointment system is used for all residential household hazardous collections to better manage the flow of traffic, volume of material collected, and disposal costs.

Maintaining all core recycling programs essential to meeting the Ohio State Plan Goals of providing sufficient access to recycling programs or achieving waste reduction and recycling rates remain the District's focus. All other plan strategies were re-evaluated to determine priority service to the public while maintaining a fiscally responsible budget. The District continues to distribute annual newsletters to every household and provides updated information on its website and social media that provide year-round solutions for disposal of appliances, electronic waste, household hazardous waste, prescription drugs, scrap tires, yard waste, and other items.

Financial Position

The analysis below focuses on the District's financial position and the results of operations for 2023 compared to 2022:

	2023	2022	Change
Assets			
Current and Other Assets	$4,560,045	$4,743,891	($183,846)
Net OPEB Asset	0	186,645	(186,645)
Capital Assets, Net	688,485	814,657	(126,172)
Total Assets	5,248,530	5,745,193	(496,663)
Deferred Outflows of Resources	772,767	286,779	485,988
Liabilities	2,044,564	930,511	(1,114,053)
Deferred Inflows of Resources	64,706	831,018	766,312
Net Position			
Net Investment in Capital Assets	651,652	777,598	(125,946)
Restricted for OPEB Plan	0	186,645	(186,645)
Restricted for Other Purposes	933,300	1,320,279	(386,979)
Unrestricted	2,327,075	1,985,921	341,154
Total Net Position	$3,912,027	$4,270,443	($358,416)
Revenues			
Operating Revenues	$3,658,172	$3,965,668	($307,496)
Non-operating Revenues	200,592	156,819	43,773
Total Revenues	3,858,764	4,122,487	(263,723)
Expenses			
Operating Expenses	4,216,406	4,192,825	(23,581)
Non-operating Expenses	774	779	5
Total Expenses	4,217,180	4,193,604	(23,576)
Change in Net Position	(358,416)	(71,117)	(287,299)
Net Position, Beginning of Year	4,270,443	4,341,560	(71,117)
Net Position, End of Year	$3,912,027	$4,270,443	($358,416)

The net pension liability (NPL) is the largest single liabilities reported by the District at December 31, 2023. 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 pension 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.

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 previously, 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 and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at the close of the most recent year by $3,912,027 (net position), which is a decrease of $358,416. Of this amount, $933,300 of restricted net position is 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). Restricted net position decreased from the prior year by $573,624, or 38.07 percent.

Unrestricted net position increased from the prior year by $341,154, or 17.18 percent, which can be attributed to the District receiving more interest on investments and recyclable income and the timing of a pass-through Ohio EPA Market Development Grant. These unrestricted assets represent the accumulated interest and recyclable income earned over time, which may be used to fund expenses outside of the scope of the Solid Waste Plan or any proper purpose of the District.

A portion of the District's net position ($651,652, or 16.66 percent, and $777,598, or 18.21 percent, at December 31, 2023 and 2022, respectively, for a net decrease of $125,946, or 16.20 percent) represents the District's investment in its capital assets. The decrease in the District's investment in its capital assets is the result of capital asset depreciation/amortization exceeding the minimal capital asset additions during the year.

The District's operating expenses exceeded its operating revenues by $558,234. The main reason for this operating loss is due to the District receiving fewer recyclable income and tipping fees while also realizing an increase in expenses. The District's operating expenses increased by $23,581, or 0.56 percent. While some expenses did see decreases from the prior year, the increase was primarily due to wages and benefits resulting from GASB 68/75, which are the Pensions/Other Postemployment Benefits adjustments.

The District's operating revenues decreased by $307,496, or 7.75 percent. The District's primary revenues are tipping fees. These receipts represented 98.12 percent of the total operating revenues received during the year. Tipping fee revenue for 2023 decreased by $95,186 as compared to 2022. The decrease in tipping fee revenue can be attributed to changes in waste hauling contracts and economic factors resulting in a decrease in waste generation or waste flow to other facilities. In 2006, tipping fee revenue totaled $5,524,941 but was then reduced by half, because of the displacement of waste to facilities outside of the District, and it is not anticipated they will return to that historical level in the near future; however, the tipping fees have been steadily rebounding since 2010.

The District's primary expenses are wages and benefits, recycling collection, and grants to various municipalities and county government agencies to assist with recycling, waste reduction and safe and sanitary disposal of waste in the landfills. These grant expenses represent 18.93 percent of the total operating expenses incurred during the year. Grants to others for 2023 totaled $798,007, which is a decrease of $381,561 compared to 2022.

Capital Assets and Debt Administration

Capital Assets

As of December 31, 2023, the District had $688,485 invested in construction in progress, land improvements, building and improvements, leasehold improvements, furniture, fixtures and equipment, vehicles, and an intangible asset. The following table shows 2023 balances compared to 2022:

	2023	2022
Construction in Progress	$14,425	$5,500
Land Improvements	34,214	37,325
Building and Improvements	177,024	192,175
Leasehold Improvements	306,411	326,923
Furniture, Fixtures and Equipment	51,191	76,114
Vehicles	68,962	139,851
Intangible Right to Use Asset - Land	36,258	36,769
Totals	$688,485	$814,657

All capital assets are reported net of depreciation/amortization. In 2023, capital assets decreased by $126,172. This was primarily due to depreciation/amortization outpacing the minimal additions for construction in progress and vehicles the District had during the year. For additional information on capital assets, see Note 11.

Debt Administration

As of December 31, 2023, the District had $36,833 related to a lease payable for the land the District conducts operations. See Note 10 for additional information.

Current Known Facts and Conditions

The challenge for all governments is to provide quality services while staying within the restrictions imposed by limited funding. The District relies heavily on tipping fees.

The District implemented its first year of the 2023-2032 Solid Waste Plan, approved by the Ohio Environmental Protection Agency (EPA), on April 20, 2023. Throughout the planning process the District re-evaluated its goals and objectives along with its current financial position to determine how best to re-align revenues and expenses. Although most grant programs remained the same in 2023 as the previous year there will be a noticeable decrease in grants to others with implementation of the approved 2023 Solid Waste Plan to better balance the budget and maintain core recycling programs. The District continues to educate and market the promotion of clean recycling, combat contamination at the public drop-offs, and improve recycling opportunities for the community.

Contacting the District's Management

This financial report is designed to provide our citizens and creditors with a general overview of the District's finances and to demonstrate accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Erica R. Wright, Finance Director, at Stark-Tuscarawas-Wayne Joint Solid Waste Management District, 9918 Wilkshire Blvd NE, Bolivar, Ohio 44612, or email at erica@timetorecycle.org.

Basic Financial Statements

Stark-Tuscarawas-Wayne Joint Solid Waste Management District

Statement of Net Position

December 31, 2023 and 2022

	2023	2022
Assets		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	$4,073,191	$4,311,451
Accrued Interest Receivable	11,382	10,105
Settlement Receivable	0	2,245
Tipping Fee Receivable	454,354	407,280
Recyclable Income Receivable	15,079	8,458
Intergovernmental Receivable	1,044	109
Prepaid Items	4,995	4,243
Total Current Assets	4,560,045	4,743,891
Noncurrent Asset:		
Restricted Asset:		
Net OPEB Asset (See Note 7)	0	186,645
Nondepreciable Capital Assets	14,425	5,500
Depreciable Capital Assets, Net	674,060	809,157
Total Noncurrent Assets	688,485	1,001,302
Total Assets	5,248,530	5,745,193
Deferred Outflows of Resources		
Pension	665,085	269,347
OPEB	107,682	17,432
Total Deferred Outflows of Resources	772,767	286,779
Liabilities		
Current Liabilities:		
Accounts Payable	83,277	80,718
Accrued Wages	43,891	42,509
Intergovernmental Payable	137,862	174,019
Compensated Absences Payable	50,423	52,004
Lease Payable	230	226
Total Current Liabilities	315,683	349,476
Long-Term Liabilities:		
Compensated Absences Payable (net of current portion)	17,387	17,392
Lease Payable	36,603	36,833
Net Pension Liability (See Note 6)	1,640,358	526,810
Net OPEB Liability (See Note 7)	34,533	0
Total Long-Term Liabilities	1,728,881	581,035
Total Liabilities	2,044,564	930,511
Deferred Inflows of Resources		
Pension	53,007	638,175
OPEB	11,699	192,843
Total Deferred Inflows of Resources	64,706	831,018
Net Position		
Net Investment in Capital Assets	651,652	777,598
Restricted for OPEB Plan	0	186,645
Restricted for Other Purposes	933,300	1,320,279
Unrestricted	2,327,075	1,985,921
Total Net Position	$3,912,027	$4,270,443

See accompanying notes to the basic financial statements

Stark-Tuscarawas-Wayne Joint Solid Waste Management District

Statement of Revenues,
Expenses and Changes in Net Position
For the Years Ended December 31, 2023 and 2022

	2023	2022
Operating Revenues		
Tipping Fees:		
Inside District	$890,802	$930,998
Outside District	2,665,003	2,727,274
Outside State	33,642	26,361
Recyclable Income	68,395	278,469
Other	330	2,566
Total Operating Revenues	3,658,172	3,965,668
Operating Expenses		
Wages and Benefits	1,352,607	962,292
Education and Awareness	173,174	192,002
Tire Collection	79,857	103,305
Newcomerstown Landfill Monitoring	4,852	0
Professional Fees	27,626	38,348
Administrative Office Supplies and Vehicle Expense	55,035	57,958
Utilities	14,634	17,354
Computer and Website	25,770	15,747
Postage and Delivery	3,731	2,266
Printing and Brochures	1,158	1,158
Administrative Travel and Expenses	3,143	566
Advertising	525	41
Cleaning and Maintenance	19,574	41,336
Insurance	0	25,467
Grants to Others:		
Financial Assistance to City/County Boards of Health	325,000	325,000
Community Recycling Grants	150,000	362,618
Yard Waste Grants	0	6,950
County Sheriff's Grants	285,000	285,000
Market Development Grant	38,007	200,000
Recycling Collection	993,948	895,397
Yard Waste Collection	214,248	156,581
Household Hazardous Waste/Electronics Collection	254,282	310,806
American Landfill Settlement	7,667	12,500
Depreciation and Amortization Expense	186,568	180,133
Total Operating Expenses	4,216,406	4,192,825
Operating Income (Loss)	(558,234)	(227,157)
Non-Operating Revenues (Expenses)		
Investment Earnings/Interest	183,920	(66,581)
Landfill Settlement	7,666	0
Community and Litter Grant	8,006	22,400
Market Development Grant	0	200,000
Public Entities Pool Safety Grant	1,000	1,000
Interest Expense	(774)	(779)
Total Non-Operating Revenues (Expenses)	199,818	156,040
Change in Net Position	(358,416)	(71,117)
Net Position Beginning of Year	4,270,443	4,341,560
Net Position End of Year	$3,912,027	$4,270,443

See accompanying notes to the basic financial statements

Stark-Tuscarawas-Wayne Joint Solid Waste Management District

Statement of Cash Flows
For the Years Ended December 31, 2023 and 2022

	2023	2022
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash Received from Tipping Fees	$3,542,373	$3,764,970
Cash Received from Recycling Income	61,774	297,638
Other Cash Receipts	395	2,576
Cash Payments to Employees for Services	(1,269,835)	(1,244,745)
Cash Payments for Goods and Services	(402,736)	(502,109)
Cash Payments for Grants to Others	(840,826)	(1,207,919)
Cash Payments for Recyclable Material Collections	(1,466,324)	(1,366,633)
Net Cash Provided by (Used for) Operating Activities	(375,179)	(256,222)
Cash Flows from Noncapital Financing Activities		
Grants	8,006	224,400
Landfill Settlement	7,666	13,046
Net Cash Provided by (Used for) Noncapital Financing Activities	15,672	237,446
Cash Flows from Capital Activities		
Acquisition of Capital Assets	(60,396)	(22,184)
Principal Payment	(226)	(221)
Interest Payment	(774)	(779)
Net Cash Provided by (Used for) Capital Activities	(61,396)	(23,184)
Cash Flows from Investing Activities		
Interest on Investments	182,643	(66,027)
Net Increase (Decrease) in Cash and Cash Equivalents	(238,260)	(107,987)
Cash and Cash Equivalents Beginning of Year	4,311,451	4,419,438
Cash and Cash Equivalents End of Year	$4,073,191	$4,311,451

Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities		
Operating Income (Loss)	($558,234)	($227,157)
Adjustments:		
Depreciation	186,568	180,133
(Increase) Decrease in Assets		
Settlement Receivable	2,245	(2,245)
Tipping Fees Receivable	(47,074)	80,337
Recyclable Income Receivable	(6,621)	19,169
Intergovernmental Receivable	65	10
Prepaid Items	(752)	(1,091)
Net OPEB Asset	0	2,706
Decrease in Deferred Outflows of Resources - Pension	348,188	230,831
Decrease in Deferred Outflows of Resources - OPEB	80,662	89,381
Increase (Decrease) in Liabilities		
Accounts Payable	2,559	2,950
Accrued Wages	1,382	4,703
Intergovernmental Payable	(36,157)	(26,735)
Compensated Absences Payable	(1,586)	7,372
Net Pension Liability	53,004	(30,267)
Net OPEB Liability	220	0
Decrease in Deferred Inflows of Resources - Pension	(268,550)	(352,547)
Decrease in Deferred Inflows of Resources - OPEB	(131,098)	(233,772)
Net Cash Provided by (Used for) Operating Activities	($375,179)	($256,222)

See accompanying notes to the basic financial statements

Note 1 – Description of the Entity

The Stark-Tuscarawas-Wayne Joint Solid Waste Management District, Tuscarawas County, Ohio, (the District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District was formed on November 28, 1988 pursuant to Chapters 343 and 3734 of the Ohio Revised Code. The District is directed by a 9-member Board of Directors comprised of the three County Commissioners of Stark, Tuscarawas, and Wayne Counties and is a jointly governed organization of the three Counties. The District provides solid waste disposal, recycling opportunities, and other waste management services to these counties.

In accordance with the Statements of the Governmental Accounting Standards Board, including GASB No. 14, the accompanying financial statements include all funds and activities over 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 accounting principles generally accepted in the United States of America (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 as follows.

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 deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the District are included on the statement of net position. The statement of revenues, expenses and 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.

Reclassifications

Net position restricted for the OPEB plan has been reclassified in the prior year financial statements to conform with the presentation and calculation used in the current year financial statements.

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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets 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 and OPEB plans reported in the government-wide statement of net position. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 6 and 7.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include pension and OPEB plans. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (See Notes 6 and 7).

Cash and Investments

During 2023, investments were limited to commercial paper, a money market account, federal home loan mortgage corporation notes, federal national mortgage association notes, federal farm credit bank notes, federal home loan bank notes, U.S. treasury notes, negotiable certificates of deposits, and STAR Ohio, the State Treasurer's Investment Pool. Investments are reported at fair value except for commercial paper and STAR Ohio. The District's commercial paper is measured at amortized cost, as it is a highly liquid debt instrument with a remaining maturity at the time of purchase of less than one year.

STAR Ohio (the State Treasury Asset Reserve of Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates; however, 24 hours advance notice for deposits and withdrawals of $100 million or more is appreciated. STAR Ohio reserves the right to limit the transaction to $250 million per day.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices or, in the case of mutual funds, current share price. Nonparticipating investment contracts such as repurchase agreements are reported at cost.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2023, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

Restricted Assets

Assets are reported as restricted when limitations on their usage change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions. The restricted asset represents the amount held in trust by the OPEB plan for future benefits.

Leases

The District serves as lessee in a noncancellable lease. At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the useful life of the underlying asset. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Capital Assets

Capitalized assets utilized by the District are reported on the statement of net position. The District maintains a capitalization threshold of $5,000 for all capital assets except for furniture and fixtures which have a capitalization threshold of $2,500. All capital assets (except for intangible right to use lease assets which are discussed later) are capitalized at cost or estimated historical cost and updated for additions and retirements during the year. The cost of maintenance and repairs is expensed as incurred; significant betterments are generally capitalized. When assets are retired or otherwise disposed of, the costs and related accumulated depreciation/amortization are removed from the accounts and any resulting gain or loss is recognized in income for the period. Donated capital assets are recorded at acquisition values as of the date received. Depreciation and amortization of property and equipment is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Land Improvements	10-40 years
Buildings and Improvements	10-40 years
Fuiture and Fixtures	5-10 years
Vehicles	5-10 years
Intangible Right to Use Asset - Land	99 years

The District is reporting an intangible right to use lease asset. The lease asset includes land and represents a nonfinancial asset which is being utilized for a period of time through a lease from another entity. The intangible right to use is being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. The District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the District's termination policy. The District records a liability for accumulated unused sick leave for employees with at least 25 years of current service with the District or other political subdivision of the State of Ohio, or 15 years of service and 45 years of age, or 5 years of service and 60 years of age.

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liabilities (assets), deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net positon have been determined on the same basis as they are reported by the pension/OPEB plans. 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.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations payable from the District's single enterprise fund are reported on the financial statements.

In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the fund; however, compensated absences that will be paid are reported as a liability in the financial statements only to the extent that they are due for payment during the current year. Net pension/OPEB liabilities should be recognized to the extent that benefit payments are due and payable and the pension/OPEB plans' fiduciary net position is not sufficient for payment of those benefits.

Operating Revenues and Expenses

Operating 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. Operating 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.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. 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 $933,300. Restricted net position for OPEB plan represent the corresponding restricted asset amounts held in trust by the OPEB plan for future benefits. Net position restricted for other purposes 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). Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets.

Note 3 – Change in Accounting Principles

For 2023, the District implemented Governmental Accounting Standards Board (GASB) No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements,* and GASB Statement No. 99, *Omnibus 2022*.

GASB Statement 94 improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The District did not have any arrangements that met the GASB 94 definition of a PPP or an APA.

GASB Statement 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The District did not have any contracts that met the GASB 96 definition of a SBITA, other than short-term SBITAs.

GASB Statement 99 addresses various issues including items related to leases, PPPs, and SBITAs. The requirements related to PPPs and SBITAs were incorporated with the corresponding GASB 94 and GASB 96 changes identified above.

For 2023, the District also implemented the guidance in GASB's Implementation Guide No. 2021-1, *Implementation Guidance Update—2021* (other than question 5.1).

Note 4 – Deposits and Investments

State statutes require the classification of monies held by the District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits the Board of Directors has identified as not required for use within the current two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies, which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings accounts, including passbook accounts.

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Interim monies may be invested or deposited in the following securities:

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;

6. The State Treasurer's investment pool (STAR Ohio);

7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and

8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage and the use of leverage of short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

According to State law, public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by FDIC, or may pledge a pool of government securities valued at least 105 percent of the total value of public monies on deposit at the institution. These securities must be obligation of or guaranteed by the United States and mature or be redeemable within 5 year of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the District's name.

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2023, $0 of the District's total bank balance of $232,238 was exposed to custodial credit risk because those deposits were fully insured and collateralized. At December 31, 2022, $6,353 of the District's total bank balance of $518,464 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. The District's financial institution participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50 percent, resulting in the uninsured and uncollateralized balance.

The District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

> Eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
>
> Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments

As of December 31, 2023, the District had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percent of Total Investments
Amortized Cosst:				
Commercial Paper	$824,150	Less Than One Year	A-1/A-1+	21.37 %
Fair Value - Level 1 Inputs:				
Money Market Account	16,452	Less Than One Year	AAAm	N/A
Fair Value - Level 2 Inputs:				
Federal Home Loan Mortgage Corporation Notes	129,868	Less Than Two Years	AA+	N/A
Federal National Mortgage Association Notes	200,124	Less Than Two Years	AA+	5.19
Federal Farm Credit Bank Notes	334,918	Less Than Three Years	AA+	8.68
Federal Home Loan Bank Notes	274,702	Less Than One Year	AA+	7.12
U.S. Treasury Notes	788,677	Less Than Three Years	AA+	20.45
Negotiable Certificates of Deposit	672,891	Less Than One Year	N/A	17.45
Net Asset Value (NAV) Per Share:				
STAR Ohio	614,724	46.4 Days	AAAm	N/A
Total Investments	$3,856,506			

As of December 31, 2022, the District had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percent of Total Investments
Amortized Cosst:				
Commercial Paper	$1,243,987	Less Than One Year	A-1/A-1+	32.66 %
Fair Value - Level 1 Inputs:				
Money Market Account	4,994	Less Than One Year	N/A	N/A
Fair Value - Level 2 Inputs:				
Federal Home Loan Mortgage Corporation Notes	125,377	Less Than Three Years	AA+	N/A
Federal National Mortgage Association Notes	192,548	Less Than Three Years	AA+	5.05
Federal Farm Credit Bank Notes	324,706	Less Than Five Years	AA+	8.52
Federal Home Loan Bank Notes	360,825	Less Than Two Years	AA+/A-1+	9.47
U.S. Treasury Notes	417,408	Less Than Two Years	AA+	10.96
Negotiable Certificates of Deposit	905,295	Less Than Two Years	N/A	23.77
Net Asset Value (NAV) Per Share:				
STAR Ohio	234,140	31.9 Days	AAAm	N/A
Total Investments	$3,809,280			

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The preceding chart identifies the District's recurring fair value measurements as of December 31, 2023. The money market account is measured at fair value and is valued using quoted market prices (Level 1 inputs). The District's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

Interest Rate Risk State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the District, and that an investment must be purchased with the expectation that it will be held to maturity. State statute limits investments in repurchase agreements to 30 days and the market value of the securities must exceed the principal value of the agreement by 2 percent and be marked to market daily. The District had no investment policy that would further limit investment choices.

Credit Risk Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized statistical rating organization and that the money market mutual fund be rated in the highest category at the time of purchase by at least one nationally recognized statistical rating organization. The certificates of deposit are not rated. The District has no investment policy that addresses credit risk.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments of collateral securities that are in the possession of an outside party. The commercial paper, money market account, federal home loan mortgage corporation notes, federal national mortgage association notes, federal farm credit bank notes, federal home loan bank notes, U.S. treasury notes, and negotiable certificates of deposit are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty. The District has no investment policy dealing with investment custodial credit risk beyond the requirements in State statute that requires securities shall be delivered into the custody of the treasurer or governing board or an agent designated by the treasurer or governing board.

Concentration of Credit Risk The District places no limit on the amount it may invest in any one issuer.

Note 5 – Receivables

Receivables at December 31, 2023 consisted of accrued interest, tipping fees, recyclable income, and intergovernmental monies arising from a grant and reimbursement. All receivables are deemed collectible in full.

Intergovernmental Receivables

Intergovernmental receivables consisted of a Public Entities Pool of Ohio (PEP) and Ohio Bureau of Workers' Compensation rebate for a total of $1,044.

Note 6 – Ohio Public Employee Retirement System (OPERS) Defined Benefit Pension Plan

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Net OPEB Liability

The net pension liability (asset) and the net OPEB liability reported on the statement of net position represent liabilities to employees for pensions and OPEB, respectively. Pensions/OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions/OPEB are provided to an employee – on a deferred-payment basis – as part of the total compensation package offered by an employer for employee services each financial period. The 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/OPEB liability represent the District's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability (asset) calculations are 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 pensions are financed; however, the District does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

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

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable.* The remainder of this note includes the required pension disclosures. See Note 7 for the required OPEB disclosures.

Plan Description

District employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which 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 combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

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

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	**Group B** 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	**Group C** Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Traditional Plan Formula:** 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Traditional Plan Formula:** 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. The amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost-of-living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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

	State and Local Traditional
2023 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2023 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Post-employment Health Care Benefits **	0.0
Total Employer	14.0 %
Employee	10.0 %

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

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

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll.

For 2023, the District's contractually required contribution was $113,614 for the traditional plan and $10,828 for the member-directed plan. Of these amounts, $23,993 is reported as an intergovernmental payable for the traditional plan and $2,287 for the member-directed plan.

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

The net pension liability for OPERS was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2022, and was determined by rolling forward the total pension liability as of January 1, 2022, to December 31, 2022. 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 of the District's defined benefit pension plans:

	OPERS
Proportion of the Net Pension Liability:	
Current Measurement Date	0.005553%
Prior Measurement Date	0.006055%
Change in Proportionate Share	-0.000502%
Proportionate Share of the Net Pension Liability	$1,640,358
Pension Expense	$246,256

2023 pension expense for the member-directed defined contribution plan was $5,076. The aggregate pension expense for all pension plans was $251,332 for 2023.

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

	OPERS Traditional Plan
Deferred Outflows of Resources	
Differences between expected and actual experience	$54,485
Changes of assumptions	17,329
Net difference between projected and actual earnings on pension plan investments	$467,554
Changes in proportion and differences between District contributions and proportionate share of contributions	12,103
District contributions subsequent to the measurement date	113,614
Total Deferred Outflows of Resources	$665,085
Deferred Inflows of Resources	
Changes in proportion and differences between District contributions and proportionate share of contributions	$53,007

$113,614 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 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 Traditional Plan
Year Ending December 31:	
2024	$39,693
2025	92,108
2026	137,623
2027	229,040
Total	$498,464

Actuarial Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value 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 key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67:

	OPERS Traditional Plan
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.0 percent, simple
Post-January 7, 2013 Retirees	3.0 percent, simple through 2023, then 2.05 percent, simple
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age

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

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

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

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The 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 real 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 rates of return were provided by the Board's investment consultant. For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized as follows:

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

Discount Rate The discount rate used to measure the total pension liability for the current year was 6.9 percent for the traditional plan and the combined plan. 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 contractually required rates, as actuarially determined. 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 for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

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 (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability	$2,457,203	$1,640,358	$960,891

Note 7 – Ohio Public Employees Retirement System (OPERS) Defined Benefit OPEB Plans

See Note 6 for a description of the net OPEB liability.

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. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. Medicare-enrolled retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor. Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees and are no longer participating in OPERS-provided self-insured group plans.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to traditional pension plan and combined plan benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Medicare Retirees Medicare-eligible with a minimum of 20 years of qualifying service credit

Non-Medicare Retirees Non-Medicare retirees qualify based on the following age-and-service criteria:

Group A 30 years of qualifying service credit at any age;

Group B 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

Group C 32 years of qualifying service credit and minimum age 55; or, A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

The heath care 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 separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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 allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional 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. 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. For 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan, and beginning July 1, 2022, there was a 2 percent allocation to health care for the Combined Plan. 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.

Employer contribution rates are expressed as a percentage of covered payroll. The District’s contractually required contribution was $3,300 for 2023. Of this amount, $697 is reported as an intergovernmental payable.

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. OP&F’s total OPEB liability was measured as of December 31, 2022, and was determined by rolling forward the total OPEB liability as of January 1, 2022, to December 31, 2022. 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
Proportion of the Net OPEB Liability:	
Current Measurement Date	0.005477%
Prior Measurement Date	0.005959%
Change in Proportionate Share	-0.000482%
Proportionate Share of the Net OPEB Liability	$34,533
OPEB Expense	($46,916)

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

	OPERS
Deferred Outflows of Resources	
Changes of assumptions	$33,730
Net difference between projected and actual earnings on OPEB plan investments	68,585
Changes in proportion and differences between District contributions and proportionate share of contributions	2,067
District contributions subsequent to the measurement date	3,300
Total Deferred Outflows of Resources	$107,682
Deferred Inflows of Resources	
Differences between expected and actual experience	$8,614
Changes of assumptions	2,776
Changes in proportion and differences between District contributions and proportionate share of contributions	309
Total Deferred Inflows of Resources	$11,699

$3,300 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:

	OPERS
Year Ending December 31:	
2024	$13,198
2025	24,966
2026	21,387
2027	33,132
Total	$92,683

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 health care costs 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 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 key actuarial assumptions and methods 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	2.75 to 10.75 percent including wage inflation
Single Discount Rate	5.22 percent
Prior Year Single Discount Rate	6.00 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	4.05 percent
Prior Year Municipal Bond Rate	1.84 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 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent 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 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

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

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, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. 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 was 15.6 percent for 2022.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees 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. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined 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 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 rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
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%	

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 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 6.00 percent and a municipal bond rate of 4.05 percent (Fidelity Index's "20-Year Municipal GO AA Index"). 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 actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

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 5.22 percent, as well as what the District's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower 4.22 percent) or one percentage point higher (6.22 percent) than the current rate:

	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
District's proportionate share of the net OPEB liability (asset)	$117,536	$34,533	($33,957)

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 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.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is 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.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
District's proportionate share of the net OPEB liability	$32,369	$34,533	$36,970

Note 8 – Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries; and natural disasters.

During 2023, the District obtained commercial insurance through Public Entities Pool of Ohio (PEP), for the following risks:

Coverage	Limit
Property	$995,700
Automobile	4,000,000
General Liability	4,000,000
Public Officials	4,000,000
Cyber Liability	4,000,000
Umbrella	4,000,000

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past five years. There has not been a significant reduction in coverage from the prior year.

Workers' compensation coverage is provided by the State of Ohio. The District pays the State Workers' Compensation System a premium based on a rate per $100 of salaries. This rate is calculated based on accident history and administrative costs.

Note 9 – Employee Benefits

Insurance Benefits

The District provides medical/surgical insurance, prescription drug, vision, life and dental insurance through the Stark County Schools Council of Governments to all eligible employees. Employees have the option of choosing a traditional comprehensive plan with 80 percent co-payment of major medical expenses after deductibles or a P.P.O. plan with a 90 percent co-pay of major medical expenses after deductibles.

Deferred Compensation

District employees may participate in the Ohio Public Employees Deferred Compensation Plan and the Ohio County Employees Retirement Plan. These plans were created in accordance with Internal Revenue Code Section 456 and are considered other employee benefit plans. Participation is on a voluntary payroll deduction basis. The plans permit deferral of compensation until future years. According to the plans, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

Note 10 – Long-Term Obligations

A schedule of changes in bonds and other long-term obligations of the District during 2023 follows:

	Principal Outstanding 12/31/2022	Additions	Deletions	Principal Outstanding 12/31/2023	Amounts Due in One Year
Long-Term Obligations:					
Compensated Absences	$69,396	$50,418	($52,004)	$67,810	$50,423
Lease Payable	37,059	0	(226)	36,833	230
OPERS Net Pension Liability	526,810	1,113,548	0	1,640,358	0
OPERS Net OPEB Liability	0	34,533	0	34,533	0
Total Long-Term Obligations	$633,265	$1,198,499	($52,230)	$1,779,534	$50,653

The District has an outstanding agreement to lease land. The future lease payments were discounted based on the interest rate implicit in the lease or using the District's incremental borrowing rate. This discount is being amortized using the interest method over the life of the lease. A summary of the principal and interest amounts for the remaining lease is as follows:

Year	Principal	Interest
2024	$230	$770
2025	235	765
2026	240	760
2027	245	755
2028	250	750
2029-2033	1,331	3,669
2034-2038	1,476	3,524
2039-2043	1,637	3,363
2044-2048	1,816	3,184
2049-2053	2,013	2,987
2054-2058	2,233	2,767
2059-2063	2,476	2,524
2064-2068	2,746	2,254
2069-2073	3,045	1,955
2074-2078	3,377	1,623
2079-2083	3,745	1,255
2084-2088	4,153	847
2089-2093	4,605	395
2094	980	20
Total	$36,833	$34,167

Note 11 – Capital Assets

Capital asset activity for the year ended December 31, 2023 was as follows:

	Balance 12/31/2022	Additions	Deductions	Balance 12/31/2023
Capital Assets not being depreciated:				
Construction in Progress	$5,500	$8,925	$0	$14,425
Capital Assets being depreciated/amortized:				
Land Improvements	91,745	0	0	91,745
Building and Improvements	523,300	0	0	523,300
Leasehold Improvements	476,501	0	0	476,501
Furniture, Fixtures and Equipment	232,888	0	0	232,888
Vehicles	1,040,749	51,471	(17,887)	1,074,333
Intangible Right to Use Asset - Land	37,280	0	0	37,280
Total Capital Assets being depreciated/amortized	2,402,463	51,471	(17,887)	2,436,047
Less Accumulated Depreciation/Amortization				
Land Improvements	(54,420)	(3,111)	0	(57,531)
Building and Improvements	(331,125)	(15,151)	0	(346,276)
Leasehold Improvements	(149,578)	(20,512)	0	(170,090)
Furniture, Fixtures and Equipment	(156,774)	(24,923)	0	(181,697)
Vehicles	(900,898)	(122,360)	17,887	(1,005,371)
Intangible Right to Use Asset - Land	(511)	(511)	0	(1,022)
Total Accumulated Depreciation/Amortization	(1,593,306)	(186,568)	17,887	(1,761,987)
Total Capital Assets being Depreciated/Amortized, net	809,157	(135,097)	0	674,060
Total Capital Assets, net	$814,657	($126,172)	$0	$688,485

Capital asset activity for the year ended December 31, 2022 was as follows:

	Restated Balance 12/31/2021	Additions	Deductions	Balance 12/31/2022
Capital Assets not being depreciated:				
Construction in Progress	$33,500	$0	($28,000)	$5,500
Capital Assets being depreciated/amortized:				
Land Improvements	91,745	0	0	91,745
Building and Improvements	523,300	0	0	523,300
Leasehold Improvements	476,501	0	0	476,501
Furniture, Fixtures and Equipment	182,704	50,184	0	232,888
Vehicles	1,040,749	0	0	1,040,749
Intangible Right to Use Asset - Land	37,280	0	0	37,280
Total Capital Assets being depreciated/amortized	2,352,279	50,184	0	2,402,463
Less Accumulated Depreciation/Amortization				
Land Improvements	(51,309)	(3,111)	0	(54,420)
Building and Improvements	(315,974)	(15,151)	0	(331,125)
Leasehold Improvements	(129,066)	(20,512)	0	(149,578)
Furniture, Fixtures and Equipment	(131,851)	(24,923)	0	(156,774)
Vehicles	(784,973)	(115,925)	0	(900,898)
Intangible Right to Use Asset - Land	0	(511)	0	(511)
Total Accumulated Depreciation/Amortization	(1,413,173)	(180,133)	0	(1,593,306)
Total Capital Assets being Depreciated/Amortized, net	939,106	(129,949)	0	809,157
Total Capital Assets, net	$972,606	($129,949)	($28,000)	$814,657

Required Supplementary Information

Stark-Tuscarawas-Wayne Joint Solid Waste Management District
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System - Traditional Plan
*Last Ten Years **

	2023	2022	2021
District's Proportion of the Net Pension Liability	0.005553%	0.006055%	0.005714%
District's Proportionate Share of the Net Pension Liability	$1,640,358	$526,810	$846,119
District's Covered Payroll	$860,793	$878,821	$804,721
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	190.56%	59.95%	105.14%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.74%	92.62%	86.88%

* Amounts presented for each year were determined as of the District's measurement date, which is the prior year end.

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015	2014
0.005414%	0.005428%	0.004931%	0.004658%	0.004797%	0.004027%	0.004027%
$1,070,115	$1,486,619	$773,577	$1,057,753	$830,901	$485,701	$474,731
$761,721	$733,179	$651,623	$602,142	$597,064	$493,742	$494,300
140.49%	202.76%	118.72%	175.67%	139.16%	98.37%	96.04%
82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

Stark-Tuscarawas-Wayne Joint Solid Waste Management District
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net OPEB Liability (Asset)
Ohio Public Employees Retirement System - Traditional Plan
*Last Seven Years (1) **

	2023	2022	2021
District's Proportion of the Net OPEB Liability	0.005477%	0.005959%	0.005602%
District's Proportionate Share of the Net OPEB Asset	$0	$186,645	$99,805
District's Proportionate Share of the Net OPEB Liability	$34,533	$0	$0
District's Covered Payroll	$911,543	$929,171	$847,146
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	3.79%	20.09%	11.78%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	94.79%	128.23%	115.57%

(1) Although this schedule is intended to show information for ten years, information prior to 2017 is not available. An additional column will be added each year.

* Amounts presented for each year were determined as of the District's measurement date, which is the prior year end.

See accompanying notes to the required supplementary information

2020	2019	2018	2017
0.005315%	0.005351%	0.004880%	0.004630%
$0	$0	$0	$0
$734,140	$697,645	$529,933	$467,646
$802,996	$776,204	$691,273	$602,142
91.43%	89.88%	76.66%	77.66%
47.80%	46.33%	54.14%	54.04%

Stark-Tuscarawas-Wayne Joint Solid Waste Management District
Required Supplementary Information
Schedule of the District's Contributions
Ohio Public Employees Retirement System - Traditional Plan
Last Ten Years

	2023	2022	2021
Net Pension Liability - Traditional Plan			
Contractually Required Contribution	$113,614	$120,511	$123,035
Contributions in Relation to the Contractually Required Contribution	(113,614)	(120,511)	(123,035)
Contribution Deficiency (Excess)	$0	$0	$0
District Covered Payroll	$811,529	$860,793	$878,821
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%
Net OPEB Liability - OPEB Plan (2)			
Contractually Required Contribution	$3,300	$2,030	$2,014
Contributions in Relation to the Contractually Required Contribution	(3,300)	(2,030)	(2,014)
Contribution Deficiency (Excess)	$0	$0	$0
District Covered Payroll (1)	$912,446	$911,543	$929,171
OPEB Contributions as a Percentage of Covered Payroll	0.36%	0.22%	0.22%

(1) The OPEB plan includes the members from the traditional plan and the member directed plan. The member directed pension plan is a defined contribution pension plan; therefore, the pension side is not included above.

(2) Information prior to 2016 is not available.

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015	2014
$112,661	$106,641	$102,645	$84,711	$72,257	$71,648	$59,249
(112,661)	(106,641)	(102,645)	(84,711)	(72,257)	(71,648)	(59,249)
$0	$0	$0	$0	$0	$0	$0
$804,721	$761,721	$733,179	$651,623	$602,142	$597,064	$493,742
14.00%	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%

$1,697	$1,651	$1,721	$8,102	$12,043
(1,697)	(1,651)	(1,721)	(8,102)	(12,043)
$0	$0	$0	$0	$0
$847,146	$802,996	$776,204	$691,273	$602,142
0.20%	0.21%	0.22%	1.17%	2.00%

Changes in Assumptions – OPERS Pension – Traditional Plan

Amounts reported beginning in 2022 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in prior years are presented as follows:

	2022	2019 through 2021	2018 and 2017	2016 and prior
Wage Inflation	2.75 percent	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases	2.75 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:				
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age

The assumptions related to COLA or Ad Hoc COLA for Post-January 7, 2013, Retirees are as follows:

2023	3.0 percent, simple through 2022 then 2.05 percent, simple
2022	3.0 percent, simple through 2022 then 2.05 percent, simple
2021	0.5 percent, simple through 2021 then 2.15 percent, simple
2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3.0 percent, simple through 2018 then 2.15 percent, simple
2016 and prior	3.0 percent, simple through 2018 then 2.80 percent, simple

Amounts reported beginning in 2022 use pre-retirement mortality rates based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent 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 percent 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 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 these tables.

Amounts reported for 2017 through 2021 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the previously described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

Changes in Assumptions – OPERS Pension – Combined Plan

	2022	2019 through 2021	2018
Wage Inflation	2.75 percent	3.25 percent	3.25 percent
Future Salary Increases	2.75 to 8.25 percent including wage inflation	3.25 to 8.25 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:			
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

For 2022, 2021 and 2020, the Combined Plan had the same change in COLA or Ad Hoc COLA for Post-January 2, 2013, retirees as the Traditional Plan.

Changes in Assumptions – OPERS OPEB

Wage Inflation:	
2023 and 2022	2.75 percent
2021 and prior	3.25 percent
Projected Salary Increases (including wage inflation):	
2023 and 2022	2.75 to 10.75 percent
2021 and prior	3.25 to 10.75 percent
Investment Return Assumption:	
Beginning in 2019	6.00 percent
2018	6.50 percent
Municipal Bond Rate:	
2023	4.05 percent
2022	1.84 percent
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
2023	5.22 percent
2022	6.00 percent
2021	6.00 percent
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
Health Care Cost Trend Rate:	
2023	5.5 percent, initial
	3.5 percent, ultimate in 2036
2022	5.5 percent, initial
	3.5 percent, ultimate in 2034
2021	8.5 percent, initial
	3.5 percent, ultimate in 2035
2020	10.5 percent, initial
	3.5 percent, ultimate in 2030
2019	10.0 percent, initial
	3.25 percent, ultimate in 2029
2018	7.5 percent, initial
	3.25 percent, ultimate in 2028

Changes in Benefit Terms – OPERS OPEB

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in 2021.

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Stark-Tuscarawas-Wayne Joint Solid Waste Management District
Tuscarawas County
9918 Wilkshire Boulevard, NE
Bolivar, Ohio 44612

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, the financial statements of the Stark-Tuscarawas-Wayne Joint Solid Waste Management District, Tuscarawas County, Ohio, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Stark-Tuscarawas-Wayne Joint Solid Waste Management District's basic financial statements, and have issued our report thereon dated May 23, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Stark-Tuscarawas-Wayne Joint Solid Waste Management 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 Stark-Tuscarawas-Wayne Joint Solid Waste Management District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Stark-Tuscarawas-Wayne Joint Solid Waste Management 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 Stark-Tuscarawas-Wayne Joint Solid Waste Management 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 Stark-Tuscarawas-Wayne Joint Solid Waste Management 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 Stark-Tuscarawas-Wayne Joint Solid Waste Management 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 Stark-Tuscarawas-Wayne Joint Solid Waste Management District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Julian & Grube, Inc.

Julian & Grube, Inc.
May 23, 2024

OHIO AUDITOR OF STATE
KEITH FABER

STARK-TUSCARAWAS-WAYNE JOINT SOLID WASTE MANAGEMENT DISTRICT

TUSCARAWAS 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 7/11/2024

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