



**FOUR COUNTY SOLID WASTE DISTRICT  
DEFIANCE COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2022-2021**



**FOUR COUNTY SOLID WASTE DISTRICT  
DEFIANCE COUNTY**

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**FOUR COUNTY SOLID WASTE DISTRICT  
DEFIANCE COUNTY**

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**INDEPENDENT AUDITOR'S REPORT**

Four County Solid Waste District  
Defiance County  
500 Court Street, Suite E  
Defiance, 43512-2171

To the Board of Directors:

***Report on the Audit of the Financial Statements***

***Opinions***

We have audited the cash-basis financial statements of the governmental activities and the major fund of Four County Solid Waste District, Defiance County, Ohio (the District), as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities and the major fund of the District, as of December 31, 2022 and 2021, and the respective changes in cash-basis financial position thereof and the budgetary comparison for the General Fund for the years then ended in accordance with the cash-basis of accounting described in Note 1.

***Basis for Opinions***

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

***Emphasis of Matter - Accounting Basis***

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

***Other Information***

We applied no procedures to management's discussion & analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on it.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2023, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

December 4, 2023

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Four County Solid Waste District  
Defiance County  
Management's Discussion and Analysis  
For the Year Ended December 31, 2022

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This discussion and analysis of Four County Solid Waste District, Defiance County, Ohio's (the District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2022, within the limitations of the District's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

### **Highlights**

Key highlights for 2022 are as follows:

- The District's program receipts are primarily charges for services for tipping and contract fees. These receipts represent 95.38 percent of the total cash received for governmental activities during the year.
- All activities of the District remained consistent in 2022 as compared to prior years.

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

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the District's cash basis of accounting.

#### **Report Components**

The statement of net position and the statement of activities provide information about the cash activities of the District as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

#### **Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Four County Solid Waste District  
Defiance County  
Management's Discussion and Analysis  
For the Year Ended December 31, 2022

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**Reporting the District as a Whole**

This annual report includes all activities for which the District is fiscally responsible. These activities, defined as the District's reporting entity, are operated within separate legal entities that make up the primary government. The primary government consists of the Four County Solid Waste District.

The statement of net position and the statement of activities reflect how the District did financially during 2022, within the limitations of cash basis accounting. The statement of net position presents the cash balances and investments of the governmental activities of the District at year-end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the District's general receipts.

These statements report the District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the District's financial health. Over time, increases or decreases in the District's cash position is one indicator of whether the District's financial health is improving or deteriorating. When evaluating the District's financial condition, you should also consider other nonfinancial factors as well such as the condition of the District's capital assets and infrastructure, and the reliance on non-local financial resources for operations.

In the statement of net position and the statement of activities, we report governmental activities which include all of the District's basic services and are reported here. Tipping and contract fees finance most of these activities.

**Reporting the District's Most Significant Funds**

Fund financial statements provide detailed information about the General Fund, which is the only fund of the District. The General Fund of the District is classified in governmental funds.

The governmental fund financial statements provide a detailed view of the District's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the District's programs. The programs reported in governmental funds are the same as those reported in the governmental activities section of the entity-wide statements.

**The District as a Whole**

Table 1 provides a summary of the District's net assets for 2022 compared to 2021 on a cash basis:

Four County Solid Waste District  
Defiance County  
Management's Discussion and Analysis  
For the Year Ended December 31, 2022

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(Table 1)  
**Net Position**

	Governmental Activities		Variance
	2022	2021	
<b>Assets</b>			
Cash and Cash Equivalents	\$ 1,284,343	\$ 1,273,115	\$ 11,228
<b>Net Position</b>			
Unrestricted	\$ 1,284,343	\$ 1,273,115	\$ 11,228

As mentioned previously, net position of governmental activities increased \$11,228 or 0.88 percent during 2022. The primary reason for the increase is overall receipts exceeded overall disbursements.

Table 2 reflects the changes in net assets from 2022 to 2021.

(Table 2)  
**Changes in Net Position**

	Governmental Activities 2022	Governmental Activities 2021	Variance
	Receipts:		
Program Receipts:			
Charges for Services and Sales	\$ 572,962	\$ 630,538	\$ (57,576)
Capital Grants and Contributions	12,927		\$12,927
Total Program Receipts	585,889	630,538	(44,649)
General Receipts:			
Interest	14,818	6,808	8,010
Total General Receipts	14,818	6,808	8,010
Total Receipts	600,707	637,346	(36,639)
Disbursements:			
General Government	26,552	40,846	(14,294)
Conservation	562,927	400,000	162,927
Total Disbursements	589,479	440,846	148,633
Net Position at beginning of year	1,273,115	1,076,615	196,500
Net Position at end of year	\$ 1,284,343	\$ 1,273,115	\$ 11,228

Program receipts represent 97.53 percent of total receipts and are comprised of tipping and contract fees and grant revenue. Program Receipts decreased by \$44,649 (-7.08%) due to a decrease in tipping and contract fee revenue.

General receipts represent 2.47 percent of the District's total receipts. They increased \$8,010 (117.66%) due to higher interest earnings in 2022.

Disbursements for general government represent the overhead costs of running the District and the support services provided for the other government activities. These include administration costs and local program cost allocations.

Four County Solid Waste District  
Defiance County  
Management's Discussion and Analysis  
For the Year Ended December 31, 2022

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Conservation disbursements represent the monies disbursed to other local governments to run recycling programs and other waste management services and Ohio EPA grant funds passed through to eligible participants.

**Governmental Activities**

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the District. The next column identifies the costs of providing these services. The major program disbursement for governmental activities is conservation, which accounts for 95.50 percent of all governmental disbursements. General government represents the remaining disbursements. The next two columns of the Statement entitled Program Receipts identify amounts received for Charges for Services and Grants and Contributions. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

**Governmental Activities**

	Total Cost Of Services 2022	Net Cost of Services 2022	Total Cost Of Services 2021	Net Cost of Services 2021
General Government	\$ 26,552	\$ (146,410)	\$ 40,486	\$ (189,862)
Conservation	562,927	150,000	400,000	
<b>Total Expenses</b>	<b>\$ 589,479</b>	<b>\$ 3,590</b>	<b>\$ 440,486</b>	<b>\$ (189,862)</b>

The dependence on Tipping and Contract Fees is apparent as all Governmental activities are supported through these program receipts.

**The District's Funds**

Total governmental funds had receipts of \$600,707 and disbursements of \$589,479. The fund balance of the General Fund increased \$11,228.

General Fund receipts exceeded disbursements by \$11,228.

**General Fund Budgeting Highlights**

The District's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The District has only one fund, the General Fund.

Budgeted receipts exceeded actual receipts due to a state grant that was not received as anticipated.

Final disbursements were budgeted at \$746,097 while actual disbursements were \$591,315. The difference is attributed to the District's conservative method in budgeting funds.

Four County Solid Waste District  
Defiance County  
Management's Discussion and Analysis  
For the Year Ended December 31, 2022

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**Capital Assets and Debt Administration**

Capital Assets

The District does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements.

Debt

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

**Current Issues**

The challenge for all Governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. The District relies heavily on tipping and contract fees.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, investors, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Vickie L. Grimm, Williams County Auditor, One Courthouse Square, Bryan, Ohio 43506.

FOUR COUNTY SOLID WASTE DISTRICT  
DEFIANCE COUNTY

STATEMENT OF NET POSITION - CASH BASIS  
DECEMBER 31, 2022

	<u>Governmental Activities</u>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents	<u>\$ 1,284,343</u>
<b>Net Position:</b>	
Unrestricted	<u><u>\$ 1,284,343</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FOUR COUNTY SOLID WASTE DISTRICT  
DEFIANCE COUNTY**

STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022

	Cash Disbursements	Program Receipts		Net (Disbursements) Receipts and Changes in Net Position Governmental Activities
		Charges for Services and Sales	Capital Grants and Contributions	
<b>Governmental Activities:</b>				
General Government	\$ 26,552	\$ 172,962		\$ 146,410
Conservation	562,927	400,000	\$ 12,927	(150,000)
<i>Total Governmental Activities</i>	\$ 589,479	\$ 572,962	\$ 12,927	(3,590)
		<b>General Receipts:</b>		
		Interest		14,818
		<i>Change in Net Position</i>		11,228
		Net Position, January 1		1,273,115
		<i>Net Position, December 31</i>		\$ 1,284,343

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FOUR COUNTY SOLID WASTE DISTRICT  
DEFIANCE COUNTY**

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCE  
GENERAL FUND  
DECEMBER 31, 2022

	<u>General</u>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents	<u>\$ 1,284,343</u>
<b>Fund Balances:</b>	
Assigned	1,836
Unrestricted	<u>1,282,507</u>
Total Fund Balance	<u>\$ 1,284,343</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**FOUR COUNTY SOLID WASTE DISTRICT  
DEFIANCE COUNTY**

STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCE - CASH BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022

		General
<b>Cash Receipts:</b>		
Tipping Fees	\$	300,088
Intergovernmental		12,927
Investment Income		14,818
Contract Fees		272,874
<i>Total Cash Receipts</i>		600,707
 <b>Cash Disbursements:</b>		
Current:		
General government		26,552
Conservation		562,927
<i>Total Cash Disbursements</i>		589,479
 <i>Net Change in Fund Balance</i>		11,228
 Fund Cash Balance, January 1		1,273,115
 <i>Fund Cash Balance, December 31</i>	\$	1,284,343

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FOUR COUNTY SOLID WASTE DISTRICT  
DEFIANCE COUNTY**

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts:</b>				
Charge for Services	\$ 265,104	\$ 265,104	\$ 300,088	\$ 34,984
Intergovernmental	350,000	12,927	12,927	
Investment Income	3,920	3,920	14,818	10,898
Contract Fees	260,053	260,053	272,874	12,821
<i>Total Receipts</i>	<u>879,077</u>	<u>542,004</u>	<u>600,707</u>	<u>58,703</u>
<b>Disbursements:</b>				
Current:				
General government:	46,097	46,097	28,388	17,709
Conservation	900,000	700,000	562,927	137,073
<i>Total Disbursements</i>	<u>946,097</u>	<u>746,097</u>	<u>591,315</u>	<u>154,782</u>
<i>Net Change in Fund Balance</i>	<u>(67,020)</u>	<u>(204,093)</u>	<u>9,392</u>	<u>213,485</u>
Fund Cash Balance, January 1	971,718	971,718	971,718	
Prior Year Encumbrances Appropriated	301,397	301,397	301,397	
<i>Fund Cash Balance, December 31</i>	<u>\$ 1,206,095</u>	<u>\$ 1,069,022</u>	<u>\$ 1,282,507</u>	<u>\$ 213,485</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FOUR COUNTY SOLID WASTE DISTRICT  
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Four County Solid Waste District, Defiance 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 created under Chapter 343 and 3734.52 and 3734.57 of the Ohio Revised Code. The District is directed by a twelve member Board of Directors comprised of three County Commissioners of Defiance, Fulton, Paulding, and Williams Counties. The District is required to have a plan to manage waste that is generated within the District in an environmentally protective way. The Plan details waste disposal facilities, recycling opportunities, and other waste management services through the funding of grants to the District's Counties.

A reporting entity is comprised of the primary government, component units and other organizations included ensuring that the basic financial statements are not misleading.

*Public Entity Risk Pool*

The District participate in a public entity risk pool. Note 3 to the financial statements provides additional information for these entities. The District's management believes these financial statements present all activities for which the District is financially accountable.

**B. Fund Accounting**

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are grouped into the governmental category.

Governmental funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Cash disbursements are assigned to the fund from which they are paid. The difference between governmental fund assets and cash disbursements is reported as fund balance.

The General Fund reports all financial resources except those required to be accounted for in another fund. The General fund balance is available for any purpose provided it is disbursed or transferred according to Ohio law.

**C. Basis of Presentation**

The District has implemented the provisions of Governmental Auditing Standards Board (GASB) Number 34 for financial reporting on a cash basis, which is a basis of accounting other than accounting principles generally accepted in the United State of America. The District's basic financial statements consist of government-wide statements, including a statement of net cash assets and a statement of activities, and the fund statements that provide a more detailed level of financial information.

**FOUR COUNTY SOLID WASTE DISTRICT  
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**D. Government – wide Financial Statements**

The statement of net cash assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government.

The statement of net position – cash basis presents the cash basis financial condition of governmental activities of the District at year end. The statement of activities – cash basis presents a comparison between direct cash disbursements and program cash receipts for each program or function of the District’s governmental activities. Direct cash disbursements are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program cash receipts include charges paid by the recipients of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Cash receipts which are not classified as program cash receipts are presented as general cash receipts of the District. The comparison of direct cash disbursements with program cash receipts identifies the extent to which each governmental function is self – financing or draws from the general cash receipts of the District.

**E. Basis of Accounting**

These financial statements follow the cash basis of accounting. Under the cash basis the District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, in accordance with the basis of accounting described in the preceding paragraph.

**F. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control, and appropriations may not exceed estimated resources. The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

**3. Encumbrances**

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

**FOUR COUNTY SOLID WASTE DISTRICT  
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**G. Cash and Investments**

In accordance with Ohio Revised Code, the Williams County Treasurer is custodian for the District's monies. The District's cash and investments are held in the County's cash and investment pool, and are valued at the Treasurer's reported carrying amount.

**H. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**1. Nonspendable**

The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**2. Restricted**

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**3. Committed**

The Board of Directors can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**4. Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Board or a District official delegated that authority by resolution, or by State Statute.

**5. Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**FOUR COUNTY SOLID WASTE DISTRICT  
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**I. Property, Plant, and Equipment**

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**J. Inventory and Prepaid Items**

On the cash basis of accounting, inventories of supplies items are reported as disbursements when purchased.

**L. Net Position**

The statements report restricted net position when enabling legislation or creditors, grantors or laws or regulations of other governments have imposed limitations on their use.

The District first applies restricted resources when incurring a disbursement for which it may use either restricted or unrestricted resources.

**2. BUDGETARY BASIS OF ACCOUNTING**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, cash disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$1,836 for the general fund.

**3. RISK MANAGEMENT**

**Risk Pool Membership**

The District belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the Plan), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments (Members). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remain unchanged. OPRM had 773 members as of December 31, 2022.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2022.

**FOUR COUNTY SOLID WASTE DISTRICT  
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

Assets	\$ 21,662,291
Liabilities	(18,158,351)
Members' Equity	\$ 3,503,940

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

Four County Solid Waste District  
Defiance County  
Management's Discussion and Analysis  
For the Year Ended December 31, 2021

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This discussion and analysis of Four County Solid Waste District, Defiance County, Ohio's (the District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2021, within the limitations of the District's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

### **Highlights**

Key highlights for 2021 are as follows:

- Net position of governmental activities increased \$196,500, or 18.25 percent.
- The District's program receipts are primarily charges for services for tipping and contract fees. These receipts represent 98.93 percent of the total cash received for governmental activities during the year.
- All activities of the District remained consistent in 2021 as compared to prior years.

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

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the District's cash basis of accounting.

#### **Report Components**

The statement of net position and the statement of activities provide information about the cash activities of the District as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

#### **Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.



Four County Solid Waste District  
Defiance County  
Management's Discussion and Analysis  
For the Year Ended December 31, 2021

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**Reporting the District as a Whole**

This annual report includes all activities for which the District is fiscally responsible. These activities, defined as the District's reporting entity, are operated within separate legal entities that make up the primary government. The primary government consists of the Four County Solid Waste District.

The statement of net position and the statement of activities reflect how the District did financially during 2021, within the limitations of cash basis accounting. The statement of net position presents the cash balances and investments of the governmental activities of the District at year-end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the District's general receipts.

These statements report the District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the District's financial health. Over time, increases or decreases in the District's cash position is one indicator of whether the District's financial health is improving or deteriorating. When evaluating the District's financial condition, you should also consider other nonfinancial factors as well such as the condition of the District's capital assets and infrastructure, and the reliance on non-local financial resources for operations.

In the statement of net position and the statement of activities, we report governmental activities which include all of the District's basic services and are reported here. Tipping and contract fees finance most of these activities.

**Reporting the District's Most Significant Funds**

Fund financial statements provide detailed information about the General Fund, which is the only fund of the District. The General Fund of the District is classified in governmental funds.

The governmental fund financial statements provide a detailed view of the District's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the District's programs. The programs reported in governmental funds are the same as those reported in the governmental activities section of the entity-wide statements.

**The District as a Whole**

Table 1 provides a summary of the District's net assets for 2021 compared to 2020 on a cash basis:  
(Table 1)

**Net Position**

	Governmental Activities		
	2021	2020	Variance
<b>Assets</b>			
Cash and Cash Equivalents	\$ 1,273,115	\$ 1,076,615	\$ 196,500
<b>Net Position</b>			
Unrestricted	\$ 1,273,115	\$ 1,076,615	\$ 196,500

Four County Solid Waste District  
Defiance County  
Management's Discussion and Analysis  
For the Year Ended December 31, 2021

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As mentioned previously, net position of governmental activities increased \$196,500 or 18.25 percent during 2021. The primary reason contributing to the increase is a rise in contract and tipping fee receipts.

Table 2 reflects the changes in net assets from 2021 to 2020.

(Table 2)  
**Changes in Net Position**

	Governmental Activities 2021	Governmental Activities 2020	Variance
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$ 630,538	\$ 484,652	\$ 145,886
Total Program Receipts	<u>630,538</u>	<u>484,652</u>	<u>145,886</u>
General Receipts:			
Interest	6,808	11,700	(4,892)
Total General Receipts	<u>6,808</u>	<u>11,700</u>	<u>(4,892)</u>
Total Receipts	<u>637,346</u>	<u>496,352</u>	<u>140,994</u>
Disbursements:			
General Government	40,846	29,291	11,555
Conservation	400,000	400,000	
Total Disbursements	<u>440,846</u>	<u>429,291</u>	<u>11,555</u>
Net Position at beginning of year	<u>1,076,615</u>	<u>1,009,554</u>	<u>67,061</u>
Net Position at end of year	<u>\$ 1,273,115</u>	<u>\$ 1,076,615</u>	<u>\$ 196,500</u>

Program receipts represent 98.93 percent of total receipts and are comprised of tipping and contract fees. Program Receipts increased by \$145,886 (30.10%) due to an increase in tipping and contract fee revenue.

General receipts represent 1.07 percent of the District's total receipts. They decreased \$4,892 (41.81%) due to lower interest earnings in 2021. Additionally, a portion of interest received in 2020 (\$2,887) is attributed to a recalculation of 2019 interest that would have been received in 2019.

Disbursements for general government represent the overhead costs of running the District and the support services provided for the other government activities. These include administration costs and local program cost allocations.

Conservation disbursements represent the monies disbursed to other local governments to run recycling programs and other waste management services.

**Governmental Activities**

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the District. The next column identifies the costs of providing these services. The major program disbursement for governmental activities is conservation, which accounts for 90.73 percent of all governmental disbursements. General government represents the remaining disbursements. The next Column of the Statement entitled Program Receipts identifies amounts received for charges for Services. A comparison between the total cost of services and the net cost is presented in Table 3.

Four County Solid Waste District  
Defiance County  
Management's Discussion and Analysis  
For the Year Ended December 31, 2021

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(Table 3)  
**Governmental Activities**

	Total Cost Of Services 2021	Net Cost of Services 2021	Total Cost Of Services 2020	Net Cost of Services 2020
General Government	\$ 40,846	\$ (189,692)	\$ 29,291	\$ (55,361)
Conservation	400,000		400,000	
<b>Total Expenses</b>	<b>\$ 440,846</b>	<b>\$ (189,692)</b>	<b>\$ 429,291</b>	<b>\$ (55,361)</b>

The dependence on Tipping and Contract Fees is apparent as all Governmental activities are supported through these program receipts.

**The District's Funds**

Total governmental funds had receipts of \$637,346 and disbursements of \$440,846. The fund balance of the General Fund increased \$196,500.

General Fund receipts exceeded disbursements by \$196,500.

**General Fund Budgeting Highlights**

The District's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The District has only one fund, the General Fund.

Budgeted receipts exceeded actual receipts due to a state grant that was not received as anticipated.

Final disbursements were budgeted at \$768,625 while actual disbursements were \$742,243. The difference is attributed to the District's conservative method in budgeting funds.

**Capital Assets and Debt Administration**

**Capital Assets**

The District does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements.

**Debt**

At December 31, 2021, the District had no outstanding debt.

**Current Issues**

The challenge for all Governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. The District relies heavily on tipping and contract fees.

Four County Solid Waste District  
Defiance County  
Management's Discussion and Analysis  
For the Year Ended December 31, 2021

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**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, investors, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Vickie L. Grimm, Williams County Auditor, One Courthouse Square, Bryan, Ohio 43506.

**FOUR COUNTY SOLID WASTE DISTRICT  
DEFIANCE COUNTY**

STATEMENT OF NET POSITION - CASH BASIS  
DECEMBER 31, 2021

	<u>Governmental Activities</u>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents	\$ <u>1,273,115</u>
<b>Net Position:</b>	
Unrestricted	\$ <u><u>1,273,115</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FOUR COUNTY SOLID WASTE DISTRICT  
DEFIANCE COUNTY**

STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Cash Disbursements	Program Receipts Charges for Services and Sales	Net (Disbursements) Receipts and Changes in Net Position Governmental Activities
<b>Governmental Activities:</b>			
General Government	\$ 40,846	\$ 230,538	\$ 189,692
Conservation	400,000	400,000	
<i>Total Governmental Activities</i>	\$ 440,846	\$ 630,538	189,692
		<b>General Receipts:</b>	
		Interest	6,808
		<i>Change in Net Position</i>	196,500
		Net Position, January 1	1,076,615
		<i>Net Position, December 31</i>	\$ 1,273,115

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FOUR COUNTY SOLID WASTE DISTRICT  
DEFIANCE COUNTY**

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCE  
GENERAL FUND  
DECEMBER 31, 2021

	<u>General</u>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents	\$ 1,273,115
<b>Fund Balance:</b>	
Assigned	301,397
Unrestricted	<u>971,718</u>
Total Fund Balance	<u>\$ 1,273,115</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FOUR COUNTY SOLID WASTE DISTRICT  
DEFIANCE COUNTY**

STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCE - CASH BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021

		General
<b>Cash Receipts:</b>		
Tipping Fees	\$	332,153
Investment Income		6,808
Contract Fees		298,385
<i>Total Cash Receipts</i>		637,346
 <b>Cash Disbursements:</b>		
Current:		
General government		40,846
Conservation		400,000
<i>Total Cash Disbursements</i>		440,846
<i>Net Change in Fund Balance</i>		196,500
Fund Cash Balance, January 1		1,076,615
<i>Fund Cash Balance, December 31</i>	\$	1,273,115

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**FOUR COUNTY SOLID WASTE DISTRICT  
DEFIANCE COUNTY**

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts:</b>				
Charge for Services	\$ 271,949	\$ 271,949	\$ 332,153	\$ 60,204
Intergovernmental	150,000	150,000		(150,000)
Investment Income	5,078	5,078	6,808	1,730
Contract Fees	274,338	274,338	298,385	24,047
<i>Total Receipts</i>	<u>701,365</u>	<u>701,365</u>	<u>637,346</u>	<u>(64,019)</u>
<b>Disbursements:</b>				
Current:				
General government:	68,625	68,625	42,243	26,382
Conservation	700,000	700,000	700,000	
<i>Total Disbursements</i>	<u>768,625</u>	<u>768,625</u>	<u>742,243</u>	<u>26,382</u>
<i>Net Change in Fund Balance</i>	<u>(67,260)</u>	<u>(67,260)</u>	<u>(104,897)</u>	<u>(37,637)</u>
Fund Cash Balance, January 1	770,890	770,890	770,890	
Prior Year Encumbrances Appropriated	305,725	305,725	305,725	
<i>Fund Cash Balance, December 31</i>	<u>\$ 1,009,355</u>	<u>\$ 1,009,355</u>	<u>\$ 971,718</u>	<u>\$ (37,637)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FOUR COUNTY SOLID WASTE DISTRICT  
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS FOR  
THE YEAR ENDED DECEMBER 31, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Four County Solid Waste District, Defiance 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 created under Chapter 343 and 3734.52 and 3734.57 of the Ohio Revised Code. The District is directed by a twelve member Board of Directors comprised of three County Commissioners of Defiance, Fulton, Paulding, and Williams Counties. The District is required to have a plan to manage waste that is generated within the District in an environmentally protective way. The Plan details waste disposal facilities, recycling opportunities, and other waste management services through the funding of grants to the District's Counties.

A reporting entity is comprised of the primary government, component units and other organizations included ensuring that the basic financial statements are not misleading.

*Public Entity Risk Pool*

The District participate in a public entity risk pool. Note 3 to the financial statements provides additional information for these entities. The District's management believes these financial statements present all activities for which the District is financially accountable.

**B. Fund Accounting**

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are grouped into the governmental category.

Governmental funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Cash disbursements are assigned to the fund from which they are paid. The difference between governmental fund assets and cash disbursements is reported as fund balance.

The General Fund reports all financial resources except those required to be accounted for in another fund. The General fund balance is available for any purpose provided it is disbursed or transferred according to Ohio law.

**C. Basis of Presentation**

The District has implemented the provisions of Governmental Auditing Standards Board (GASB) Number 34 for financial reporting on a cash basis, which is a basis of accounting other than accounting principles generally accepted in the United State of America. The District's basic financial statements consist of government-wide statements, including a statement of net cash assets and a statement of activities, and the fund statements that provide a more detailed level of financial information.

**FOUR COUNTY SOLID WASTE DISTRICT  
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**D. Government – wide Financial Statements**

The statement of net cash assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government.

The statement of net position – cash basis presents the cash basis financial condition of governmental activities of the District at year end. The statement of activities – cash basis presents a comparison between direct cash disbursements and program cash receipts for each program or function of the District's governmental activities. Direct cash disbursements are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program cash receipts include charges paid by the recipients of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Cash receipts which are not classified as program cash receipts are presented as general cash receipts of the District. The comparison of direct cash disbursements with program cash receipts identifies the extent to which each governmental function is self – financing or draws from the general cash receipts of the District.

**E. Basis of Accounting**

These financial statements follow the cash basis of accounting. Under the cash basis the District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, in accordance with the basis of accounting described in the preceding paragraph.

**F. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control, and appropriations may not exceed estimated resources. The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

**3. Encumbrances**

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

**FOUR COUNTY SOLID WASTE DISTRICT  
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**G. Cash and Investments**

In accordance with Ohio Revised Code, the Williams County Treasurer is custodian for the District's monies. The District's cash and investments are held in the County's cash and investment pool, and are valued at the Treasurer's reported carrying amount.

**H. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**1. Nonspendable**

The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**2. Restricted**

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**3. Committed**

The Board of Directors can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**4. Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Board or a District official delegated that authority by resolution, or by State Statute.

**5. Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**FOUR COUNTY SOLID WASTE DISTRICT  
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**I. Property, Plant, and Equipment**

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**J. Inventory and Prepaid Items**

On the cash basis of accounting, inventories of supplies items are reported as disbursements when purchased.

**L. Net Position**

The statements report restricted net position when enabling legislation or creditors, grantors or laws or regulations of other governments have imposed limitations on their use.

The District first applies restricted resources when incurring a disbursement for which it may use either restricted or unrestricted resources.

**2. BUDGETARY BASIS OF ACCOUNTING**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, cash disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$301,397 for the general fund.

**3. RISK MANAGEMENT**

**Risk Pool Membership**

The District belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the Plan), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments (Members). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2010 (through October 31, 2017), the corridor is for losses paid is between 60% and 70% of casualty premiums earned in the first \$250,000. Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and remain unchanged effective November 1, 2021 and November 1, 2020. OPRM had 769 members as of December 31, 2021.

**FOUR COUNTY SOLID WASTE DISTRICT  
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2021.

Assets	\$ 21,777,439
Liabilities	( 15,037,383)
Members' Equity	\$ 6,740,056

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
(800) 282-0370

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

Four County Solid Waste District  
Defiance County  
500 Court Street, Suite E  
Defiance, Ohio 43512-2171

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 the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the cash-basis financial statements of the governmental activities and the major fund of Four County Solid Waste District, Defiance County, Ohio, (the District) as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 4, 2023, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles.

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

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

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

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

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

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

***Purpose of This Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

December 4, 2023



# OHIO AUDITOR OF STATE KEITH FABER



**FOUR COUNTY SOLID WASTE DISTRICT**

**DEFIANCE 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 12/21/2023**

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

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